Welcome

Hello. My name is Jim Lawson. I have extensive experience as a DoD Governmentwide Commercial Purchase Card (GPC) Cardholder, Approving/Billing Official (A/BO), and Certifying Officer. I will be your mentor for the CLG0010 DoD Governmentwide Commercial Purchase Card Overview module.

I have three tasks:

• Help you transition between concepts.
• Introduce you to training scenarios.
• Act as a virtual guide when necessary.

This DoD GPC Overview module applies to all DoD SmartPay® 3 GPC programs, regardless of whether the cards use appropriated funds or non-appropriated funds (NAF).

Let's get started by taking a look at the module objective and organization.
Module Lessons

The objective of this module is to learn how to make and process GPC transactions in accordance with applicable laws, regulations, and policies.

This module consists of seven lessons:

- Lesson 1—DoD Governmentwide Commercial Purchase Card Overview
- Lesson 2—Oversight Systems and Account Information
- Lesson 3—Controls and Procedures
- Lesson 4—Documentation, Record Retention, and Other Processes
- Lesson 5—Additional GPC Authorized Uses
- Lesson 6—GPC Challenges and Resolutions
- Lesson 7—GPC Additional Issues
## Training Requirements

This course is intended for use by all DoD Components executing transactions under the terms of the Army, Air Force, Defense Agencies and Activities, and Navy GPC SmartPay® 3 Tailored Task Orders. The DoD GPC Basic and Refresher Training is:

<table>
<thead>
<tr>
<th>Participant</th>
<th>Mandatory</th>
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<tbody>
<tr>
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<td>Oversight Agency/Organization Program Coordinators (OA/OPCs)</td>
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#### Long Description

Table identifying the participants and their requirements for taking the module. The requirements are Mandatory, Highly Recommended, and Recommended.

Those participants for whom the training is mandatory include: Component Program Managers (CPMs), Oversight Agency/Organization Program Coordinators (OA/OPCs), Primary/Alternate A/OPCs, Primary/Alternative Approving Billing Officials (A/BOs), Cardholders (CHs) and Convenience Check Writers, and Certifying Officers.

Those participants for whom the training is highly recommended include: Supervisors of Primary/Alternate OA/OPCs and A/OPCs, Supervisors of Primary/Alternate A/BOs, Supervisors of CHs and Convenience Check Writers, and Supervisors of Certifying Officers.

Those participants for whom the training is recommended include: Comptrollers, Resource Managers (RMs) or Budget Officials supporting GPC accounts, Supervisors of CPMs, and Heads of Activity (HAs).
### Training Requirements

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#### A/OPC

For the purposes of this course, the term "A/OPC" refers to the GPC Program official with responsibility for day-to-day management and oversight of CH and Managing Accounts. The term "OA/OPC" refers to an A/OPC with responsibility for managing/overseeing other A/OPCs.

| Supervisors of Certifying Officers                                       | X         |                    |             |
| Comptrollers                                                             |           |                    |             |
| Resource Managers (RMs) or Budget Officials supporting GPC accounts     | X         |                    |             |
| Supervisors of CPMs                                                      | X         |                    |             |
| Heads of Activity (HAs)                                                  | X         |                    |             |
Refresher Training

Refresher training in GPC processes and policies is mandatory once every two years from the date of the original Basic Training completion by GPC Program officials, in order to continue in their GPC roles.

If the GPC role has not been delegated or appointed within six months of the individual’s Basic Training completion date, then the individual is required to retake the training course as a refresher prior to delegation or appointment. Thereafter, the refresher training date will commence two years after the latest date of training.

A/OPCs will ensure that completion of the refresher training requirements is part of their monthly review, to include the Primary and Alternate A/OPCs, A/BOs, CHs, Check Writers, and HAs under their cognizance.
Why is This Training Important?

Before you begin the module, I'd like to emphasize why this training is important to you.

This training is designed to provide GPC Program officials with fundamental information. It leads you through the laws, regulations, and policies governing the GPC Program and the importance of each GPC role. In addition to the basics, other authorized uses, restrictions, and laws governing misuse, abuse, and fraud are also explained.

As a GPC Program official, it is critical for you to accurately and efficiently perform your tasks to protect both yourself and the interests of the Government and to reduce Government costs.

This training includes event-based situations with problems that are both real and potential scenarios, as well as expertise and best practices from DoD subject-matter experts. Take your time; the module is self-paced.
Congratulations! You have completed this lesson.

If the Next button is active please proceed, if not close this window.
Jim: Hello again. Remember me? I am here to help you progress through the lesson and share my experience as a DoD Governmentwide Commercial Purchase Card (GPC) Cardholder, Approving/Billing Official (A/BO), and Certifying Officer.

Susan: Hi. I'm Susan. I'll be taking the module with you. Jim has asked that you and I work together as we go through the module, so I may be asking a few questions from time to time.

Jim: Now that we've all been introduced, let's take a quick look at the lesson objectives.
Lesson Objectives

The learning objective for this lesson is:

- Recognize the Governmentwide Commercial Purchase Card Program.

Upon completion, you should be able to:

- Identify the business model for the Governmentwide Commercial Purchase Card Program.
- Identify the uses of Government purchase cards that are authorized by the Governmentwide Purchase Card Program.
- Recognize the governing process flow of the Governmentwide Commercial Purchase Card Program.
- Identify the key roles and responsibilities of various officials in the Governmentwide Commercial Purchase Card Program.
So Where Do We Start?

**Susan:** Okay, Jim, so where do we start?

**Jim:** Well, this lesson covers a broad amount of material. It addresses the GPC Program business model, key terms and concepts, authorized uses, processes, and various individuals' roles and responsibilities.

**Susan:** Hold on...that's a lot to remember.

**Jim:** I know, but no need to worry. We will take it a step at a time.

First things first. It's important to have a solid understanding of the key terms and concepts that are relative to the GPC. So let's start there.

**Susan:** Key terms and concepts...that makes sense to me...
Key Concepts and Terms

The key terms and concepts of the GPC Program are divided into three areas or topics:

- Concepts/terms
- Individuals involved in the GPC Program
- Account payment models
Concepts/Terms

Concepts and terms to know are related to DoD Components, hierarchies, separation of duties, and Managing Accounts.

Select each tab to learn more.

DoD Components  Hierarchies  Separation of Duties  Managing Accounts

The term **DoD Components** is used throughout the GPC Program. DoD Components include:

- The Office of the Secretary of Defense (OSD)
- Chairman, Joint Chiefs of Staff and the Joint Staff
- DoD Inspector General
- Military Departments, including the Coast Guard when assigned to the Department of the Navy
- Defense Agencies
- DoD Field Activities
- Combatant Commands
- Uniformed Services University of the Health Sciences
- All non-appropriated-fund instrumentalities
Concepts/Terms

Concepts and terms to know are related to DoD Components, hierarchies, separation of duties, and Managing Accounts.

Select each tab to learn more.

| DoD Components | Hierarchies | Separation of Duties | Managing Accounts |

The DoD GPC Program is structured to follow the procurement authority necessary in the Program. The various authorities within the Program are referred to as "levels" and represent all the groups of GPC participants based on the level of their authority, with the Cardholder (CH) at the base of the structure and the DoD GPC Program Management Office (PMO) at the top.

This structure, or hierarchy of authority, serves for the efficient flow of information and guidance to all participants. This lesson will identify the overall structure and provide the roles and responsibilities inherent in each level.
Concepts/Terms

Concepts and terms to know are related to DoD Components, hierarchies, separation of duties, and Managing Accounts.

Select each tab to learn more.

- DoD Components
- Hierarchies
- Separation of Duties
- Managing Accounts

The DoD GPC Program is structured to follow the procurement authority necessary in the Program. The various authorities are represented as "levels" and represented in the structure of the pyramid below the Cardholder (CH) level. The pyramid is supported by RMs, including the Cardholder (CH), the Cardholder Officer (CO), and the Cardholder Officer (CO) Officer (OC). The levels of the pyramid are:

- DoD GPC PMO
- CPMs
- OA/OPCs
- A/OPCs
- A/BOs
- Certifying Officers
- CHs and Check Writers

Pyramid with the text "Supported by RMs, including Component RMs and Oversight RMs" below it. From top to bottom, the levels of the pyramid are:
Concepts/Terms

Concepts and terms to know are related to DoD Components, hierarchies, separation of duties, and Managing Accounts.

Select each tab to learn more.

DoD Components  Hierarchies  Separation of Duties  Managing Accounts

The practice of separation of duties is required to reduce the risk of errors and increase the likelihood that attempts at GPC misuse, abuse, or fraud would be detected.

Key duties include:

- Authorizing, approving, and recording transactions;
- Issuing or receiving assets;
- Making payments;
- Issuing convenience checks;
- Certification of funding; and
- Reviewing or auditing.

Separate individuals shall be assigned these duties to minimize the risk of loss to the Government.

For more information, see: The DoD Financial Management Regulation (DoD FMR)
Concepts/Terms

Concepts and terms to know are related to DoD Components, hierarchies, separation of duties, and Managing Accounts.

Select each tab to learn more.

- **DoD Components**
- **Hierarchies**
- **Separation of Duties**
- **Managing Accounts**

Another term used throughout this module is Managing Account (MA). An MA is the higher-level account under which up to seven CH accounts may be established.

The MA cannot be used to make purchases but instead is used to roll up CH accounts under the A/BO for their review and disbursement processing. The MA Billing Statement (also referred to as the invoice) is the document the Certifying Officer certifies for payment.
Several individuals are involved in and responsible for the execution of the GPC Program.

Select each box to learn more about each individual’s role.

<table>
<thead>
<tr>
<th>DoD GPC PMO</th>
<th>CPM</th>
<th>Delegating/Appointing Authority</th>
<th>OA/OPC</th>
<th>A/OPC</th>
</tr>
</thead>
<tbody>
<tr>
<td>A/BO</td>
<td>Certifying Officer</td>
<td>CH</td>
<td>Resource Manager (RM)</td>
<td>Supervisor</td>
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<tr>
<td>DD577 View-Only (DFAS)</td>
<td>DD577 Appointing Authority</td>
<td>GPC Help Administrator</td>
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</table>
### Note

This page briefly introduces the individuals. Additional information about each individual’s roles and responsibilities is provided later in this lesson.

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Select each box to learn more about each individual's role.

**DoD Government Purchase Card (GPC) Program Management Officer (PMO)**

The Office of Undersecretary of Defense (OUSD)/Acquisition and Sustainment (A&S)/Defense Pricing and Contracting (DPC)/Contracting e-Business (CeB) serves as the DoD GPC PMO. The PMO's primary responsibilities are to manage, oversee, and support the DoD GPC Program and disseminate related policy.
Several individuals are involved in and responsible for the execution of the GPC Program. **Note**

**Select each box to learn more about each individual's role.**

<table>
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<tr>
<th>Box</th>
<th>Role</th>
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<tr>
<td>DoD GPC PMO</td>
<td>Component Program Manager (CPM)</td>
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<tr>
<td>CPM</td>
<td>CPMs are the GPC lead(s) for each Defense Component (Service, Defense Agency/Activity).</td>
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<tr>
<td>Delegating/Annointing</td>
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Individuals

Several individuals are involved in and responsible for the execution of the GPC Program.

Select each box to learn more about each individual's role.

Delegating/Appointing Authority

The Delegating/Appointing Authority is an individual(s) (other than the A/OPC or OA/OPC with delegating authority) who has retained or been delegated authority to electronically sign GPC Delegation of Procurement Authority and GPC Appointment Letters (e.g., the Director of Contracts or Army principal assistant responsible for contracting [PARC]).
Several individuals are involved in and responsible for the execution of the GPC Program.

Select each box to learn more about each individual's role.

**Oversight Agency/Organization Program Coordinator (OA/OPC)**

The OA/OPC is the Primary and Alternate A/OPCs with responsibility for managing/overseeing other A/OPCs.
Several individuals are involved in and responsible for the execution of the GPC Program.

Select each box to learn more about each individual's role.

**Agency/Organization Program Coordinator (A/OPC)**

The A/OPC is the Primary or Alternate individual responsible for day-to-day management and oversight of CH and MAs.
Several individuals are involved in and responsible for the execution of the GPC Program. 

Select each box to learn more about each individual's role.

**Approving/Billing Official (A/BO)**

The A/BO is a GPC Program official responsible for reviewing and approving GPC MA invoices and transaction supporting data for compliance with applicable acquisition policies.

Under Confirm & Pay procedures, the same individual serves as both the Certifying Officer and the A/BO.

Under Pay & Confirm (i.e., USAF), one individual serves as the A/BO, and a different individual serves as the Certifying Officer.
Several individuals are involved in and responsible for the execution of the GPC Program.

**Select each box to learn more about each individual’s role.**

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<td>Certifying Officer</td>
<td>The Certifying Officer is a GPC Program official responsible for reviewing GPC MA invoices in accordance with DoD Financial Management Regulation (DoD FMR) requirements and certifying GPC bank invoices for payment.</td>
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<td>The CH is an individual who has been issued a GPC cardholder account, including carded, cardless, and convenience check accounts.</td>
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**Resource Manager (RM)**

The RM is the individual responsible for providing appropriate GPC account funding, entering associated lines of accounting (LOA) into applicable systems, and working with the A/OPC to establish spending limits tied directly to funding allocated for each MA and CH account.

The Oversight RM is the individual responsible for approving RM access to Procurement Integrated Enterprise Environment (PIEE). The Oversight RM can also perform all RM functions. The Component RM is the Controller/Financial Manager for the Component.
Several individuals are involved in and responsible for the execution of the GPC Program. 

Select each box to learn more about each individual’s role.

**Supervisor**

The Supervisor is responsible for ensuring purchases made with the GPC support the office mission. This role refers to supervisors of GPC Program officials at all levels.
Several individuals are involved in and responsible for the execution of the GPC Program.

Select each box to learn more about each individual's role.

DD577 View-Only (DFAS)

The DD577 View-Only Defense Finance and Accounting Service (DFAS) role is held by individuals in paying offices (e.g., DFAS) who need to view DD Form 577 appointments.
Individuals

Several individuals are involved in and responsible for the execution of the GPC Program.

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<td>DoD577 Appointing Authority</td>
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GPC Help Administrator

The GPC Help Administrator role is held by individuals providing help desk support to GPC Program officials.
Individuals

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Auditor

The GPC auditor role is granted to individuals who require access to PIEE GPC functionality for purposes of reviewing the GPC Program.
Individuals

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Select each box to learn more about each individual’s role.

View-Only Access

The View-Only Access role is granted to individuals requiring view-only access to GPC PIEE data and single sign-on access to GPC systems (e.g., bank Electronic Access System [EAS]).
Account Payment Models

"Confirm and Pay" and "Pay and Confirm" are account payment models associated with the GPC Program.

Select the tabs to learn more about each type of account payment model.

Confirm and Pay  Pay and Confirm

Most DoD GPC accounts are reconciled using the Confirm and Pay model. In this model, the A/BO is dual-hatted as the Certifying Officer.

As the A/BO, this individual is responsible for performing a detailed review of each transaction and its associated supporting documentation to ensure the transaction fulfills a valid Government need and that the CH followed applicable procurement policies and procedures when making the transaction.

As the Certifying Officer, this same individual then validates that adequate and appropriate funds are available for payment prior to certifying the GPC MA Billing Statements for payment.
Account Payment Models

"Confirm and Pay" and "Pay and Confirm" are account payment models associated with the GPC Program.

**Select the tabs to learn more about each type of account payment model.**

- Confirm and Pay
- Pay and Confirm

Only components that have requested and been granted a waiver from the DoD GPC PMO and the OSD Comptroller are authorized to use the Pay and Confirm model.

Pay and confirm procedures (used by the U.S. Air Force) allow for the Financial Management Analysis Officer (also called the Financial Services Officer [FSO] or Super Certifier) to certify payment independently of the statement being approved by the A/BO. The A/BO and Certifying Officer roles are performed by different individuals.

Concurrent with or after certification has occurred, the A/BO is responsible for performing a detailed review of each transaction and its associated supporting documentation to ensure the transaction fulfills a valid Government need and that the CH followed applicable procurement policies and procedures when making the transaction. The A/BO also must ensure that all goods and services received are accepted within 45 days.
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Pay and certification is performed by a Financial Analysis Officer (also called the Financial Services Officer [FSO] or Super Certifier) to certify payment independently of the statement being approved by the A/BO. The A/BO and Certifying Officer roles are performed by different individuals.

Concurrent with or after certification has occurred, the A/BO is responsible for performing a detailed review of each transaction and its associated supporting documentation to ensure the transaction fulfills a valid Government need and that the CH followed applicable procurement policies and procedures when making the transaction. The A/BO also must ensure that all goods and services received are accepted within 45 days.
Key Concepts and Terms Practice

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Susan: Now that I'm familiar with the GPC key terms and concepts and the individuals associated with the GPC, what's next? Using the card?

Jim: Obviously, using the card appropriately is your main concern. However, a general understanding of the intent of card use, its advantages, and its limitations will be helpful as you make purchasing decisions with your card.

Susan: Good point. So, what's next?

Jim: We will look at the business model and characteristics of the GPC Program.
Business Model

A GPC is a card, similar in nature to a commercial credit card, issued to DoD civilian employees and members of the U.S. Armed Forces to acquire and pay for mission-essential purchases. The General Services Administration (GSA) SmartPay® is a Government initiative combining commercially available products and services with unique Government requirements and systems. GSA awards Master Contracts with the card-issuing banks to provide purchase card services through individual Tailored Task Orders (TTOs) for DoD. These arrangements produce several advantages for the GPC CHs.

Select each tab to learn more about the advantages of using the GPC.

- Reduced Costs
- Increased Information
- Quicker Payments
- Earn Refunds

The GPC reduces DoD invoicing costs by reducing the number of payments the DFAS must process because numerous Cardholder transactions are processed as a single monthly payment rather than as individual invoices.

Defense Finance and Accounting Service

Providing payment services of the U.S. Department of Defense
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The GPC Program improves buying decisions by giving DoD visibility into what its Components buy.
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The GPC expedites payment to merchants. It allows merchants to be paid more quickly than the traditional Government payment process—making more merchants likely to accept Government business.
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The GPC enables the Government to earn refunds for purchases based on the dollar volume of transactions and how quickly DoD pays its bill after receipt of the invoice—similar to the rewards and refunds consumers earn when they use their own credit cards. As a best practice to increase refunds and avoid payment penalties:

- CHs should reconcile and approve their monthly CH Statements of Account within three days of the billing cycle end date.
- Certifying Officers (usually the A/BOs) should complete their reviews and certify their monthly MA invoice within five days of the billing cycle end date.

Note
Business Model

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Note

The quicker DoD GPC Program officials review and certify statements for payment each month, the more refunds DoD earns and the less prompt payment interest DoD pays. In other words, your processing delays translate directly into both increased Government costs and reduced refunds to the Government.
Business Model

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Knowledge Review

Which characteristic describes the GPC business model?

- [ ] Used for personal items when Cardholder (CH) travels for official business

- [x] Similar to a commercial credit card

- [ ] Is the less-preferred alternative to the convenience check

The GPC business model is **similar to a commercial credit card.**
Knowledge Review

What are the advantages to using a GPC instead of other forms of payment? (Select the three that apply.)

- Reduced invoicing costs
- Expedited payment to merchant
- Reduced merchant refunds
- Increased likelihood of the merchant doing business with the Government

The advantages of using a GPC card are **reduced invoicing costs, expedited payment to merchant, and increased likelihood of the merchant doing business with the Government.**
Authorized Uses: A Conversation

Jim: So now you have a basic understanding of the GPC business model, the intent of card use, its advantages, and its limitations.

Susan: I think I got it.

Jim: Great...Let me ask you a question, Susan. You probably already know something about GPCs from working with people who use them, right?

Susan: Well, yes, a little. I have several colleagues that use the GPC. Why do you ask?

Jim: Do you know when your coworkers can and cannot use their GPC? Do you know when you are authorized to use a GPC?

Susan: No, I don't. But I'm betting that's what we're going to discuss next: authorized use.

Jim: You're right. But before actually discussing GPC authorized uses, how would you like to test yourself to see if you can identify some GPC authorized uses?

Susan: Sure. Let's see what I know.
Authorized Uses: How Much Do You Already Know?

You probably already know something about GPCs from working with people who use them. How many of the authorized uses can you identify? Drag the correct items onto the Authorized DoD GPC Use box and select Check Answer.

GPCs are authorized for use as indicated. All of these GPC uses will be discussed in this module.
Authorized Uses: How Much Do You Already Know?

You probably already know something about GPCs from working with people who use them. How many of the authorized uses can you identify? **Drag the correct items onto the Authorized DoD GPC Use box and select Check Answer.**

- Open-market micro purchases
- Ordering Officer purchases
- Payments for training requirements on approved Standard Form (SF) 182
- Contract payments
- Overseas purchases up to $25,000
- Cardholder personal purchases under $600

GPCs are authorized for use as indicated. All of these GPC uses will be discussed in this module.
Jim: So, how did you do? You probably recognized some of the authorized uses for GPCs.

Susan: I did select some of the authorized uses, but not all of them. While I do hear my coworkers talking about their GPCs, I've never overheard them talk about nor have I asked them specifics about its authorized uses.

Jim: Not to worry. That's why we're here! Some people are brand new to using GPCs; others are taking a refresher. Let's learn about GPC authorized uses.

Susan: I'm here to learn...
Authorized Uses

DoD GPCs are authorized for specific uses. The authorized uses include: open-market micro-purchases, Order Officer purchases and payments, contract payments, SF-182 training payments, and overseas purchases up to $25,000.

Select each tab to learn more.

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The GPC Program provides DoD Services and Defense Agencies (hereinafter referred to as Components) with the ability to use charge cards to streamline micro-purchases and the payment process for mission-essential supplies, services, and construction under the micro-purchase thresholds.

These types of procurements are referred to as open-market micro-purchases.

Micro-purchase threshold is defined at Federal Acquisition Regulation (FAR) 2.101.

Open-market micro-purchases can be made using GPC CH accounts or convenience check accounts.

Note
The number of convenience check accounts issued is tightly constrained due to:

- Increased cost to DoD for using convenience checks;
- Increased risk of misuse, abuse, or fraud associated with convenience check accounts; and

The fact that convenience checks cannot be disputed.
Authorized Uses

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Select each tab to learn more.

| Open-Market Micro-Purchases | Ordering Officer Purchases and Payments | Contract Payments | Overseas Purchases up to $25,000 | SF-182 Training Payments |

The GPC Program provides authority for specifically trained and appointed individuals in accordance with their Component Ordering Officer procedures to use the GPC against existing Government contracts when the requirements are legal, proper, mission essential, and correct in accordance with Government laws, regulations, and policies governing the specific type of order and payment.
Authorized Uses

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The GPC Program provides authority for specifically appointed individuals to use the GPC above the micro-purchase threshold as a payment vehicle against existing Government contracts when the merchant agrees to accept GPC payments.

The Contracting Officer authorizing payment via the GPC is required to include prescribed Defense Federal Acquisition Regulation Supplement (DFARS) clauses and must ensure the GPC Program officials understand their responsibilities for adhering to the contract payment terms and conditions.
Authorized Uses

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The GPC Program provides authority for use of the GPC as a simplified acquisition method outside the United States and U.S. jurisdictions:

- For commercial item supply/service purchases exceeding the micro-purchase threshold but not exceeding $25,000, if the purchase is made outside the United States and its jurisdictions for use outside the United States and its jurisdictions.

To qualify for this use, the CH, merchant, and supply delivery/service execution must all be outside the United States and its jurisdictions.

Because these are not micro-purchases, the CH must receive customized training related to their Component procedures for processing these transactions.

Examples of training topics include the GPC Program participant's role in ensuring:

- Necessary contract reporting requirements are fulfilled, and
- Maximum practicable competition is obtained by getting quotes from at least three sources.
Authorized Uses

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The GPC is mandated for use as the method of payment for all commercial training requirements using the SF-182 valued at or below $25,000.

This GPC merchant payment is in lieu of a direct employee reimbursement by miscellaneous payment. GPC Program participants involved in SF-182 payments must receive customized training related to their Component procedures for processing these transactions.

For more information, see the DoD FMR.
Authorized Uses

DoD GPCs are authorized for specific uses. The authorized uses include: open-market micro-purchases, Order Officer purchases and payments, contract payments, SF-182 training payments, and overseas purchases up to $25,000.

*Select each tab to learn more.*

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Limits of Delegated Authority

The vast majority of DoD CH authority is limited to making open-market micro-purchases using GPC carded/cardless (as opposed to convenience check) accounts in the United States. Therefore, this training primarily addresses the use of GPC cards rather than convenience checks. Other authorized account uses are addressed in policies specific to each DoD Component.

CHs can determine whether they can take any action other than making an open-market micro-purchase within the United States using a carded account:

- By reviewing the authorities granted to them in the Letter of Delegation of Procurement Authority they receive prior to receiving their GPC account;
- Because they will receive specific training from their DoD Component A/OPC detailing their additional roles and responsibilities;
- Because they will be issued checks in lieu of a card if they are a convenience check account holder; and
- Because they are physically located outside the United States and its jurisdictions.
**Authorized Uses Practice**

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Authorised Uses Practice

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**Authorised Use**

- Open-market micro-purchases
- Ordering Officer purchases and payments
- Contract payments
- SF-182 training payments
- Overseas purchases up to $25,000

**Definition**

- Use of the GPC against existing Government contracts
- Mandated method for payment for requirements using SF-182 up to $25,000
- Use of the GPC above the micro-purchase threshold as a payment vehicle against existing Government contracts
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Process Introduction

Jim: So now you have a pretty good idea of the GPC authorized uses.

Susan: Yes, I think so. I know it's important to understand card limits or thresholds.

Jim: Sounds like you have good start. Now it's on to learning about the GPC process flow.

Susan: Process flow...?

Jim: Yes. As you're probably aware, the Government has laws, regulations, and policies governing the purchase to ensure supplies, services, and construction are properly acquired. The GPC Program process flow illustrates how the Government goes about ensuring goods and services are correctly acquired for Government mission use only.

Susan: Yes, the Government does have laws, regulations, and policies governing the GPC Program. I also know that if you don't do things right, you can get yourself into trouble and nobody needs that.
Audio Transcript

GPC Program Process

DoD laws, regulations, and policies require a unique process to ensure the GPC is used to purchase goods and services for official Government mission use only. In this video, you will learn about the 20 steps of the GPC Program process. Let's look at each step.

In the first step, the requirements organization establishes a GPC Program, including participants and accounts. Establishing a GPC program with participants and accounts includes specific initial considerations, approvals, and requirements.

In Step 2, identify the requirement and ensure it fulfills a mission-essential need. To the maximum extent possible, Component personnel requesting acquisition of items with a GPC should provide written requests to the Cardholder. Email is acceptable.

In Step 3, ensure Cardholder authority and limits allow for the required purchase. Determine whether the requirement can be met within the limits specified in the Cardholder’s Delegation of Authority Letter. Ensure the GPC is not used to issue a task or delivery order that exceeds the Cardholder’s single-purchase limit.

In Step 4, determine whether the specific funding type is available. FAR subpart 32.702 states the basic principle of the Anti-Deficiency Act: No Government employee may create or authorize an obligation in excess of funds available or in advance of appropriations.

In Step 5, obtain any special approvals. See Component-specific procedures regarding any required special approvals.

In Step 6, determine whether a special micro-purchase threshold applies. The DoD Guidebook identifies each element of the micro-purchase threshold definition.

In Step 7, identify state tax-exempt status. State tax exemption letters are available on the GSA SmartPay® website.

In Step 8, meet regulatory competition standards and determine price reasonableness. For further information on this step, see the OUSD(AT&L) memorandum “Class Deviation—Determination of Fair and Reasonable Prices When Using

In Step 9, determine whether commercial shipment is available for purchases outside the United States. If not, ensure the vendor is provided with the necessary information to allow the purchase to enter the Defense Transportation System.

In Step 10, record the item in the Cardholder Purchase Log. Use of the purchase log on the bank’s EAS is mandated unless a waiver is granted by the Office of the Secretary of Defense (OSD). At a minimum, entries to this log will include: date on which the item or service was ordered, name of the requestor and/or requesting organization, description of the item or service or general commodity code, merchant's name, number of items purchased, unit price, total dollar value of the transaction, name of the recipient or acceptor of the item or service, and date received, as well as any additional data required by the Component-specific instructions.

In Step 11, document the purchase file as required in OMB Circular A-123, Appendix B, section 2.4.2; and the DoD FMR. Some documentation examples include requests for purchase from the requiring individuals, special approvals, order confirmations, invoices, cash register receipts, purchase documents, records of return, waivers, receiving reports or other proof of delivery, and property book entries or communications.

In Step 12, the acceptor ensures proper delivery and acceptance. Written independent receipt and acceptance is required for (1) purchases of accountable property, (2) transactions where the GPC is used as a method of payment, (3) self-generated Cardholder purchases (that is, purchases lacking a documented requisition or request from someone other than the Cardholder), and (4) other specific circumstances for which Components elect to require independent receipt and acceptance.

In Step 13, notify Property Book Officers as applicable. Ensure that applicable Property Book Officers have been notified when accountable property, including pilferable property as defined in DoD Instruction (DoDI) 5000.64, has been acquired with the GPC. The Cardholder is responsible for obtaining and retaining a copy of the receiving report and including it in the transaction file.

In Step 14, follow records retention procedures. The Certifying Officer is required to retain GPC supporting documents or disbursing office records. Component procedures must specify GPC record retention requirements, to include identification of the responsible party, the required physical and electronic controls, the media used, and the location for record storage, in accordance with the requirements of FAR 4.805.
In Step 15, the merchant transmits the GPC transaction for processing. There is no action by the Government.

In Step 16, the bank pays the merchant and posts the transaction to the Cardholder account. There is no action by the Government.

In Step 17, the Cardholder reconciles the Purchase Log with the Cardholder Statement of Account, approves the statement, and provides supporting documents to the A/BO. Cardholders should reconcile their accounts as often as possible in the appropriate system. This action is required at least monthly, but more frequent reconciliation is highly recommended to avoid certification and payment issues.

In Step 18, the A/BO reviews transactions and supporting documentation and signs the approval statement. The A/BO is responsible for ensuring all transactions are legal, proper, and correct. The Certifying Officer (usually the A/BO) certifies invoices for payment.

In Step 19, the Certifying Officer reviews transactions and documentation and signs the certification statement and retains supporting documentation. As a best practice, this occurs within five days of the billing cycle end date.

The Certifying Officer plays an important role in the GPC monthly operational transaction management and account reconciliation and review processes. It is the Certifying Officer’s responsibility to conduct a Monthly Review and certify the Managing Account Billing Statement (that is, invoice certification) for 100 percent of transactions.

As the final step in this process, DFAS pays the GPC invoices upon receipt of the Certified Billing Statement. DFAS ensures that only the amount certified for payment by the Certifying Officer is processed for payment to the card-issuing bank. As noted in the DoD FMR, attention must be paid to the Prompt Payment Period, which begins when the invoice is made available to DoD on the bank’s website rather than when invoices are transmitted to DFAS.

Knowing the steps of the GPC Program process helps you ensure that the right products and services are being delivered to the Government, in the right way.
Long Description

The DAU logo moves onscreen, then offscreen. The title "GPC Program Process" moves onscreen and then offscreen.

An image of soldiers lifting equipment fades in with the text "Official Government Mission Use Only." The image fades out, and an image of soldiers working on equipment fades in. The screen fades out.

The GPC Program process flowchart fades in. The screen zooms in on Step 1: The requirements organization establishes a GPC Program, including participants and accounts. Everything except Step 1 fades out, and an image of a businessman reviewing a document fades in. The image changes to an image of two businesspeople looking at a tablet. The following text fades in:

"Considerations
Approvals
Requirements"

Everything fades out except Step 1. The flowchart fades back in.

The screen moves to Step 2: Identify the requirement and ensure it fulfills a mission-essential need. Everything fades out except Step 2, and an image of a Request key fades in. The image changes to an image of a businesswoman writing. Everything fades out except Step 2, and the flowchart fades back in.

The screen moves to Step 3: Ensure Cardholder authority and limits allow for the required purchase. Everything fades out except Step 3, and an image of a person looking at a Letter of Delegation of Procurement Authority on a laptop screen fades in. The image changes to an image of a delivery order. Everything fades out except Step 3, and the flowchart fades back in.

The screen moves to Step 4: Determine whether the specific funding type is available. Everything fades out except Step 4, and an image of FAR subpart 32.702 fades in. Everything fades out except Step 4, and the flowchart fades back in.

The screen moves to Step 5: Obtain any special approvals. Everything fades out except Step 5. The flowchart fades back in.
The screen moves to Step 6: Determine whether a special micro-purchase threshold applies. Everything fades out except Step 6. The flowchart fades back in.

The screen moves to Step 7: Identify tax-exempt status. Everything fades out except Step 7, and an image of a businesswoman using the GSA SmartPay® website fades in. Everything fades out except Step 7, and the flowchart fades back in.

The screen moves to Step 8: Meet regulatory competition standards and determine price reasonableness. Everything fades out except Step 8, and an image of the Class Deviation memorandum fades in. Everything fades out except Step 8, and the flowchart fades back in.

The screen moves to Step 9: Determine whether commercial shipment is available. Everything fades out except Step 9, and an image of a vendor on the phone in a warehouse fades in. Everything fades out except Step 9, and the flowchart fades back in.

The screen moves to Step 10: Record the purchase in the Purchase Log. Everything fades out except Step 10, and an image of a computer spreadsheet with a MANDATED stamp over it fades in. The image changes to a box with the following text:

"At a minimum, Purchase Log entries will include:

- Date on which the item/service was ordered
- Name of the requestor and/or requesting organization
- Description of the item/service or general commodity code
- Merchant's name
- Number of items purchased
- Unit price
- Total dollar value of the transaction
- Name of the recipient/acceptor of the item/service
- Date received
- Any additional data required by Component-specific instructions"
Everything fades out except Step 10, and the flowchart fades back in.

The screen moves to Step 11: Document the purchase file. Everything fades out except Step 11, and a box with the following text fades in:

"Documentation examples include:

- Requests for purchase from the requiring individuals
- Special approvals
- Order confirmations
- Invoices
- Cash register receipts
- Purchase documents
- Records of return
- Waivers
- Receiving reports or other proof of delivery
- Property book entries or communications"

Everything fades out except Step 11, and the flowchart fades back in.

The screen moves to Step 12: Acceptor ensures proper delivery and acceptance. Everything fades out except Step 12, and a box with the following text fades in:

"Written independent receipt and acceptance is required for:

1. Purchases of accountable property
2. Transactions where the GPC is used as a method of payment
3. Self-generated Cardholder purchases (i.e., purchases lacking a documented requisition/request from someone other than the Cardholder)
4. Other specific circumstances for which Components elect to require independent receipt and acceptance"
Everything fades out except Step 12, and the flowchart fades back in.

The screen moves to Step 13: Notify Property Book Officers as applicable. Everything fades out except Step 13, and an image of a businesswoman on the phone fades in. The image changes to an image of a report going out of a computer into a file folder. Everything fades out except Step 13, and the flowchart fades back in.

The screen moves to Step 14: Follow records retention procedures. Everything fades out except Step 14, and a computer with the text "RECORDS RETENTION" onscreen fades in. The image changes to a box with the following text:

"GPC record retention requirements include:

- Identification of the responsible party
- Required physical and electronic controls
- Media used
- Location for record storage"

Everything fades out except Step 14, and the flowchart fades back in.

The screen moves to Step 15: Merchant transmits GPC transaction for processing. Everything fades out except Step 15. The flowchart fades back in.

The screen moves to Step 16: Bank pays merchant and posts transaction to Cardholder account. Everything fades out except Step 16. The flowchart fades back in.

The screen moves to Step 17: Cardholder reconciles Purchase Log with Cardholder Statement of Account, approves the statement, and provides supporting documents to A/BO. Everything fades out except Step 17, and an image of a clock over a calendar fades in. The image changes to an image of a calendar. Everything fades out except Step 17, and the flowchart fades back in.

The screen moves to Step 18: A/BO reviews transactions and supporting documentation and signs approval statement. Everything fades out except Step 18, and an image of a checklist with the items "Legal," "Proper," and "Correct" fades
in. The image changes to an image of a CERTIFIED stamp. Everything fades out except Step 18, and the flowchart fades back in.

The screen moves to Step 19: Certifying Officer reviews transactions and documentation and signs certification statement; retains supporting documentation (Best Practice: within 5 days of billing cycle end date). Everything except Step 19 fades out, and an image of a calendar fades in. The image changes to an image of a businessman working at a table. A box with the following text fades in:

"It is the Certifying Officer's responsibility to:

- Conduct a Monthly Review.
- Certify the Managing Account Billing Statement."

Everything fades out except Step 19, and the flowchart fades back in.

The screen moves to Step 20: DFAS pays the bank. Everything fades out except Step 20, and the DFAS logo fades in. A box fades in with the following text:

"Ensures amount certified = amount processed"

The image changes to an image of an invoice on a laptop screen. The text "Prompt Payment Period" fades in. Everything fades out except Step 20, and the flowchart fades back in. The screen zooms out to show all the steps. The screen fades out.

The DAU logo fades in, then fades out.
Process Overview Practice

Sort the GPC Program Process steps in chronological order by selecting each step and dragging it into position. Then select Check Answer to view results.

1. Identify the requirement and ensure it fulfills a mission-essential need.
2. Determine whether the specific funding type is available.
4. Merchant transmits the GPC transaction for processing.
5. A/BO reviews transactions and supporting documentation and signs the approval statement.

Check Answer

The correct order is provided.
Sort the GPC Program Process steps in chronological order by selecting each step and dragging it into position. Then select Check Answer to view results.

1. Identify the requirement and ensure it fulfills a mission-essential need.
2. Determine whether the specific funding type is available.
4. Merchant transmits the GPC transaction for processing.
5. A/BO reviews transactions and supporting documentation and signs the approval statement.

The correct order is provided.
Personal Financial Liability

Individuals serving in the following GPC roles may be held personally financially liable if the Government can prove the individual violated regulations or engaged in GPC misuse, abuse, or fraud:

- Certifying Officers
- A/BOs
- CHs (including convenience check account holders)
- Any other GPC Program participant appointed as a Certifying Officer on the DD Form 577

For more information, see 10 U.S.C. Section 4754 enacted in 2012.
Approver Liability

CHs and A/BOs who approve GPC Statements of Account, and Certifying Officers who certify MA Billing Statements for payment, are liable for costs that are:

- Illegal
- Improper
- Incorrect
- In violation of regulation

These individuals can be prosecuted in court and required to pay all or part of the disputed expenses out of their own personal funds.
Pecuniary Liability

Certifying Officers are assigned an enhanced type of personal financial liability called pecuniary liability.

Pecuniary liability is imposed to protect the Government against errors and theft. Pecuniary liability carries the presumption of negligence for all fiscal irregularities associated with the Certifying Officer's certification.

Simply put, the Certifying Officer may be held financially responsible whether the erroneous payment was made accidentally or intentionally. The Government is not required to prove regulations were violated or that there was GPC misuse, abuse, or fraud in order to recoup payment directly from the Certifying Officer.

Procedures and further guidance concerning liability are found in the DoD FMR.
Protecting Yourself

To protect yourself, be diligent and practice thorough work processes to prevent erroneous payments when approving or certifying GPC CH Statements of Account or MA Billing Statements.

Select each tab to learn more about the **DO'S and DON'TS of protecting yourself from pecuniary liability.**

| Minimize Opportunities for Errors | Escalate Questionable Payment Requests | Collect the Evidence |

Protect yourself from pecuniary liability by minimizing opportunities for errors:

<table>
<thead>
<tr>
<th><strong>DO:</strong></th>
<th><strong>DON'T:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Establish routines that work for you.</td>
<td>• Assume that all requests are valid and complete.</td>
</tr>
<tr>
<td>• Avoid waiting until the last minute. CHs should enter transactions in their Purchase Log and collect documentation as the transaction/purchase is made.</td>
<td>• Allow anyone else to use your personal certificate or Common Access Card (CAC). You may be liable for an incorrect payment approved by another person using your identity.</td>
</tr>
<tr>
<td>• Monitor CHs (if you are an A/BO) to ensure they follow procedures.</td>
<td></td>
</tr>
</tbody>
</table>
Protecting Yourself

To protect yourself, be diligent and practice thorough work processes to prevent erroneous payments when approving or certifying GPC CH Statements of Account or MA Billing Statements.

Select each tab to learn more about the DO'S and DON'TS of protecting yourself from pecuniary liability.

- Minimize Opportunities for Errors
- Escalate Questionable Payment Requests
- Collect the Evidence

Protect yourself from pecuniary liability by escalating questionable payment requests:

<table>
<thead>
<tr>
<th>DO:</th>
<th>DON'T:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Follow the dispute process of the card-issuing bank if there are doubts regarding a transaction charge.</td>
<td></td>
</tr>
<tr>
<td>- Track disputes to resolution.</td>
<td>- Approve a payment when you have doubts without filing a dispute.</td>
</tr>
<tr>
<td>- Seek guidance from the RM or A/OPC when in doubt.</td>
<td></td>
</tr>
<tr>
<td>- Follow your local policy to request guidance on obtaining an advance decision from the Comptroller General when you have doubts about the legality of payments.</td>
<td></td>
</tr>
</tbody>
</table>
Protecting Yourself

To protect yourself, be diligent and practice thorough work processes to prevent erroneous payments when approving or certifying GPC CH Statements of Account or MA Billing Statements.

Select each tab to learn more about the DO'S and DON'TS of protecting yourself from pecuniary liability.

Protect yourself from pecuniary liability by collecting the evidence:

<table>
<thead>
<tr>
<th>DO:</th>
<th>DON'T:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Verify funds before approving payments.</td>
<td>Process transactions unless funds are available to cover the payment.</td>
</tr>
<tr>
<td>Ensure receipts, special approvals, and any other documentation is collected to support the transaction.</td>
<td></td>
</tr>
</tbody>
</table>

Minimize Opportunities for Errors Escalate Questionable Payment Requests Collect the Evidence
Jim: Susan, I'm sure you remember that an earlier part of the lesson discussed the key terms and concepts. As part of that section, several individuals who are part of the GPC Program were introduced.

Susan: Yes, I remember them...

Jim: Excellent. Well, this section addresses the roles and responsibilities of those individuals.

Susan: Great, I look forward to learning more and finding out where I fit in.

Jim: One more thing...this section also discusses organizations.
Key Roles and Responsibilities

The GPC Program is composed of several different individuals, each with varying roles and responsibilities. In addition, several organizations are responsible for the successful execution of the GPC Program.

Organizations include the:

- DoD GPC PMO
- Defense Finance and Accounting Service (DFAS)
- Card-issuing bank

Individuals include the:

- CPM
- OA/OPC
- A/OPC
- A/BO
- Certifying Officer
- Supervisor
- Cardholder
- Check Writer
- Resource Manager
Organizations

Several organizations are responsible for successful GPC Program execution.

*Select each tab to learn more about organizations.*

**DoD GPC PMO**  
**DFAS**  
**Card-Issuing Bank**

The Agency PMO has the following roles and responsibilities:

- Disseminate Office of Management and Budget (OMB), Office of Personnel Management (OPM), OSD Comptroller, and Defense Pricing and Contracting (DPC) policies that impact the GPC Program.
- Provide for a data-mining capability (along with the associated rules) that will enable Components to identify and investigate, as necessary, high-risk card transactions.
- Maintain a DoD-wide High-Risk Merchant Category Code (MCC) list.
- Develop and maintain functional requirements for the GPC Program.
- Oversee and support the GPC Program.
Organizations

Several organizations are responsible for successful GPC Program execution.

Select each tab to learn more about organizations.

- DoD GPC PMO
- DFAS
- Card-Issuing Bank

DFAS is responsible for:

- Notifying Certifying Officers of rejected payments so necessary corrections can be made to facilitate timely payment and avoid interest penalties; and
- Disbursing Electronic Fund Transfer (EFT) payments to the card-issuing banks based on certified MA Billing Statements.
Organizations

Several organizations are responsible for successful GPC Program execution.

Select each tab to learn more about organizations.

- DoD GPC PMO
- DFAS
- Card-Issuing Bank

Government credit card services, including the GPC, are obtained through a Master Contract awarded by GSA for credit card services. After the Master Contract was awarded, each of the Services/Agencies issued task orders for the specific type of credit card they need (Purchase, Travel, Fuel, etc.).

The card-issuing bank has the following roles and responsibilities:

- Provides credit for all GPC charges;
- Issues and administers the distribution of cards;
- Provides bank training on the bank's EAS, to include CH log and other EAS functionalities to support the appropriate Component task order;
- Investigates all disputes;
- Issues refunds; and
- External fraud detection—associated cost.

The GSA contract with the card-issuing bank requires the Government to pay for purchases when an authorized CH uses the card-issuing bank card or check to purchase other than valid Government requirements. The Government must recover the funds from the responsible CH and take appropriate administrative/criminal action against that individual.
Individuals - Key Roles and Responsibilities
Key Roles and Responsibilities

The GPC Program is composed of several people: the Component Program Manager, Oversight Agency/Organization Program Coordinator, Agency/Organization Program Coordinator, Approving/Billing Official, Certifying Officer, Supervisor, Cardholder, Check Writer, and Resource Manager. While many of them share similar roles and responsibilities, they also have specific roles and responsibilities. Let's look at each individual.

First, let's talk about the Component Program Manager (CPM). The CPM serves as the Component functional representative to the DoD GPC PMO.

The CPM has the following roles and responsibilities:

- maintaining hierarchies and monitoring appointment of OA/OPCs by Heads of Activities (HAs). New hierarchy OA/OPCs will not be established without the existence of clear delegations of procurement authority;
- providing guidance and assistance to OA/OPCs;
- monitoring dispute reports;
- monitoring delinquencies to ensure accounts are not suspended;
- ensuring Data Mining (DM) cases are closed in a timely manner;
- suspending MAs that have open DM cases 55 days after billing cycle end;
- briefing the Component HA as a part of the required Semi-Annual HA Review, within the required timeframes; and
- ensuring Component-level guidance addresses procedures for both approving assignment of any Merchant Category Code (MCC) on the DoD GPC High-Risk MCC List to a DoD GPC GH or MA, and measuring compliance.

Next is the Oversight Agency/Organization Program Coordinator (OA/OPC). The OA/OPC is appointed by the appropriate contracting official to be responsible for the management, administration, and day-to-day operations of the Component GPC Program.

The OA/OPC is responsible for:

- serving as the Component functional representative with the CPM;
- managing and ensuring the integrity of the GPC Program;
ensuring all DM cases are closed in a timely manner;
ensuring all required HA reviews are conducted semi-annually (that is, by the 15th of June and the 15th of December),
signed, and submitted to the CPM;
ensuring monthly reviews are timely completed within 55 days of the billing cycle under review; and
acting as a liaison with the card-issuing bank, serving as a point of contact to discuss any matters that may arise due to GPC or check usage under their cognizance.

The next person we'll discuss is the Agency/Organization Program Coordinator (A/OPC). The A/OPC must be an active-duty military or DoD civilian employee.

The A/OPC is responsible for:

- implementing, maintaining, monitoring, and overseeing the GPC Program under their cognizance in accordance with governing statutes, regulations, policies, and procedures;
- establishing, maintaining, and terminating GPC Program roles, appointments, and accounts;
- completing appropriate training;
- ensuring A/BOs and Cardholders have completed all required training prior to appointment or delegation of their respective GPC role and responsibilities;
- ensuring appropriate separation of duties;
- ensuring no Managing Account has more than seven GPC accounts associated with it;
- monitoring disputes for patterns that could indicate potential misuse, abuse, or fraud;
- monitoring lost or stolen cards for patterns that could indicate potential misuse, abuse, or fraud;
- ensuring all DM cases are closed and Monthly A/OPC Reviews are complete within 30 days of the end of the billing cycle; and
- ensuring all Semi-Annual HA Reviews are completed by 15 June and 15 December.

Discussion of the A/OPC's responsibilities will continue after this video.

Another important individual is the Approving/ Billing Official (A/BO). The A/BO must be an active-duty military or DoD civilian employee.

The A/BO should be the Cardholder's immediate supervisor. A/BOs who are not the Supervisor must provide the Supervisor with input for the Cardholder's performance appraisal to recognize good work, identify areas of concern, and
recommend the Supervisor take disciplinary action when warranted.

The A/BO must complete appropriate training, such as DAU training, card-issuing bank EAS training, and data mining training. Training links will be provided later in this course.

The A/BO has no delegated authority to purchase or pay for purchases, so they cannot order, purchase, or pay for any GPC transaction.

The A/BO is responsible for:

Reviewing, approving, or disapproving transactions for up to seven GPC Cardholder accounts; using Insights On Demand (IOD) for data mining; ensuring that transactions meet the laws, regulations, and policies required for the transaction; verifying that all transactions are recorded in the Cardholder’s Purchase Log; ensuring Cardholders promptly reconcile and approve their Statement of Account and certify their MA Billing Statements; ensuring accountable property and independent receipt and acceptance requirements have been met; and assisting with GPC challenges as they arise.

Discussion of the A/BO’s responsibilities will continue after this video.

Next is the Certifying Officer. The Certifying Officer must be an active-duty military or DoD civilian employee. This includes Direct-Hire Foreign Nationals—see the DoD FMR.

The Certifying Officer must be appointed in accordance with the DoD FMR and established Component-level Comptroller/Financial/RM procedures.

"Direct-hire Foreign Nationals as Certifying Officers" does not apply to A/BOs who are Certifying Officers; it applies to Certifying Officers who are not A/BOs (AF Super Certifiers, Pay and Confirm). In order for Certifying Officers to not be A/BOs, a waiver from OSD is required.

In making a certification, the Certifying Officer is responsible for ensuring the existence, accuracy, and legality of information on an MA Billing Statement.
The Certifying Officer is responsible for promptly certifying that GPC MA Billing Statements are legal and proper for payment. As a best practice, this should be done within five business days of the billing cycle end date to maximize refunds and prevent interest penalties.

The Certifying Officer is also assigned pecuniary liability for illegal, improper, or incorrect payments resulting from improper certification. See the DoD FMR for more information.

Discussion of the Certifying Officer’s responsibilities will continue after this video.

Now, let’s look at the GPC-related role and responsibilities of the Supervisor. The Supervisor is responsible for:

- identifying and recommending active-duty military or DoD civilian employees who are trustworthy to carry out assigned roles and responsibilities;
- taking appropriate personnel action(s) against individuals committing GPC misuse, abuse, or fraud;
- utilizing PIEE/JAM to ensure assignment of appropriate GPC roles and issuance of required appointments;
- continually assessing the need for new GPC accounts to ensure program officials have adequate time and resources to carry out assigned duties; and
- requesting cancellation of unnecessary card accounts—accounts with no or very low use or accounts no longer required to meet mission needs.

Now, let’s review the role and responsibilities of the Cardholder. The Cardholder must be an active-duty military or DoD civilian employee with the legal delegated authority to use the GPC to purchase and pay for supplies and services to support valid mission needs.

The Cardholder is responsible for:

- completing appropriate training, including DAU, card-issuing bank, and data mining training;
- obtaining written independent receipt and acceptance from a Government employee other than themselves to ensure the Government received what is stated on the invoice;
- ensuring transactions are made with responsible merchants in accordance with Component instructions;
- notifying the appropriate Property Book Officer or organization Hand Receipt Holder of any accountable property purchased, to include pilferable property;
maintaining and providing to the A/BO proper documentation, including (but not limited to) requests for purchase from the requiring individual, special approvals, order confirmations, invoices, cash register receipts, purchase documents, records of return, waivers, receiving reports or other proof of delivery, and property book entries or communications; and

ensuring the monthly Statement of Account is promptly reconciled and approved. As a best practice, this should occur within three days of the billing cycle end date to maximize refunds and prevent interest penalties.

Discussion of the Cardholder’s responsibilities will continue after this video.

Next, let’s learn about the Check Writer. The Check Writer must be an active-duty military or DoD civilian employee with the legal authority to write convenience checks to purchase supplies and services in support of official Government business when a GPC-accepting merchant is not available to meet the Government’s requirement.

The Check Writer is responsible for:

- verifying with the merchant that the merchant does not accept the GPC and making every effort to find and use a merchant that does accept the GPC;
- obtaining the A/BO’s written concurrence that the supply or service cannot be obtained from a merchant that accepts the GPC, prior to ordering a supply or service to be paid with a convenience check;
- keeping check accounts separate from carded accounts and maintaining a separate convenience check Purchase Log for each account;
- including the transaction date, payee, original signature, and amount within the applicable threshold in all convenience checks written;
- treating convenience check inventories like cash, for security purposes; and
- understanding that every convenience check written is subject to a DM case review under SmartPay® 3 procedures.

Discussion of the Check Writer's responsibilities will continue after this video.

Resource Managers (RMs) include Comptrollers, Financial Managers, the Budget Office, Component RMs, Oversight RMs, and other fund control managers.

The RM is responsible for:
establishing and maintaining lines of accounting in GPC electronic systems;
coordinating with the A/OPC to review and adjust spending limits based on account historical spending data;
providing appropriate funding for GPC accounts; and
monitoring rejected payments and coordinating with the Certifying Officer to resolve issues to ensure the payments are
successfully processed.

Familiarizing yourself with these roles and responsibilities better prepares you to follow all rules and regulations
associated with GPCs, and to recognize when others are not following correct procedures.
Long Description

The DAU logo moves onscreen, then offscreen. The title "Key Roles and Responsibilities" moves onscreen, then offscreen.

An image of the different individuals fades in. The personnel are shown one at a time: Component Program Manager, Oversight Agency/Organization Program Coordinator, Agency/Organization Program Coordinator, Approving/Billing Official, Certifying Officer, Supervisor, Cardholder, Check Writer, and Resource Manager. The image zooms out to show all the roles, and the text "GPC Program individuals have specific roles and responsibilities." The screen fades out.

A video of the Component Program Manager working at his desk fades in. Text fades in:

"Component Program Manager (CPM)

- Serves as the Component functional representative to the DoD GPC PMO."

The video changes to a still image of the CPM. Text fades in:

"The CPM is responsible for:

- Maintaining hierarchies and monitoring appointment of OA/OPCs by Heads of Activities (HAs);
- Providing guidance and assistance to OA/OPCs;
- Monitoring dispute reports;
- Monitoring delinquencies to ensure accounts are not suspended;
- Ensuring DM cases are closed in a timely manner;
- Suspending MAs that have open DM cases;
- Briefing the Component HA as a part of the required Semi-Annual HA Review; and
- Ensuring Component-level guidance addresses procedures for both approving assignment of any Merchant Category Code (MCC) on the DoD GPC High-Risk MCC List, and measuring compliance."
"Oversight Agency/Organization Program Coordinator (OA/OPC)

- Appointed by the appropriate contracting official to be responsible for the management, administration, and day-to-day operations of the Component GPC Program."

The video changes to a still image of the OA/OPC. Text fades in:

"The OA/OPC is responsible for:

- Serving as the Component functional representative with the CPM;
- Managing and ensuring the integrity of the GPC Program;
- Ensuring all DM cases are closed in a timely manner;
- Ensuring all required HA reviews are conducted semi-annually;
- Ensuring monthly reviews are timely completed within 55 days of the billing cycle under review; and
- Acting as a liaison with the card-issuing bank."

The screen fades out. A video of the Agency/Organization Program Coordinator working at his desk fades in. Text fades in:

"Agency/Organization Program Coordinator (A/OPC)

- Must be an active-duty military or DoD civilian employee."

The video changes to a still image of the A/OPC. Text fades in:

"The A/OPC is responsible for:
• Implementing, maintaining, monitoring, and overseeing the GPC Program;
• Establishing, maintaining, and terminating GPC Program roles, appointments, and accounts;
• Completing appropriate training;
• Ensuring A/BOs and Cardholders have completed all required training;
• Ensuring appropriate separation of duties;
• Ensuring no Managing Account has more than seven GPC accounts associated with it;
• Monitoring disputes for patterns that could indicate potential misuse, abuse, or fraud;
• Monitoring lost/stolen cards for patterns that could indicate potential misuse, abuse, or fraud;
• Ensuring all DM cases are closed and Monthly A/OPC Reviews are complete within 30 days of the end of the billing cycle; and
• Ensuring all Semi-Annual HA Reviews are completed by 15 June and 15 December.”

The screen fades out. A video of the Approving/Billing Official talking on the phone fades in. Text fades in:

"Approving/Billing Official (A/BO)

• Must be an active-duty military or DoD civilian employee;
• Should be the Cardholder's immediate supervisor;
• Must complete appropriate training; and
• Has no delegated authority to purchase or pay for purchases."

The video changes to a still image of the A/BO. Text fades in:

"The A/BO is responsible for:

• Reviewing, approving, or disapproving transactions for up to seven GPC Cardholder accounts;
• Using IOD for data mining;
• Ensuring that transactions meet the laws, regulations, and policies required for the transaction;
• Verifying that all transactions are recorded in the Cardholder's Purchase Log;"
• Ensuring Cardholders promptly reconcile and approve their Statement of Account and certify their MA Billing Statements;
• Ensuring accountable property and independent receipt and acceptance requirements have been met; and
• Assisting with GPC challenges as they arise."

The screen fades out. A video of the Certifying Officer talking on a cell phone fades in. Text fades in:

"Certifying Officer

• Must be an active-duty military or DoD civilian employee; and
• Must be appointed in accordance with the DoD FMR and Component-level Comptroller/Financial/RM procedures."

The video changes to a still image of the Certifying Officer. Text fades in:

"The Certifying Officer is responsible for:

• Ensuring the existence, accuracy, and legality of information on an MA Billing Statement; and
• Promptly certifying that GPC MA Billing Statements are legal and proper for payment."

The text fades out, and text fades in: "The Certifying Officer is also assigned pecuniary liability for illegal, improper, or incorrect payments resulting from improper certification."

The screen fades out. A video of the Supervisor working at a table fades in. The text "Supervisor" fades in.

The video changes to a still image of the Supervisor. Text fades in:

"The Supervisor is responsible for:

• Identifying and recommending active-duty military or DoD civilian employees;
Taking appropriate personnel action(s) against individuals committing GPC misuse, abuse, or fraud;
Utilizing PIEE/JAM to ensure assignment of appropriate GPC roles and issuance of required appointments;
Continually assessing the need for new GPC accounts; and
Requesting cancellation of unnecessary card accounts."

The screen fades out. A video of the Cardholder using a tablet fades in. Text fades in:

"Cardholder

- Must be an active-duty military or DoD civilian employee with the legal delegated authority to use the GPC."

The video changes to a still image of the Cardholder. Text fades in:

"The Cardholder is responsible for:

- Completing appropriate training;
- Ensuring transactions are made with responsible merchants in accordance with Component instructions;
- Obtaining written independent receipt and acceptance from a Government employee other than themselves;
- Ensuring transactions are made with responsible merchants in accordance with Component instructions;
- Notifying the appropriate Property Book Officer or organization Hand Receipt Holder of any accountable property purchased;
- Maintaining and providing to the A/BO proper documentation; and
- Ensuring the monthly Statement of Account is promptly reconciled and approved."

The screen fades out. A video of the Check Writer working at his desk fades in. Text fades in:

"Check Writer

- Must be an active-duty military or DoD civilian employee; and
• Has the legal authority to write convenience checks to purchase supplies and services in support of official Government business."

The video changes to a still image of the Check Writer. Text fades in:

"The Check Writer is responsible for:

• Verifying with the merchant that the merchant does not accept the GPC and making every effort to find and use a merchant that does accept the GPC;
• Obtaining the A/BO’s written concurrence that the supply/service cannot be obtained from a merchant that accepts the GPC;
• Keeping check accounts separate from carded accounts and maintaining a separate convenience check Purchase Log for each account;
• Including the transaction date, payee, original signature, and amount within the applicable threshold in all convenience checks written;
• Treating convenience check inventories like cash, for security purposes; and
• Understanding that every convenience check written is subject to a DM case review."

The screen fades out. A video of the Resource Manager working at his desk fades in. Text fades in:

"Resource Managers (RM)

• Comptrollers
• Financial Managers
• Budget Office
• Component RMs
• Oversight RMs
• Other fund control managers"

The video changes to a still image of the RM. Text fades in:
"The RM is responsible for:

- Establishing and maintaining lines of accounting in GPC electronic systems;
- Coordinating with the A/OPC to review and adjust spending limits based on account historical spending data;
- Providing appropriate funding for GPC accounts; and
- Monitoring rejected payments and coordinating with the Certifying Officer to resolve issues to ensure the payments are successfully processed."

The screen fades out. A collage of business personnel fades in. The screen fades out.

The DAU logo fades in, then fades out.
A/OPC

Now that you have an overview of the individuals involved in the GPC Program, let's look at some of their roles and responsibilities in more detail.

The A/OPC's responsibilities include completing appropriate training:

- DAU_training
- Card-issuing bank Electronic Access System (EAS) training
- Data mining training

The A/OPC is also responsible for ensuring appropriate separation of duties. For example:

- A/BOs shall not be CHs under their own MAs.
- Property Book Officers shall not hold a GPC role or responsibility.
- Resource Managers (RM) shall not be CHs or A/BOs with responsibility for executing their own funds.
- Purchases of accountable or pilferable property, and self-generated purchases, shall have acceptance performed by someone other than the CH, A/BO, and Certifying Officer.
A/OPC

Now that you have an overview of the individuals involved in the GPC Program, let's look at some of their roles and responsibilities in more detail.

The A/OPC's responsibilities include completing appropriate training:

- **DAU training**
- **Card-issuing bank Electronic Access System (EAS) training**
- **Data mining training**

The A/OPC is also responsible for ensuring appropriate separation of duties. For example:

- A/BOs shall not be CHs under their own MAs.

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Note

This does not impact Property Book Hand Receipt Holders.
Additionally, the A/OPC is responsible for ensuring no MA has more than seven GPC accounts associated with it. Because this control is intended to ensure the A/BO has adequate time to provide appropriate oversight of their CH accounts, this control should be read to mean no individual A/BO should be responsible for reviewing transactions and providing support to more than seven CH accounts.

Requests for waivers to the 1-to-7 ratio are required to be submitted through the CPM to the DoD GPC PMO.

A/OPCs with authority to delegate procurement authority to GPC CHs shall receive both a written Delegation of Procurement Authority Letter and an A/OPC Appointment Letter (they may be issued as a single document), which clearly state their authority to further delegate procurement authority and their other program roles and responsibilities.
A/OPC, Cont.

Additionally, the A/OPC is responsible for ensuring no MA has more than seven GPC accounts associated with it. Because this control is intended to ensure the A/BO has adequate time to provide appropriate oversight of their CH accounts, this control should be read to mean no individual A/BO should be responsible for reviewing transactions and providing support to more than seven CH accounts.

Requests for waivers to the 1-to-7 ratio are required to be submitted through the CPM to the DoD GPC PMO.

A/OPCs with authority to delegate procurement authority to GPC CHs shall receive both a written Delegation of Procurement Authority Letter and an A/OPC Appointment Letter (they may be issued as a single document), which clearly state their authority to further delegate procurement authority and their other program roles and responsibilities.

Note

A/OPCs with authority to sign CH Delegation of Authority Letters must hold a position in an Acquisition Professional series and be issued a Delegation of Authority Letter that clearly states their authority to further delegate procurement authority on behalf of their Service or Agency. This letter must be signed by a designated appointing procurement official who is within a designated contracting activity (i.e., U.S. Army Contracting Command, Naval Air Systems Command, Air Force Materiel Command, and DLA Acquisition [J-7]).
A/BO and Managing Accounts

As mentioned earlier, the A/BO is responsible for the overall management of the GPC MA.

Select each tab to learn more about processing MA Billing Statements with each type of account payment model.

For Components using the Confirm and Pay account payment model:

- A/BOs for these accounts are required to be appointed as Certifying Officers on the DD Form 577 in accordance with the DoD FMR and Component procedures.

- These individuals may also be held personally financially liable under 10 U.S.C. Section 4754 for erroneous purchases, negligence, or for engaging in misuse, abuse, or fraud with respect to a GPC.
A/BO and Managing Accounts

As mentioned earlier, the A/BO is responsible for the overall management of the GPC MA.

Select each tab to learn more about processing MA Billing Statements with each type of account payment model.

For Components that have been granted a waiver by OSD to process MA Billing Statements using the Pay and Confirm account payment model:

- Certifying Officers for these accounts are known as FSOs or Super Certifiers; they are Comptroller employees. They must be appointed as Certifying Officers on the DD Form 577 in accordance with Component procedures.

- A/BOs for these accounts may be appointed as DAOs on a DD Form 577. Regardless of DAO appointment, these individuals may be held personally financially liable under 10 U.S.C. Section 4754, for erroneous purchases, negligence, or for engaging in misuse, abuse, or fraud with respect to a GPC.
A/BO and Managing Accounts

As mentioned earlier, the A/BO is responsible for the overall management of the GPC MA.

Select each tab to learn more about processing MA Billing Statements with each type of account payment model.

Confirm and Pay  Pay and Confirm

For Components that have been granted a waiver by OSD to process MA Billing Statements using the Pay and Confirm account payment model:

- Certifying Officers for these accounts are known as FSOs or Super Certifiers; they are Comptroller employees. They must be appointed as Certifying Officers on the DD Form 577 in accordance with Component procedures.

**Note**

Pay and Confirm is when the Certifying Officer certifies the MA Billing Statement for payment prior to the CH and A/BO confirming the charges are accurate and providing the Certifying Officer with receipts/invoices and supporting documentation for the purchases.
A/BO Responsibilities

The A/BO is responsible for overall management of the GPC Managing Accounts. Additional information on the A/BO's other responsibilities is provided here.

Select each tab to learn more about the A/BO's responsibilities.

- Data Mining
- Transactions
- Purchase Log
- Reconciliation
- Hand Receipts

The A/BO must use Insights on Demand (IOD) to:

- Conduct Daily Data Mining (DM) Case Reviews to prevent and identify improper purchases.
- Complete a questionnaire and document findings and disciplinary category determinations (if any) associated with any initiated cases for transactions identified by IOD as being at risk for noncompliance.
- Ensure a DM case is initiated for each of their findings and disciplinary category determinations.
- Identify additional transactions for review, at their discretion, using IOD.

An exception to this requirement is when the Component has been granted a waiver by OSD to use an alternative system.
A/BO Responsibilities

The A/BO is responsible for overall management of the GPC Managing Accounts. Additional information on the A/BO's other responsibilities is provided here.

Select each tab to learn more about the A/BO's responsibilities.

The A/BO must ensure:

- Transactions meet the laws, regulations, and policies required for the transaction.
- Necessary guidance is provided to CHs in a timely manner.
- All CH self-generated transactions have been approved by the Primary or Alternate A/BO prior to purchase.
- CH documentation demonstrates each transaction is complete, accurate, and sufficient to support the transaction.

Examples of documentation include:

- Purchase requests
- Detailed receipts/invoices
- Any required prior written approvals (e.g., for self-generated purchases or other special items)
- Proof of independent delivery/receipt and acceptance
A/BO Responsibilities

The A/BO is responsible for overall management of the GPC Managing Accounts. Additional information on the A/BO's other responsibilities is provided here.

Select each tab to learn more about the A/BO's responsibilities.

- Data Mining
- Transactions
- Purchase Log
- Reconciliation
- Hand Receipts

The A/BO must verify that all transactions are recorded in the CH's Purchase Log. Note

The Purchase Log shall be maintained in the automated system where the individual card transactions and MA Billing Statement are approved and certified for payment.

It will include, at a minimum:

- Date the item/service was ordered
- Name of the requestor and/or requesting organization
- Description of the item/service

The Purchase Log shows purchases less than $75 at the summary level using a general commodity code.
A/BO Responsibilities

The A/BO is responsible for overall management of the GPC Managing Accounts. Additional information on the A/BO's other responsibilities is provided here.

Select each tab to learn more about the A/BO's responsibilities.

Data Mining  Transactions  Purchase Log  Reconciliation  Hand Receipts

The A/BO must verify that all transactions are recorded in the CH's Purchase Log.

Note

OSD policy requires use of the card-issuing bank’s EAS CH Log (called Order Management for U.S. Bank issued accounts) to record all transactions unless the Component has been granted a waiver by OSD to use an alternative system.

The Purchase Log shows purchases less than $75 at the summary level using a general commodity code.
A/BO Responsibilities

The A/BO is responsible for overall management of the GPC Managing Accounts. Additional information on the A/BO's other responsibilities is provided here.

Select each tab to learn more about the A/BO's responsibilities.

The A/BO must verify that all transactions are recorded in the CH's Purchase Log.

The Purchase Log shall be maintained in the automated system where the individual card transactions and MA Billing Statement are approved and certified for payment.

Description of the Item/Service

Description of the item/service is to include the following:

- Merchant's name
- Number of items purchased
- Unit Price
- Total dollar value of the transaction
- Name of the recipient/acceptor
- Date received
- Any additional data required by Component-specific instructions
A/BO Responsibilities

The A/BO is responsible for overall management of the GPC Managing Accounts. Additional information on the A/BO's other responsibilities is provided here.

Select each tab to learn more about the A/BO's responsibilities.

The A/BO must ensure CHs:

- Promptly reconcile and approve their Statement of Account.
- Promptly certify their MA Billing Statements. As a best practice, this should be done within three business days of the billing cycle end date to maximize refunds and prevent interest penalties.
- Seek and receive appropriate guidance before approving a purchase about which they have any doubts. The A/BO can obtain guidance from the Component fiscal attorney, A/OPC, or Component Comptroller/Financial/RM.
A/BO Responsibilities

The A/BO is responsible for overall management of the GPC Managing Accounts. Additional information on the A/BO's other responsibilities is provided here.

Select each tab to learn more about the A/BO's responsibilities.

| Data Mining | Transactions | Purchase Log | Reconciliation | Hand Receipts |

The A/BO must make sure the appropriate Property Book Officer or Organization Hand Receipt Holder has been notified of any accountable property acquired, to include pilferable property.

The A/BO must also make sure that written independent receipt and acceptance by a Government employee other than the CH is documented in accordance with Component procedures when:

- The CH is a Hand Receipt Holder.
- The CH processes self-generated purchases.
- Accountable property is purchased.
- Other specific circumstances exist for which Components elect to require independent receipt and acceptance.
- The GPC is used as a method of payment against an existing contract.
A/BO Responsibilities

The A/BO is responsible for overall management of the GPC Managing Accounts. Additional information on the A/BO's other responsibilities is provided here.

Select each tab to learn more about the A/BO's responsibilities.

- Data Mining
- Transactions
- Purchase Log
- Reconciliation
- Hand Receipts

The A/BO must make sure the appropriate Property Book Officer or Organization Hand Receipt Holder has been notified of any accountable property acquired, to include pilferable property.

The A/BO must also make sure that written independent receipt and acceptance by a Government employee other than the CH is documented in accordance with Component procedures when:

- The CH is a Hand Receipt Holder.

Note

Acceptable written independent receipt and acceptance is documented when the Government acceptor affixes a legible signature and date to the invoice, packing slip, or other document listing the items that were ordered, billed, and received. To ensure proper identity, the acceptor must also have printed or typed their name on the document.
A/BO Responsibilities

The A/BO is responsible for overall management of the GPC Managing Accounts. Additional information on the A/BO's other responsibilities is provided here.

Select each tab to learn more about the A/BO's responsibilities.

Data Mining  Transactions  Purchase Log  Reconciliation  Hand Receipts

The A/BO must make sure the appropriate Property Book Officer or Organization Hand Receipt Holder has been notified of any accountable property acquired, to include pilferable property.

The A/BO must also make sure that written independent receipt and acceptance by a Government employee other than the CH is documented in accordance with Component procedures when:

- The CH is a Hand Receipt Holder.
- The CH processes self-generated purchases.
- Accountable property is purchased.
- Other specific circumstances exist for which Components elect to require independent receipt and acceptance.

Note

DFARS requires the use of Wide Area Workflow to document independent receipt and acceptance when the GPC is used as the method of payment against contracts.
A/BO and GPC Challenges

When GPC challenges arise, the A/BO is responsible to ensure:

- Disputes are tracked to resolution.
- Lost/stolen cards or checks are canceled to detect and prevent potential misuse, abuse, or fraud by the CH.
- All misuse, abuse, and fraud is reported to the A/OPC.
- All IOD DM cases are closed within 55 calendar days of the end of the billing cycle.
- Use of the Bank EAS Electronic Attachments functionality to store GPC supporting documents/disbursing officer records (e.g., procurement requests, detailed/itemized receipts, approvals for special purchases, proof of delivery, and any documentation that supports the purchases on the MA Billing Statement) is mandatory unless a waiver has been granted. [Note]
- All MAs must have at least one Alternate A/BO assigned to the account to provide approvals and guidance to CHs and to certify MA Billing Statements in a timely manner to maximize refunds and prevent interest penalties in the event the Primary A/BO is unavailable.
- A DM case is initiated and closed to document each finding and disciplinary category determination identified.
A/BO and GPC Challenges

When GPC challenges arise, the A/BO is responsible to ensure:

- Disputes are tracked to resolution.
- Lost/stolen cards or checks are canceled to detect and prevent potential misuse, abuse, or fraud by the CH.
- All misuse, abuse, and fraud is reported to the A/OPC.
- All IOD DM cases are closed within 55 calendar days of the end of the billing cycle.

Note

Confirm and Pay Account Payment Model: A/BOs are dual-hatted as the Certifying Officer and are responsible for retaining these records per their Certifying Officer roles and responsibilities.

Pay and Confirm Payment Model: Components operating under Pay and Confirm procedures must follow Component procedures to ensure GPC supporting documentation/dischursing office records are properly retained in accordance with all relevant DoD record retention requirements.
Certifying Officer

PIEE/Joint Appointment Module (JAM) provides the ability to electronically appoint Certifying Officers for Components that electronically certify their payments. If your activity has GPC MA accounts that are manually certified, then you are required to process paper DD 577s with DFAS for those accounts. Work with your A/OPC to ensure you are using the appropriate process for Certifying Officer appointments.

The Certifying Officer is required to fulfill the Disbursing Office Record Retention Requirements for GPC electronically certified MA Billing Statements. For more information, see the DoD FMR.

In accordance with these policies, GPC Certifying Officers are required to retain GPC transaction supporting documentation (which are disbursing office records) for six years and three months after final payment.

When authorized in Component GPC procedures, retention in an approved electronic record retention system negates the need for retention of hard copy (paper) documentation.

- DoD Components funding GPC transactions with foreign military sales (FMS) funding must follow the retention guidance in the DoD FMR, and ensure the FMS documents are retained for ten years from the date of final case closure.

- Components operating under Pay and Confirm procedures must follow Component procedures to ensure GPC supporting documentation/disbursing office records are properly retained in accordance with all relevant DoD record retention requirements.
Cardholder

CHs must receive a formal written delegation of procurement authority and training commensurate with the responsibility delegated to them prior to using the GPC for any of the following GPC authorized uses:

- Open-market micro-purchases
- Payments against contracts
- Placing and paying for orders against contracts
- Payments against training requests on approved SF-182
- As a simplified acquisition method (not a micro-purchase) outside the U.S. and its jurisdictions for commercial item supply/service purchases exceeding the micro-purchase threshold but not exceeding $25,000, if the CH, the merchant, and the supply delivery/service execution are all outside the U.S. and its jurisdictions
Cardholder, Cont.

As mentioned earlier, CHs must complete appropriate training:

- DAU training
- Card-issuing bank EAS training
- Data mining training

CHs are subject to personal financial liability (including reimbursing the Government for unauthorized erroneous purchases through salary offsets) or appropriate adverse personnel action (including removal or other punishment) if they violate applicable GPC use and control regulations, are negligent, or engage in GPC misuse, abuse, or fraud 10 U.S.C. Section 4754.

For individuals subject to chapter 47 of the Uniform Code of Military Justice (UCMJ), violation of such regulations is punishable under section 892 of article 92 of the UCMJ.

(c) PENALTIES FOR VIOLATIONS.—The regulations prescribed under subsection (a) shall—
(1) provide—
(A) for the reimbursement of charges for unauthorized or erroneous purchases, in appropriate cases; and
(B) for appropriate adverse personnel actions or other punishment to be imposed in cases in which employees of the Department of Defense violate such regulations or are negligent or engage in misuse, abuse, or fraud with respect to a purchase card, including removal in appropriate cases; and
(2) provide that a violation of such regulations by a person subject to chapter 47 of this title (the Uniform Code of Military Justice) is punishable as a violation of section 892 of this title (article 92 of the Uniform Code of Military Justice).
Cardholder and GPC Safeguards

Use of the Purchase Log on the card-issuing bank's EAS is mandated unless the Component has been granted a waiver by the OSD.

CHs must ensure:

- The GPC and account number are safeguarded at all times. Only the CH is authorized to use the GPC or card number. No other individual may use the GPC account.
- The GPC is used For Official Use Only and for requirements that fulfill a valid mission need. No personal purchases are permitted.

To the maximum extent possible, Component personnel requesting acquisition of item(s) with a GPC should provide written requests (email is acceptable) to the CH. If it is not possible for the requester to make the request in writing, the CH should document in their file the requester's name, item description, quantity, estimated cost, and date of request. GPC transactions lacking a written item/service request shall be considered "self-generated purchases." (See OMB Circular A-123 Appendix B, Chapter 4.)

Mandatory sources of supply are used as required by FAR part 8.
Cardholder and Transactions

The CH must also ensure transactions are made with responsible merchants in accordance with Component instructions. Written independent receipt and acceptance is obtained from a Government employee other than themselves to ensure the Government received what is stated on the invoice when:

- The GPC is used as a method of payment against an existing contract.
- The CH makes self-generated purchases (i.e., purchases lacking a documented requisition/request from someone other than the CH).
- Other specific circumstances exist for which Components elect to require independent receipt and acceptance.

**Note**
Cardholder and Transactions

The CH must also ensure transactions are made with responsible merchants in accordance with Component instructions. Written independent receipt and acceptance is obtained from a Government employee other than themselves to ensure the Government received what is stated on the invoice when:

- The GPC is used as a method of payment against an existing contract.
- The CH makes self-generated purchases (i.e., purchases lacking a documented requisition/request from someone other than the CH).

Note

Acceptable written independent receipt and acceptance for these instances is documented when the Government acceptor applies a legible signature and date to the invoice, packing slip, or other document listing the items that were ordered, billed, and received. To ensure proper identity, the acceptor must also have printed or typed their name on the document.
Check Writer

The Check Writer shall not:

- Write checks to merchants that accept the GPC.
- Exceed the $5,000 threshold for convenience checks.
- Write checks that are exchanged for cash to establish a cash fund.
- Write checks to "Cash" or other generic name, or to any check-cashing company.
- Pre-sign checks to establish a "reserve" of signed checks for use when the CH is unavailable.
- Allow their issued checks to be signed by any individual other than the CH.
- Use convenience checks as a method of payment for recurring payments against existing contract instruments.
- Write checks to pay for salaries, employee reimbursements, cash advances, cash awards, food, entertainment, admission tickets, transportation, lodging, clothing, or any other supply or service prohibited under the GPC Program.
- Write checks to a family member, friend, CH, CH Supervisor, or any military/civilian employee.
- Use checks to split purchases or payments.

For more information, see https://www.dfas.mil/contractorsvendors/taxinfo/Convenience-Check-1099PRO/.
Select and drag the Job Title to its Responsibility and then select Check Answer.

**Job Title**

- Cardholder (CH)
- Certifying Officer
- Resource Manager (RM)
- Supervisor

**Responsibility**

- Ensure transactions are made with responsible merchants in accordance with Component instructions.
- Promptly certify that GPC Managing Account (MA) Billing Statements are legal and proper for payment.
- Take appropriate personnel action(s) against individuals committing GPC misuse, abuse, or fraud.
- Coordinate with the Agency/Organization Program Coordinator (A/OPC) to review and adjust spending limits.

The correct matches are indicated.
### Knowledge Review

Select and drag the Job Title to its Responsibility and then select Check Answer.

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The correct matches are indicated.
Knowledge Review

An Approving/Billing Official (A/BO) is authorized to be a Cardholder (CH) under the same Managing Account (MA) for which they are an A/BO.

- True
- False

The statement is **False**. An A/BO is **not** authorized to be a CH under the same MA for which they are an A/BO.
A Cardholder (CH) may allow someone else to use their card or card number to place orders and make purchases or payments.

The statement is **False**. A CH **cannot** allow someone else to use their card or card number to place orders and make purchases or payments.
Before a convenience check is issued, every effort should be made to use the GPC to make the necessary purchase.

The statement is **True**. Before a convenience check is issued, every effort should be made to use the GPC to make the necessary purchase.
Knowledge Review

A Cardholder (CH) can use the GPC to buy items or services for personal use, such as file folders for their home, clothing, and electronics.

- [ ] True
- [x] False

The statement is **False**. A CH **cannot** use the GPC to buy items or services for personal use, such as file folders for their home, clothing, and electronics.
Delegations

CHs are delegated procurement authority to process purchases and payments. The GPC Delegation of Authority Letter includes:

- **Type of delegation**;
- Training commensurate with delegated authority must be completed prior to issuance of Delegation of Authority Letter in accordance with Component procedures;
- Single Purchase Limit;
- Cycle Limit;
- Instructions on the specific type of delegation;
- Effective date;
- Reminder of personal financial liability for violations; and
- Electronic acknowledgement signature of CH.

A/OPCs with authority to delegate procurement authority to GPC CHs shall be delegated in writing via a combination Appointment and Delegation of Authority Letter that clearly states their authority to further delegate procurement authority.

*Note*
Delegations

CHs are delegated procurement authority to process purchases and payments. The GPC Delegation of Authority Letter includes:

- **Type of delegation**;
- Training commensurate with delegated authority must be completed prior to issuance of Delegation of Authority Letter in accordance with Component procedures;
- Single Purchase Limit;
- Cycle Limit;
- Instructions on the specific type of delegation;
- Effective date;
- Reminder of personal financial liability for violations; and
- Electronic acknowledgement signature of CH.

**Note**

A/OPCs with authority to sign CH Delegation of Authority Letters must hold a position in an Acquisition Professional series and be issued a Delegation of Authority Letter that clearly states their authority to further delegate procurement authority on behalf of their Service or Agency. This letter must be signed by a designated appointing procurement official who is within a designated contracting activity (i.e., U.S. Army Contracting Command, Naval Air Systems Command, Air Force Materiel Command, and DLA Acquisition [J-7]).
Delegations

CHs are delegated procurement authority to process purchases and payments. The GPC Delegation of Authority Letter includes:

Types of delegations include:

- Micro-Purchase Cardholder
- Micro-Purchase Convenience Check Writer
- Micro-Purchase Contingency Contracting Cardholder
- Micro-Purchase Higher Education Cardholder
- Warranted Contingency Contracting Cardholder
- Contract Ordering Official Cardholder
- Overseas Simplified Acquisition Cardholder
- Contract Payment Official Cardholder
- Miscellaneous Payments Official Cardholder (SF-182 Training Payments)
- Electronic acknowledgement signature of CH.

A/OPCs with authority to delegate procurement authority to GPC CHs shall be delegated in writing via a combination Appointment and Delegation of Authority Letter that clearly states their authority to further delegate procurement authority.
Appointments

A/OPCs who are not delegated procurement authority shall be appointed in writing via a GPC Appointment Letter.

A/BOs are appointed and are not delegated procurement authority. The A/BO Appointment Letter includes:

- Instructions on the specific appointment
- Effective date
- Electronic acknowledgement signature of the A/BO

A/BOs reviewing and approving CH accounts must be provided training addressing each GPC authorized use for which they will be responsible for overseeing. This training must be completed prior to issuance of their Appointment Letter.

You are hereby appointed to serve as an Oversight A/OPC for Army.
Governance Authorities Introduction

*Susan:* Well, Jim, I have a better understanding of the roles and responsibilities of the various individuals involved in the GPC Program. I also understand the importance of delegations and appointments.

*Jim:* That's good to hear. Now we move on to another important topic, Governing Authorities.

As you will soon find out, the GPC is governed by several authorities, including the Federal Acquisition Regulation (FAR), Defense Federal Acquisition Regulation Supplement (DFARS), and the DoD Government Charge Card Guidebook for Establishing and Managing the Purchase, Travel, and Fuel Card Programs, just to name a few.

*Susan:* Thanks. Let's get started right now.
Governance Authorities

The GPC Program is governed by many authorities, including:

- FAR
- DFARS
- DoD Government Charge Card Guidebook
- Office of Management and Budget (OMB) Circular No. A-123, Appendix B
- DoD Financial Management Regulation (DoD FMR)
- Component Supplements

If there is a conflict at any level, the higher-ranking authority prevails. Always contact your A/OPC for guidance if you are not clear on the appropriate GPC process.
FAR Definitions

CHs authorized to make open-market "micro-purchases" may use their GPC to purchase supplies or services up to the "micro-purchase threshold" established in the FAR. FAR 2.101 establishes the definitions of "micro-purchase" and "micro-purchase threshold." Select each term to learn more about micro-purchases.

<table>
<thead>
<tr>
<th>Micro-Purchase</th>
<th>Micro-Purchase Threshold</th>
</tr>
</thead>
</table>

A micro-purchase is an acquisition of supplies or services, the aggregate amount of which does not exceed the micro-purchase threshold.
FAR Definitions

CHs authorized to make open-market "micro-purchases" may use their GPC to purchase supplies or services up to the "micro-purchase threshold" established in the FAR. FAR 2.101 establishes the definitions of "micro-purchase" and "micro-purchase threshold." Select each term to learn more about micro-purchases.

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<tr>
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<th>Micro-Purchase Threshold</th>
</tr>
</thead>
</table>

"Micro-purchase threshold" means $10,000, except it means—
(1) For acquisitions of construction subject to 40 U.S.C. chapter 31, subchapter IV, Wage Rate Requirements (Construction), $2,000;
(2) For acquisitions of services subject to 41 U.S.C. chapter 67, Service Contract Labor Standards, $2,500;
(3) For acquisitions of supplies or services that, as determined by the head of the agency, are to be used to support a contingency operation; to facilitate defense against or recovery from cyber, nuclear, biological, chemical or radiological attack; to support a request from the Secretary of State or the Administrator of the United States Agency for International Development to facilitate provision of international disaster assistance pursuant to 22 U.S.C. 2292 et seq.; or to support a response to an emergency, or major disaster (42 U.S.C. 5122), as described in 13.201(g)(1), except for construction subject to 40 U.S.C. chapter 31, subchapter IV, Wage Rate Requirements (Construction) (41 U.S.C. 1903)—
   (i) $20,000 in the case of any contract to be awarded and performed, or purchase to be made, inside the United States; and
   (ii) $35,000 in the case of any contract to be awarded and performed, or purchase to be made, outside the United States.
(4) For acquisitions of supplies or services from institutions of higher education (20 U.S.C. 1001(a)) or related or affiliated nonprofit entities, or from nonprofit research organizations or independent research institutes—
   (i) $10,000; or
   (ii) A higher threshold, as determined appropriate by the head of the agency and consistent with clean audit findings under 31 U.S.C. chapter 75, Requirements for Single Audits; an internal institutional risk assessment/ or State law.
FAR Subpart 13.2

FAR subpart 13.2 states the GPC shall be the preferred method to purchase and pay for micro-purchases. The FAR also provides the regulatory guidance governing the purchase process when the total known (aggregate) requirement for mission-essential supplies, services, and construction is at or below the micro-purchase threshold.

13.201 General.

(a) Agency heads are encouraged to delegate micro-purchase authority (see 1.603-3).

(b) The Governmentwide commercial purchase card shall be the preferred method to purchase and to pay for micro-purchases (see 2.101).
FAR Subpart 13.2

FAR subpart 13.2 states the GPC shall be the preferred method to purchase and pay for micro-purchases. The FAR also provides the regulatory guidance governing the purchase process when the total known (aggregate) requirement for mission-essential supplies, services, and construction is at or below the micro-purchase threshold.

Long Description

FAR subpart 13.201 with three GPCs over it. The following text is on the page:

FAR 13.201 General

(a) Agency heads are encouraged to delegate micro-purchase authority (see 1.603-3).

(b) The Government commercial purchase card shall be the preferred method to purchase and to pay for micro-purchases (see 2.101).

"(b) The Government commercial purchase card shall be the preferred method to purchase and to pay for micro-purchases" is highlighted.
DFARS

The DFARS provides specific supplemental regulatory guidance for DoD above what is required by the FAR.

The DFARS contains:

- Requirements of law
- DoD-wide policies
- Delegations of FAR authorities
- Deviations from FAR requirements
- Policies/procedures that have a significant effect beyond the internal operating procedures of DoD or a significant cost or administrative impact on contractors or offerors

It also contains relevant procedures, guidance, and information (PGI) to assist in providing clarifying information on the process.
DFARS, Cont.

DFARS subparts 213.270 and 213.3 address the GPC.

Select the tabs to learn more about each section.

- **Subpart 213.270**—USE OF THE GPC

  - Mandates use of the GPC as the method of purchase and/or method of payment for DoD purchases valued at or below the micro-purchase threshold except for the limited circumstances defined therein.
DFARS, Cont.

DFARS subparts 213.270 and 213.3 address the GPC.

Select the tabs to learn more about each section.

Subpart 213.270  Subpart 213.3

Subpart 213.3—SIMPLIFIED ACQUISITION METHODS / 213.301 Governmentwide commercial purchase card, paragraph (2)

i. GPC transactions using this authority are not micro-purchases.

ii. This is a process using Simplified Acquisition Methods above the micro-purchase threshold up to $25,000 outside the United States (U.S.) and outside U.S. Jurisdictions. The GPC may be the procurement instrument for commercial item supply/services purchases exceeding the micro-purchase threshold but not exceeding $25,000, if the purchase is made outside the United States and U.S. jurisdictions for use outside the United States and U.S. jurisdictions. For the complete requirements to use the GPC in this instance, see DFARS subpart 213.301.

iii. CHs and A/BOs using this authority are required to receive additional training on competition and other requirements prior to making any purchases.
The Guidebook

The DoD Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs (or "the Guidebook") provides guidance and best practices for the GPC Program:

- Chapter 2, Common Business Rules for All Card Programs: Purchase, Travel, Air, Fleet, and Fuel
- Appendix A, Unique Business Rules for Purchase Card Programs
- Appendix B, Using the Purchase Card for Contingency Operations, Defense Against or Recovery from Cyber, Nuclear, Biological, Chemical or Radiological Attack, International Disaster Assistance, an Emergency or Major Disaster, and Humanitarian or Peacekeeping Operations
- Appendix C, Government Purchase Card Guide to Overseas (OCONUS) Shipments
- Appendix K, Internal Management Controls for the GPC Program
- Appendix L, Charge Card Reporting Requirements and Interim Disciplinary Category Definitions
DoD FMR

Department of Defense Financial Management Regulations (DoD FMR) specifically address the authority and responsibility issued to Certifying Officers.

Certifying Officers under 31 U.S.C. 3325(a)(1), as disbursing officials, must be officers or employees of the Federal agency concerned, and are "accountable" because unless granted relief they are pecuniarily liable under 31 U.S.C. 3528(a) for any payments they erroneously certified.

Appointment as a Certifying Officer is a precondition to enforcement of pecuniary liability under section 3528(a) (see the DoD FMR).
DoD FMR

Department of Defense Financial Management Regulations (DoD FMR) specifically address the authority and responsibility issued to Certifying Officers.

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Note

Defense Acquisition University (DAU) CLG 006, Certifying Officer Legislation Training for Purchase Card Payments, is required for all GPC Certifying Officers.

- Defense Acquisition University (DAU) - CLG 006 Certifying Officer Legislation Training for Purchase Card Payments
- Accessing Training for Accountable Officials and Certifying Officers
- Defense Travel Management Office (DTMO)
OMB Circular No. A-123, Appendix B

OMB Circular No. A-123, Appendix B addresses and answers questions for the proper documentation and disciplinary actions associated with using the GPC.

Select the tabs to learn more about the documentation and disciplinary actions.

- **Documentation**
- **Disciplinary Actions**

### 4.8 What documentation should be maintained to minimize erroneous and improper purchases?

To the maximum extent possible, agency personnel requesting a CH to acquire an item(s) with a GPC should provide written or electronic requests to the CH for the items. If it is not possible for the requester to make the request in writing or by electronic means, the CH should document in their file the requester's name, item description, quantity, estimated cost, and date of request. GPC transactions lacking a written or electronic item/service request shall be considered "self-generated purchases."

The CH should also document availability of funds at the time of each purchase, and:

- The DoD Charge Card Guidebook requires GPC CHs to obtain written independent receipt and acceptance by an individual other than the CH for all self-generated purchases.

**Note**
OMB Circular No. A-123, Appendix B

OMB Circular No. A-123, Appendix B addresses and answers questions for the proper documentation and disciplinary actions associated with using the GPC.

Select the tabs to learn more about the documentation and disciplinary actions.

**Documentation**  **Disciplinary Actions**

### 4.9 What administrative and/or disciplinary actions may be imposed for charge card misuse?

GPC abuse, delinquencies, internal fraud, and misuse involve violations of the Federal Acquisition Regulation (FAR), Defense FAR Supplement (DFARS), or agency supplements and are prohibited. Agencies may impose disciplinary action for charge card infractions, including removal for serious or repeated infractions.

OMB Circular A-123, Appendix B requires agencies to develop and impose disciplinary actions they deem appropriate in cases of charge card misuse; and to maintain policy that ensures administrative actions are initiated if CHs fail to meet their responsibilities with respect to appropriate card use.

Administrative and/or disciplinary actions are determined based upon the status of the GPC official as a military or DoD civilian employee and are at the discretion of the employee's supervisory chain of command.

As GPC Program violations, abuse, delinquency, internal fraud, and misuse are reportable to OMB. Administrative discrepancies and external fraud, while constituting improper use, are not violations.
OMB Circular No. A-123, Appendix B

OMB Circular No. A-123, Appendix B addresses and answers questions for the proper documentation and disciplinary actions associated with using the GPC.

Select the tabs to learn more about the documentation and disciplinary actions.

Documentation  Disciplinary Actions
Component Supplements

Component GPC supplements may be more stringent; however, Component supplements shall not be less stringent than established laws, regulations, policies, and guidance at a higher level.

Contact your A/OPC to determine the Component GPC policy supplement you are required to read and follow. If you are not clear about the GPC guidance, you are to read and follow:

- **Joint Basing**: For more information see the [DoD Government Charge Card Guidebook for Establishing and Managing Purchase, Travel and Fuel Card Programs, A.1.1.1.1 Joint Basing](#).

- **Responsible Merchants**: Follow Component procedures addressing the FAR 9.402 requirement to transact with responsible merchants only.
Knowledge Review

Whom do you contact if you are not clear about GPC processes for your organization?

- The Resource/Financial Manager
- The Accounting/Paying Office
- A Cardholder (CH)
- The Agency/Organization Program Coordinator (A/OPC) supporting your organization

Contact the **A/OPC supporting your organization** if you are not clear about GPC processes for your organization.
Lesson Summary

You have now completed this lesson and should be able to:

• Identify the business model for the Governmentwide Commercial Purchase Card Program.

• Identify the uses of Government purchase cards that are authorized by the Governmentwide Purchase Card Program.

• Recognize the governing process flow of the Governmentwide Commercial Purchase Card Program.

• Identify the key roles and responsibilities of various officials in the Governmentwide Commercial Purchase Card Program.
Congratulations! You have completed this lesson.

If the Next button is active please proceed, if not close this window.
Jim: Hello again. In this lesson you will learn about the oversight systems used in the Governmentwide Commercial Purchase Card (GPC) Program, such as Procurement Integrated Enterprise Environment (PIEE). Are you familiar with it?

Susan: Not exactly. What is it? What does it do?

Jim: In short, it's a system used to improve management and accountability of the GPC Program.

Susan: I think I got it. So, it's accounting software that tracks information that is specific to the GPC Program, right?

Jim: Well...not exactly. Tell you what, Susan. After you read the next section, I'm sure you'll have a better idea of what PIEE is all about.
Lesson Objectives

The learning objective for this lesson is:

- Recognize the oversight systems and account information used in the Governmentwide Commercial Purchase Card Program.

Upon completion, you should be able to:

- Recognize the Governmentwide Commercial Purchase Card Program's mandatory electronic tools.
- Recognize the Governmentwide Commercial Purchase Card Program's mandatory oversight procedures.
- Identify information pertinent to a Managing Account.
- Recognize adverse personnel actions that can be taken for illegal, improper, or incorrect payment with the Governmentwide Commercial Purchase Card or check.
GPC Program Oversight

DoD Instruction (DoDI) 5010.40, "Managers' Internal Control Program Procedures," requires DoD organizations to implement internal controls.

Oversight is conducted to:

- Validate and promote compliance with existing purchasing and management internal controls.
- Identify, report on, and resolve systemic material program weaknesses.
- Measure the effectiveness of purchasing and management internal controls.
GPC Program Oversight Cycle

Under the General Services Administration (GSA) SmartPay® 3 Tailored Task Orders, DoD has implemented a three-pronged program oversight cycle. **Select each tab to learn more.**

**Daily DM Case Reviews**

*Detect and prevent improper purchases*
*Document corrective actions taken*

**Monthly A/OPC Reviews**

**Semi-Annual HA Reviews**

Daily Data Mining (DM) Case Reviews are conducted by Approving/Billing Officials (A/BOs) and Agency/Organization Program Coordinators (A/OPCs) to prevent and identify improper purchases.

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Players</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detect and prevent improper purchases</td>
<td>A/BOs (logged into Insights on Demand [IOD]), A/OPCs (logged into IOD), and Supervisors (external to IOD unless they are the A/BO).</td>
</tr>
<tr>
<td>Document corrective actions taken</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Process</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. IOD initiates cases for review.</td>
<td>Closed cases/documentation of corrective action</td>
</tr>
<tr>
<td>2. A/BOs complete reviews.</td>
<td></td>
</tr>
<tr>
<td>3. A/OPCs verify all A/BO input, document corrective action, and close cases.</td>
<td></td>
</tr>
<tr>
<td>4. Supervisor and A/OPC collaborate to take personnel action as necessary.</td>
<td></td>
</tr>
</tbody>
</table>
Under the General Services Administration (GSA) SmartPay® 3 Tailored Task Orders, DoD has implemented a three-pronged program oversight cycle. Select each tab to learn more.

### GPC Program Oversight Cycle

Under the General Services Administration (GSA) SmartPay® 3 Tailored Task Orders, DoD has implemented a three-pronged program oversight cycle. Select each tab to learn more.

#### Daily DM Case Reviews

- Document oversight actions
- Review internal controls
- Ensure DM case closure
- Engage Supervisors
- Enable tactical/operational decision-making

#### Monthly A/OPC Reviews

- Supervisors (external to IOD, unless they are the A/BO), A/OPCs, and OA/OPCs

#### Process

1. A/OPC verifies 100% DM case closure, reviews key internal controls, and documents review results.
2. OA/OPC reviews A/OPC submissions.

#### Product

- Monthly A/OPC Review Report
### GPC Program Oversight Cycle

Under the General Services Administration (GSA) SmartPay® 3 Tailored Task Orders, DoD has implemented a three-pronged program oversight cycle. **Select each tab to learn more.**

#### Daily DM Case Reviews

#### Monthly A/OPC Reviews

#### Semi-Annual HA Reviews

Semi-Annual Head of Activity (HA) Reviews are conducted with participation by A/OPCs, Oversight Agency/Organization Program Coordinators (OA/OPCs), and Component Program Managers (CPMs) to ensure adherence to internal controls and facilitate senior management's awareness of their GPC Program's health, and to help them promote the interdisciplinary communication needed for successful GPC Program operations.

<table>
<thead>
<tr>
<th>Purpose</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Ensure leadership insight</td>
<td></td>
</tr>
<tr>
<td>• Enable organizational/strategic decision making</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Players</th>
<th>A/OPCs, OA/OPCs, CPMs, HAs - Commanding Officers/Procurement Leads/SPEs, and Office of the Under Secretary of Defense (Acquisition and Sustainment) Defense Pricing and Contracting (DPC) Contracting and eBusiness (CeB) (OUSD(A&amp;S)/DPC/CeB)</th>
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</table>

<table>
<thead>
<tr>
<th>Process</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. HAs at each level receive program briefings from their A/OPCs, OA/OPCs, or CPMs and sign off on them.</td>
<td></td>
</tr>
<tr>
<td>2. A/OPCs, OA/OPCs, or CPMs affirm completion.</td>
<td></td>
</tr>
<tr>
<td>3. CPMs provide brief to OUSD(A&amp;S)/DPC/CeB.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Product</th>
<th>Semi-Annual HA Review Report</th>
</tr>
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</table>
SmartPay 3 (SP3) Mandatory Electronic Tools

To facilitate appropriate user access to accurate and complete data for use in managing the DoD GPC Program, use of the following enterprise electronic tools by DoD Components executing transactions under the terms of the Army/Air Force/Defense Agencies and Activities and Navy SP3 Tailored Task Orders is mandated during the SP3 transactional period:

- Procurement Integrated Enterprise Environment (PIEE)
- Joint Appointment Module (JAM)
- U.S. Bank Access Online
- Mastercard Insights On Demand (IOD) by Oversight
- Procurement Business Intelligence Service (PBIS)

The functional workflow for these systems is summarized in the following chart. Select the chart to view a larger version.
SmartPay 3 (SP3) Mandatory Electronic Tools

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- U.S. Bank Access Online
- Mastercard Insights On Demand (IOD) by Oversight
- Procurement Business Intelligence Service (PBIS)

The functional workflow for these systems is summarized in the following chart. Select the chart to view a larger version.

Legend

- CAC - Common Access Card
- DAA - Delegating/Appointing Authority
- DAS - Delegating Appointing Signatory
- GEX - Global Exchange
- IST - Integrated Solutions Team
- PKI - Public Key Infrastructure (PKI)
- PMO - Program Management Office

Under the Government Owned System PKI / CAC enabled column, the process is as follows:

- A/OPC & OA/OPC Self-Register (Supervisor Electronically Signs, DAS Electronically Signs, Group Account Manager Approves) and DAA Self-Registers
- Nominates Cardholder (Joint Appointment Module)
- Cardholder Registers (PIEE Registration, Supervisor Electronically Signs)
- Initiator starts Card Holder Appointment (Joint Appointment Module, DAS Electronically Signs)
- Cardholder Signs Appointment (Joint Appointment Module, Group Account Manager Approves)
- GEX

An arrow connects GEX to Access Online, which is in the Bank Provided column. The following steps under the Bank Provided column are performed in Access Online:

- A/OPC Creates Or Links To CH Account
- Cardholder Makes Purchases / Transactions
- Cardholder Creates Purchase Log, Loads Supporting Data, Approves Statement
- A/BO Reviews Transactions, Approves Statement
- Certifying Officer Reviews Transactions, Approves Invoice


Insights on Demand connects to a continued area of the flowchart, in which all steps are performed in Insights on Demand:
- A/BO Reviews Data Mining Cases
- A/OPC Reviews/Closes Cases & Conducts Oversight Reviews
- OA/OPC Spot Checks Cases & Conducts Oversight Reviews
- Agency PMO Reviews CPM Submissions

Two boxes are under the "A/OPC Creates Or Links To CH Account" box. The box labeled "Account Set Up & Maintenance Only" has an up arrow above it, and the box labeled "Recurring Transactions" has a down arrow below it.

An arrow connects A/OPC Reviews/Closes Cases & Conducts Oversight Reviews to GEX in the last column, with lines branching from the arrow to OA/OPC Spot Checks Cases & Conducts Oversight Reviews and Agency PMO Reviews CPM Submissions.

The last column is Government Owned System PKI / CAC enabled. An arrow connects GEX to a box labeled "Archives Transactions & IOD Data" (which uses the Procurement Business Intelligence Service).

Another arrow connects GEX to a box labeled "Generates Closed Case Random Sample for Review" (which uses the Procurement Business Intelligence Service. Additional steps follow:

- GEX
- Selected Small Group Members Validate / Refer Case (Purchase Card Oversight Module)
- PM Responsible for Review & Documentation of Findings (Purchase Card Oversight Module)
- GEX

Arrows run from the "Agency PMO Reviews CPM Submissions" and "PM Responsible for Review & Documentation of Findings" steps to boxes labeled "Informs Process," then a box labeled "IST Reviews Results & Approves Necessary Adjustments."

Below the diagram is another flow diagram with three steps:
- GPC PIEE Users with Roles (PIEE Registration, under the Government Owned System PKI / CAC enabled column)
- Single Sign On (PIEE Registration and Access Online, under the Government Owned System PKI / CAC enabled and Bank Provided columns)
- Single Sign On (Access Online and Insights on Demand, under the Bank Provided column)

Below the flowcharts is a box with text:

- Delegating/Appointing Authority (DAA) - PIEE Role for person who will sign JAM appointments (internal user)
- Delegating Appointing Signatory (DAS) - Includes others who can sign JAM appointments (DAA, Oversight A/OPC (OA/OPC) with Delegating Authority, A/OPC with Delegating Authority, External User whose email address is entered by Workflow Initiatory
- Initiator - The A/OPC or OA/OPCs who start a JAM appointment
Procurement Integrated Enterprise Environment

PIEE:

• Is a procurement portfolio capability;

• Uses a Common Access Card (CAC) enabled single-sign-on capability to grant access to system modules (also allows authorization of an exception-basis username and password access by Government employees);

• Reduces DoD operating costs and improves the quality of, and access to, enterprise-wide data; and

• Uses cross-functional (financial, procurement, and logistics) DoD Activity Address Code (DoDAAC) hierarchies established by the Components, to facilitate PEE account management and access routing, and to aggregate data.

GPC Program participants are required to register for a PEE account and request the GPC role(s) appropriate for their program function.

Additional information about PEE is available at:

• https://www.acq.osd.mil/dpap/pdi/p2p/p2p_capability_summaries.html - P2P Capability Summary #29

• https://www.acq.osd.mil/dpap/pdi/pc/SmartPay3_TI_and_PCET.html
Joint Appointment Module

Electronic GPC Delegation of Authority and/or Appointment Letters must be granted for GPC Program participants.

JAM is the PIEE module used to initiate, review, approve, store, and terminate required delegations of procurement authority and/or appointments.

As appropriate, JAM GPC appointments result in issuance of:

- GPC Delegation and/or Appointment Letters;
- Limited-scope SF-1402 Certificate of Appointment (commonly referred to as a warrant); and
- DD Form 577 Appointment/Termination Record – Authorized Signature (commonly referred to as a Certifying Officer Appointment).

Additional information about JAM is available at:
Access Online

U.S. Bank's electronic access system (Internet based) provides account access and a variety of reports to help users manage their GPC Programs.

Use of Access Online is required for:

- A/OPCs to issue and maintain GPC accounts and manage their programs;
- Resource Managers to provide funding and valid Lines of Accounting for GPC accounts;
- A/BOs to support their transaction compliance review process and approve GPC Statements of Account; and
- Certifying Officers to perform reviews and electronically certify GPC invoices for payment.

Access Online is also required for CHs to:

- Create their Purchase Log;
- Document supply and service acceptance;
- Retain their transaction supporting documentation; and
- Approve GPC Statements of Account (Order Management).
Access Online

U.S. Bank's electronic access system (Internet based) provides account access and a variety of reports to help users manage their GPC Programs.

Use of Access Online is required for:

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- Certifying Officers to perform reviews and electronically certify GPC invoices for payment.

Note

Unless a joint Office of the Under Secretary of Defense (OUSD) (Comptroller) and OUSD Acquisition and Sustainment (A&S)/Defense Pricing and Contracting (DPC) waiver is granted and an alternate electronic solution is approved.
Access Online

U.S. Bank's electronic access system (Internet based) provides account access and a variety of reports to help users manage their GPC Programs.

Use of Access Online is required for:

- A/OPCs to issue and maintain GPC accounts and manage their programs;
- Resource Managers to provide funding and valid Lines of Accounting for GPC accounts;
- A/BOs to support their transaction compliance review process and approve GPC Statements of Account; and
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Access Online is also required for CHs to:

- **Create their Purchase Log**;

  - **Create Their Purchase Log**
  - DoD Policy does not require creation of a separate Purchase Log when all required fields are populated using Access Online Order Management. However, CHs may be subject to additional local Purchase Log policies.
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- Certifying Officers to perform reviews and electronically certify GPC invoices for payment.

Access Online is also required for CHs to:

- Create their Purchase Log;
- Document supply and service acceptance;

**Document Supply and Service Acceptance**

Documenting acceptance using Access Online’s Order Management - Order Receipt functionality helps A/BOs and A/OPCs validate separation of duties and also facilitates system interfaces with WAWF.
Access Online

U.S. Bank's electronic access system (Internet based) provides account access and a variety of reports to help users manage their GPC Programs.

Use of Access Online is required for:

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- Resource Managers to provide funding and valid Lines of Accounting for GPC accounts;
- A/BOs to support their transaction compliance review process and approve GPC Statements of Account; and
- Certifying Officers to perform reviews and electronically certify GPC invoices for payment.

Access Online is also required for CHs to:

- Create their Purchase Log;
- Document supply and service acceptance;
- Retain their transaction supporting documentation; and

- **Retain Their Transaction Supporting Documentation**

Attaching an electronic copy of supporting documents to each transaction using Access Online's Transaction Management - Attachments functionality allows A/BOs and A/OPCs and others reviewing GPC transactions to validate adherence to acquisition policies.
Merchant Category Codes

Access Online uses Mastercard's Merchant Category Codes (MCCs) to categorize merchants based on the types of goods or services they provide.

When an A/OPC adds an MCC to a CH or Managing Account (MA) profile in Access Online, that account is enabled to make purchases from merchants categorized under that MCC.

Certain MCCs have been categorized as "high risk" and "very high risk." There is a higher likelihood that a DM case will be initiated for purchases from vendors in either of these categories.
Transaction-Supporting Data and Documenting Receipt and Acceptance

Use of the Access Online Purchase Log, also called the "Order Management" function, is mandated unless a waiver is granted by OSD.

Cardholders (including Convenience Check Account Holders) are required to:

- Maintain files (i.e., transaction supporting data) to document their purchase, acceptance, and receipt until the end of the monthly billing cycle, and then forward them to the Certifying Officer for record retention.

- Scan their transaction supporting data and load it into Access Online (using the "Transaction Management—Attachments" function) throughout the billing cycle to ensure data is available for daily, monthly, and semi-annual reviews.

- Use the Access Online "Order Management – Order Receipt" function to document receipt and acceptance of supplies and services.
Use of the Access Online Purchase Log, also called the "Order Management" function, is mandated unless a waiver is granted by OSD.

Cardholders (including Convenience Check Account Holders) are required to:

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- Scan their transaction supporting data and load it into Access Online (using the "Transaction Management—Attachments" function) throughout the billing cycle to ensure data is available for daily, monthly, and semi-annual reviews.

Note

CHs shall not load any documents with a marking of "For Official Use Only" or higher to Access Online. Those documents should be handled in accordance with applicable Component requirements and be available offline for account inspections and audits.
Transaction-Supporting Data and Documenting Receipt and Acceptance

Use of the Access Online Purchase Log, also called the "Order Management" function, is mandated unless a waiver is granted by OSD.

Cardholders (including Convenience Check Account Holders) are required to:

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- Scan their transaction supporting data and load it into Access Online (using the "Transaction Management—Attachments" function) throughout the billing cycle to ensure data is available for daily, monthly, and semi-annual reviews.

Note

Use of Access Online Electronic Attachments to store GPC transaction supporting documents negates the need for the Cardholder to store duplicate hardcopy documents.
Mastercard IOD by Oversight

Mastercard IOD:

- Is an artificial intelligence DM platform that automatically analyzes DoD's GPC data to identify high-risk transactions, initiating cases for review by GPC Program officials;

- Enables DoD to fulfill the 10 U.S.C. 4754, Management of Purchase Cards, requirement that "the Department of Defense uses effective systems, techniques, and technologies to prevent or identify potential fraudulent purchases;"

- Facilitates transaction reviews and enables documentation of any findings identified and corrective actions taken; and

- Initiates cases for review using tiered business rule sets to identify and manage high-risk transactions.
IOD Requirements

GPC Program officials must use IOD to document Daily DM Case Reviews, Monthly A/OPC Reviews, and Semi-Annual HA Reviews.

GPC A/OPCs must use IOD to review and approve/disapprove all A/BO completed DM case reviews and document any finding/determination/corrective action taken by completing the A/OPC DM Case Questionnaire. Failure to timely complete required reviews will result in account suspensions.

GPC Program officials must initiate and complete their reviews and close cases for each independently identified finding and determination (i.e., those not identified by IOD) during their review process.
Mandatory Program Oversight Procedures

The SP3 Program Oversight Cycle is illustrated here. For a larger version, view Table I-1 in the memo at https://www.acq.osd.mil/dpap/policy/policyvault/USA000098-19-DPC.pdf.

<table>
<thead>
<tr>
<th>Daily DM Case Reviews</th>
<th>Monthly A/OPC Reviews</th>
<th>Semi-Annual Head of Activity Reviews</th>
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</thead>
<tbody>
<tr>
<td><strong>Purpose:</strong></td>
<td><strong>Purpose:</strong></td>
<td><strong>Purpose:</strong></td>
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<tr>
<td>Detect/Prevent Improper Purchases</td>
<td>Document Oversight Actions</td>
<td>Ensure Leadership Insight</td>
</tr>
<tr>
<td>Document Corrective Actions</td>
<td>Review Internal Controls</td>
<td>Enable Organizational/Strategic Decision Making</td>
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<tr>
<td><strong>Players:</strong></td>
<td><strong>Players:</strong></td>
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<tr>
<td>A/BOs</td>
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<tr>
<td>A/OPCs</td>
<td>Supervisors</td>
<td>Supervisors</td>
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<tr>
<td>Supervisors</td>
<td><strong>Process:</strong></td>
<td><strong>Process:</strong></td>
</tr>
<tr>
<td>A/BOs Complete Reviews</td>
<td>A/OPC:</td>
<td>A/OPC:</td>
</tr>
<tr>
<td>A/OPCs Verify All A/BO Input, Document Corrective Action, and Close Case</td>
<td>Verifies 100% DM Case Closure</td>
<td>Verifies 100% DM Case Closure</td>
</tr>
<tr>
<td>Supervisor &amp; A/OPC collaborate to Take Personnel Action As Necessary</td>
<td>Reviews Key Internal Controls</td>
<td>Reviews Key Internal Controls</td>
</tr>
<tr>
<td><strong>Product:</strong></td>
<td><strong>Product:</strong></td>
<td><strong>Product:</strong></td>
</tr>
</tbody>
</table>
Long Description

GPC SP3 Program Oversight Cycle. The table has three columns: Daily DM Case Reviews, Monthly A/OPC Reviews, and Semi-Annual Head of Activity Reviews.

Daily DM Case Reviews

Purpose:

- Detect/Prevent Improper Purchases
- Document Corrective Actions

Players:

- A/BOs
- A/OPCs
- Supervisors

Process:

- Insights On Demand (IOD) Initiates Case for Review
- A/BOs Complete Reviews
- A/OPCs Verify All A/BO Input, Document Corrective Action, and Close Case
- Supervisor & A/OPC collaborate to take Personnel Action As Necessary

Product:

- Closed Cases / Documentation of Corrective Action
Monthly A/OPC Reviews

Purpose:

- Document Oversight Actions
- Review Internal Controls
- Ensure DM Case Closure
- Engage Supervisors
- Enable Tactical / Operational Decision Making

Players:

- Supervisors
- A/OPCs
- OA/OPCs

Process:

- A/OPC: Verifies 100% DM Case Closure, Reviews Key Internal Controls, Documents Review Results
- OA/OPC: Reviews A/OPC Submissions

Product:

- Monthly A/OPC Review Report

Open cases result in mandatory account suspensions

Semi-Annual Head of Activity Reviews:
Purpose:

- Ensure Leadership Insight
- Enable Organizational / Strategic Decision Making

Players:

- A/OPCs
- OA/OPCs
- CPMs
- Heads of Activity (HA) - Commanding Officers / Procurement Leads / SPEs
- OUSD(A&S) / DPC

Process:

- HAs at Each Level Receive Program Briefings from their A/OPCs, OA/OPCs or CPMs and Sign-Off
- A/OPCs, OA/OPCs or CPMs Affirm Completion
- CPMs Provide Brief to OUSD((A&S) / DPC / CeB

Product:

- Semi-Annual HA Review Report

Below the table, an arrow labeled "Quarterly Data Mining Case Validation Reviews" is divided into four sections. The text "DEVELOPMENT PLANNED IN FY 20" is over the arrow.

Below the arrow is an arrow labeled "Procurement Management Reviews / Internal Control Reviews / IG Reviews."
Daily DM Case Reviews

A/BOs and A/OPCs (or their Alternates) are required to take action in IOD to close every DM case.

Select each tab to learn more.

Overview Deferment Suspension

For transactions identified as at-risk of being noncompliant, IOD will initiate a case for review and notify the A/BO that their action is required.

The A/BO must complete a questionnaire and document findings and any disciplinary category determinations associated with the case.

Next, IOD notifies the A/OPC that their action is required. The A/OPC must "close" the case by documenting concurrence or nonconcurrence (e.g., rejecting it back to the A/BO with a request for additional information) with the A/BO's findings and determinations.

Rather than waiting until the end of the month, A/BOs should complete Daily DM case reviews throughout the billing cycle to promote timely resolution when warranted.

At their discretion, A/BOs and A/OPCs can identify additional transactions for review.
Daily DM Case Reviews

A/BOs and A/OPCs (or their Alternates) are required to take action in IOD to close every DM case.

Select each tab to learn more.

Overview  Deferment  Suspension

The A/OPC may defer an A/BO from the requirement to timely complete a DM case review only when both the Primary and Alternate A/BO are unavailable to conduct a review due to either: (1) deployment or (2) exemption (e.g., prolonged illness or other absence, ongoing investigation).

The deferment may not exceed 30 days without prior OA/OPC approval or (for small organizations that do not have an OA/OPC) CPM approval.

The OA/OPC must ensure all deferred reviews are completed at the time of the Semi-Annual HA Review Report submission.
**Daily DM Case Reviews**

A/BOs and A/OPCs (or their Alternates) are required to take action in IOD to close every DM case.

*Select each tab to learn more.*

<table>
<thead>
<tr>
<th>Overview</th>
<th>Deferment</th>
<th>Suspension</th>
</tr>
</thead>
</table>

Failure to close all non-deferred cases within 30 days of the end of each billing cycle may result in suspension of the A/BO's MA. Mandatory account suspension for open cases occurs at 55 days of the end of each billing cycle.

When all of the suspended account's cases are closed, the A/OPC may reactivate suspended accounts without additional approval.

If cases remain open, suspended GPC accounts may be reactivated only after written or emailed approval from an individual who is at least one level above the person who initiated the suspension (e.g., if the A/OPC suspends the account, an OA/OPC or CPM must approve reactivation).
Monthly A/OPC Reviews

A/OPCs must conduct a Monthly A/OPC Review each billing cycle.

Select each tab to learn more.

The Monthly A/OPC Review includes:

- Validating that all DM cases are closed; and
- Assessing the key purchasing and management internal controls (e.g., span of control, delinquencies, and training).

IOD reports show calculations of key GPC Program controls. Assessing the key purchasing and management internal controls includes performing a summary assessment of 100 percent of all transactions not flagged by IOD.
Monthly A/OFC Reviews

A/OFCs must conduct a Monthly A/OFC Review each billing cycle.

Select each tab to learn more.

Overview  Summary Assessment  Completion Requirements

The summary assessment's goals are to:

- Ensure awareness of purchasing activity within the hierarchy.
- Identify purchasing and behavior patterns not otherwise identified by IOD (e.g., patterns that span multiple CH or Managing Accounts) or that may otherwise require A/OFC action.

Access Online transaction detail reports are available for use in performing these reviews.

A/OFCs may use the IOD tool to identify additional transactions for review and must assess these transactions as part of the normal DM case review process and timeline.

A/OFCs must ensure a DM case is created for each of their findings and disciplinary category determinations.
Monthly A/OPC Reviews

A/OPCs must conduct a Monthly A/OPC Review each billing cycle.

Select each tab to learn more.

| Overview | Summary Assessment | Completion Requirements |

A/OPCs are required to fill out the A/OPC Monthly Checklist in IOD to document completion of their review. Each A/OPC Monthly Review must be completed within 30 calendar days of the end of the billing cycle.

The monthly A/OPC Review is considered complete only if 100 percent of all DM cases open during the billing cycle under review have been closed in IOD or granted "deferred" status.

Completed A/OPC Monthly Checklists are automatically routed to OA/OPCs, who are required to, within 10 calendar days, log in to IOD each cycle to spot-check the monthly reviews conducted by the A/OPCs and OA/OPCs directly below them in the hierarchy and electronically certify they have conducted their monthly reviews.
Semi-Annual Head of Activity (HA) Reviews

Semi-Annual HA Reviews must be conducted in IOD at the end of the March and September billing cycles.

*Select each tab to learn more.*

**Overview**  **A/OPC Responsibilities**

Semi-Annual HA Reviews are:

- A consolidation of the previous six Monthly A/OPC Reviews; and
- Initiated by A/OPCs.

All Semi-Annual HA Reviews must be completed and provided to the CPM no later than 15 June and 15 December of each year. The CPM must then brief their Component HA and provide their review results to the Agency Program Management Office no later than 15 July and 15 January of each year.
Semi-Annual Head of Activity (HA) Reviews

Semi-Annual HA Reviews must be conducted in IOD at the end of the March and September billing cycles.

Select each tab to learn more.

Overview | A/OPC Responsibilities

A/OPCs must:

- Brief their review results to their HA.
- Obtain the HA's signature on the Semi-Annual HA Review Report.
- Provide a scanned version of the signed report and any other review documents to the OA/OPC at the next higher tier.
- Certify they have completed their Semi-Annual HA Reviews in IOD.
- Retain the final signed documents.

These A/OPC responsibilities must also be completed by the OA/OPCs (JAM allows for appointment of up to two levels of OA/OPCs, but unlike in the Services, this role is often not present in Defense Agency programs).
Oversight Systems Training and Resources

Oversight systems training and resources include the following:


- **DoD Mastercard IOD Data Mining Training** - Mandatory for all A/BOs and A/OPCs, hosted by U.S. Bank at [https://www.access.usbank.com](https://www.access.usbank.com)

- **IOD User Guides** - Role-based guides developed by IOD, hosted by U.S. Bank at [https://www.access.usbank.com](https://www.access.usbank.com)

- **JAM Web-Based Training** - Available at [https://pieetraining.eb.mil/wbt/xhtml/jam/index.xhtml](https://pieetraining.eb.mil/wbt/xhtml/jam/index.xhtml)


Jim: So now you know about PIEE. We're just about finished with this lesson.

Susan: That's nice to hear. What's next?

Jim: Account information. This section addresses MAs, Cardholder limits, and suspensions.

Susan: Very good. Not sure what that's all about... but I'm sure I'll know more soon.
Managing Accounts

A Managing Account (MA) is the higher-level account under which up to seven CH accounts may be established. The MA cannot be used to make purchases, but instead is used to roll up CH accounts under the A/BO for their review and disbursement processing. The MA Billing Statement (also referred to as the invoice) is the document the Certifying Officer certifies for payment.

All MAs must have a Primary A/BO designated responsibility for performing the A/BO roles and responsibilities previously addressed in this training.

All MAs must have at least one Alternate A/BO assigned to the account to provide approvals and guidance to CHs and to certify MA Billing Statements in a timely manner to prevent interest penalties in the event the Primary A/BO is unavailable. In order for the MA to remain active, a Primary A/BO is required for all CH accounts under the MA.

To ensure CH accounts are not suspended when the Primary A/BO is unavailable to perform his/her GPC duties, one of the Alternate A/BOs for the account should be temporarily assigned as the Primary A/BO until the A/BO returns or a designated replacement is appointed.
Managing Accounts

A Managing Account (MA) is the higher-level account under which up to seven CH accounts may be established. The MA cannot be used to make purchases, but instead is used to roll up CH accounts under the A/BO for their review and disbursement processing. The MA Billing Statement (also referred to as the invoice) is the document the Certifying Officer certifies for payment.

Note

All MAs must have a Primary A/BO designated responsibility for performing the A/BO roles and responsibilities previously addressed in this training.

Note

The limit is on the number of accounts, not the number of individual CHs. For example, one individual may have two separate accounts under a single MA; they count as two of the seven allowable accounts. Waivers to the 1-to-7 ratio on MAs are required to be submitted up the A/OPC chain of command to the CPM for approval.
Cardholder Limits

Any increase or decrease to a CH's single, monthly, or office purchase limits must be coordinated between the CH's Supervisor, the A/BO's Supervisor, the A/BO, and the Comptroller Financial/RM/Budget Office or Other Fund Manager providing funding support to the account.

Supervisors must make regular reviews of existing CHs and their monthly spending limits to help ensure monthly spending limits are appropriate for the expected purchasing activity.
Suspensions

Certifying Officers must promptly certify MA Billing Statements for payment, because:

- Failure to certify within 90 days of the billing cycle end date will result in the automatic suspension of all CH accounts under the MA until the card-issuing bank is paid.
- At 180 days past due (i.e., 210 days after the billing cycle end date), all CH accounts associated with the MA will be suspended until all delinquencies are reduced to less than 180 days past due.
- Establishment of new MAs or CH accounts to circumvent non-payment to the bank is prohibited.

A/BOs are required to complete their DM case reviews within 30 calendar days of the billing cycle end date. A/OPCs may suspend MAs with open DM cases 30 days after the billing cycle end date. OA/OPCs must suspend MAs with open DM cases 55 days after the billing cycle end date.
Suspensions, Cont.

Before suspension, the card-issuing bank will notify the A/OPCs and the A/BOs of the pending suspension.

The accounts will remain suspended until brought up to date by reconciling and paying outstanding invoices. At that time, accounts will automatically be reinstated. Reinstatement of suspended accounts may incur a reinstatement fee of $25.

A/OPCs, RMs (including Comptrollers, Budget Officers, or Other Fund Managers providing funding support to the accounts), A/BOs, and Certifying Officers should monitor accounts to ensure payments are promptly certified, disbursed, and posted to the appropriate accounts. They also must work closely together to aggressively manage delinquencies.

Delinquencies are considered a reportable GPC violation.

Suspension of delinquent accounts creates additional workload at all levels, creates a major disruption to Government purchasing, and costs the Government interest penalties.
Suspensions, Cont.

Before suspension, the card-issuing bank will notify the A/OPCs and the A/BOs of the pending suspension.

The accounts will remain suspended until brought up to date by reconciling and paying outstanding invoices. At that time, accounts will automatically be reinstated. Reinstatement of suspended accounts may incur a reinstatement fee of $25.

A/OPCs, RMs (including Comptrollers, Budget Officers, or Other Fund Managers providing funding support to the accounts), A/BOs, and Certifying Officers should

Note

Delinquencies are a potential indicator of misuse, abuse, or fraud. Delinquent accounts are subject to increased scrutiny.

Suspension of delinquent accounts creates additional workload at all levels, creates a major disruption to Government purchasing, and costs the Government interest penalties.
Knowledge Review

Delinquent accounts are suspended after how many days?

- [✓] 180 days past due
- [ ] 80 days past due
- [ ] 70 days past due
- [ ] 50 days past due

Delinquent accounts are suspended after **180** days past due (i.e., 210 days after the billing cycle end date).
A reinstatement fee may be incurred on suspended accounts. The incurred cost may be which of the following?

- [ ] $100
- [ ] $30
- [ ] $50
- [x] $25

A reinstatement fee of $25 may be incurred on suspended accounts.
Who should determine limits for Cardholder (CH) accounts? (Select the three that apply.)

- Check Writer
- Approving/Billing Official (A/BO)
- CH's Supervisor
- Comptroller - Financial/Resource Manager (RM)/Budget Office or Other Fund Manager

The CH’s Supervisor, the A/BO and the Comptroller - Financial/RM/Budget Office or Other Fund Manager should determine limits for CH accounts.
Knowledge Review

Delinquencies are a potential indicator of which of the following?

- Managing Accounts (MA) have more than seven accounts.
- Supervisors are retiring.
- Misuse, abuse, and/or fraud.
- Cardholders (CH) are still making purchases.

Delinquencies are a potential indicator of **misuse, abuse, and/or fraud**.
Real-World Example - Improper Payments

Mr. X was a Certifying Officer for Government purchase card payments for the Defense Automatic Addressing Systems Center (DAASC) at Wright-Patterson Air Force Base in Ohio. A DSCC audit of the DAASC purchase card program found four instances of improper payments made with GPCs using appropriated funds.

These payments were for two lunches for DAASC employees and defense contractors at a local restaurant, disposable coffee cups, and a late fee paid to Park University. For all four improper payments, DSCC recommended that DAASC hold Mr. X, as the Certifying Officer, responsible to reimburse the Government.

The Government Accountability Office (GAO) report concluded that Mr. X had a responsibility to scrutinize and question potential improper payments before certifying a billing statement for payment to the bank servicing the purchase card and that he did not exercise good faith when certifying the four transactions for payment.

The GAO declined to grant relief and Mr. X was billed for $402.81.

GAO Decision B-307693, April 12, 2007
Lesson Summary

You have now completed this lesson and should be able to:

- Recognize the Governmentwide Commercial Purchase Card Program's mandatory electronic tools.
- Recognize the Governmentwide Commercial Purchase Card Program's mandatory oversight procedures.
- Identify information pertinent to a Managing Account.
- Recognize adverse personnel actions that can be taken for illegal, improper, or incorrect payment with the Governmentwide Commercial Purchase Card or check.
Lesson Completion

Congratulations! You have completed this lesson.

If the Next button is active please proceed, if not close this window.
Jim: Hello again. In this lesson, you will learn about the controls and procedures associated with the DoD Governmentwide Commercial Purchase Card (GPC).

Susan: I think I have a general understanding of what the GPC is, but I feel I need to know more about the specific controls and procedures involved in its use.

Jim: I completely understand your concern. You should have a better understanding after completing this lesson. Let's take a quick look at the lesson objectives.
Lesson Objectives

The learning objective for this lesson is:

- Recognize the controls and procedures for the Governmentwide Commercial Purchase Card Program and the related regulatory and policy requirements.

Upon your completion of this lesson, you should be able to:

- Identify the various micro-purchase thresholds.
- Recognize what the Cardholder must consider prior to making different types of Governmentwide Commercial Purchase Card transactions.
Micro-Purchase Thresholds

The GPC Program streamlines the acquisition process to obtain supplies, services, and construction under micro-purchase thresholds.

When using the GPC to make an open market micro-purchase, the cost of the supplies, services, or construction shall not exceed the aggregate (total) amount of the applicable threshold.

The Federal Acquisition Regulation (FAR) defines "micro-purchase" as the acquisition of supplies or services, the aggregate (total) amount of which does not exceed the micro-purchase threshold.
Micro-Purchase Controls

The FAR imposes certain controls on micro-purchases, including those for:

- Services under the Contract Labor Standards Statute
- Construction
- Contingency operations
Services Under the Service Contract Labor Standards Statute

As previously discussed, the micro-purchase threshold for services under the Service Contract Labor Standards statute (formerly known as the Service Contract Act) is $2,500.

Services under the Service Contract Labor Standards Statute greater than the micro-purchase threshold of $2,500 require a Government contract with a wage determination applicable to the minimum wages or fringe benefits made under sections 2(a) or 4(c) of the Act (41 U.S.C. 351[a] or 353[c]) applicable to the employment in a given locality of one or more classes of service employees required for the service on the contract.

FAR 22.1003-5 provides examples (while not definitive or exclusive) to illustrate some of the types of services that have been found to be covered by the Service Contract Labor Standards statute.

See 29 Code of Federal Regulations (CFR) 4.130 for additional examples.
Services Under the Service Contract Labor Standards Statute

FAR 22.1003-5 Examples

Examples include:

- Motor pool operation, parking, taxicab, and ambulance services
- Packing, crating, and storage services
- Custodial, janitorial, housekeeping, and guard services
- Food and lodging services
- Laundry, dry-cleaning, linen-supply, and clothing alteration and repair services
- Snow, trash, and garbage removal services
- Aerial spraying and aerial reconnaissance services for fire detection
- Some support services at installations, including grounds maintenance and landscaping
- Certain specialized services requiring specific skills, such as drafting, illustrating, graphic arts, stenographic reporting, and mortuary services
- Electronic equipment maintenance and operation and engineering support services
- Maintenance and repair services for all types of equipment; for example, aircraft, engines, electrical motors, vehicles, and electronic, office and related business and construction equipment (But see FAR 22.1003-4[c][1] and [d][1][iv].)
- Operation, maintenance, or logistics support services for a Federal facility
- Data collection, processing, and analysis services
Construction

The micro-purchase threshold for construction is $2,000. This threshold applies to all 50 United States and the District of Columbia.

Construction exceeding $2,000 requires a Government contract with the wage determination applicable to the labor wages for the location of the construction site subject to 40 U.S.C. chapter 31, subchapter IV, Wage Rate Requirements (Construction).

When the GPC is used for small construction purchases up to $2,000, written approval (e-mail acceptable) is required from the office responsible for the building/facility (e.g., local installation Department of Public Works) prior to construction.
Construction

The micro-purchase threshold for construction is $2,000. This threshold applies to all 50 United States.

**Construction**

The FAR defines the term "construction" to mean construction, alteration, or repair (including dredging, excavating, and painting) of buildings, structures, or other real property.

When the GPC is used for small construction purchases up to $2,000, written approval (e-mail acceptable) is required from the office responsible for the building/facility (e.g., local installation Department of Public Works) prior to construction.
Contingency Operations

Periodically the Secretary of Defense authorizes an increase in the micro-purchase threshold to support contingency operations or to facilitate defense against or recovery from cyber, nuclear, biological, chemical, or radiological attack; as described in FAR 13.201(g)(1).

The increased thresholds may be used only when authorized by offices within the Under Secretary of Defense (Acquisition and Sustainment) and Under Secretary of Defense (Comptroller). GPC CHs authorized to purchase using these increased limits must:

- Have specific authority granted to them in their appointment letters.
- Have their single purchase and monthly spending limits increased upon the formal declaration.
- Ensure all contingency-related transactions are paid for using lines of accounting earmarked for the contingency.
- Ensure all GPC transactions have a direct relationship to the declared contingency operation.
Contingency Operations, Cont.

A couple of factors must be considered to determine which FAR 13.201(g)(1) micro-purchase threshold is authorized. The following charts illustrate the micro-purchase threshold based on the physical location of the purchaser and, for services, the place of performance:

### SUPPLIES

<table>
<thead>
<tr>
<th>Government Purchaser Physical Location</th>
<th>Authorized Micro-Purchase Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inside United States</td>
<td>$20,000</td>
</tr>
<tr>
<td>Outside United States</td>
<td>$35,000</td>
</tr>
</tbody>
</table>

### SERVICES

<table>
<thead>
<tr>
<th>Government Purchaser Physical Location</th>
<th>Place of Performance</th>
<th>Authorized Micro-Purchase Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inside United States</td>
<td>Inside or Outside United States</td>
<td>$20,000</td>
</tr>
<tr>
<td>Outside United States</td>
<td>Inside United States</td>
<td>$20,000</td>
</tr>
<tr>
<td>Outside United States</td>
<td>Outside United States</td>
<td>$35,000</td>
</tr>
</tbody>
</table>

DFARS 213.201 incorporates DFARS Procedures, Guidance and Information 213.201(g) for guidance on use of the higher micro-purchase thresholds prescribed in FAR 13.201(g) to support a declared contingency operation or to facilitate defense against or recovery from cyber, nuclear, biological, chemical, or radiological attack, international disaster assistance, an emergency, or major disaster.
A couple of factors must be considered to determine which FAR 13.201(g)(1) micro-purchase threshold is authorized. The following charts illustrate the micro-purchase threshold based on the physical location of the purchaser and, for services, the place of performance:

Note

(1) Purchasers located inside the United States are prohibited from using the $30,000 contingency micro-purchase threshold unless specifically authorized by statute.

(2) The $2,000 micro-purchase threshold for acquisitions of construction subject to 40 U.S.C. chapter 31, subchapter IV, Wage Rate Requirements (Construction) remains unchanged in the event of a contingency declaration.

DoD CHs authorized to utilize these increase thresholds must follow the guidance found in the DoD Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs, Appendix B - Using the Purchase Card for Contingency, Emergency and Humanitarian Operations.

Additionally, these CHs should coordinate with their Agency/Organization Program Coordinator (A/OPC), Approving/Billing Official (A/BO), and Resource Manager (RM) (including Comptroller/Budget and other financial managers as required).

operation or to facilitate defense against or recovery from cyber, nuclear, biological, chemical, or radiological attack, international disaster assistance, an emergency, or major disaster.
Audio Transcript

Split Purchases

In this video, you will learn about the prohibition against split purchases.

In accordance with FAR subpart 13.003(c)(2), splitting purchases is strictly prohibited. When the value (aggregate or total amount) of a known requirement exceeds the Cardholder’s established single spending limit, the Cardholder cannot make the purchase.

Cardholders must send requirements with prices that exceed their delegated authority to the appropriate contracting office for award.

A split purchase occurs when a Cardholder splits a known requirement at the time of purchase into several transactions in order to circumvent their authorized dollar thresholds so the GPC can be used, or to avoid sending the requirement to contracting for appropriate contract award.

Split purchase examples include:

Multiple Purchases – Same Merchant,
Same or Similar Items – Multiple Merchants,
Holding Known Requirements for Multiple Purchases,
and Use of Multiple Cardholders.

Let’s discuss each of these in detail.

Multiple Purchases – Same Merchant involves 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.

Same or Similar Items – Multiple Merchants involves 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 requirement was known at the time of the first purchase.
Holding Known Requirements for Multiple Purchases involves 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 the time of the first purchase and the value exceeds the Cardholder's single-purchase limit.

Use of Multiple Cardholders involves more than one Cardholder under the same Approving/Billing Official (A/BO) purchasing the same or similar item(s) on the same day or during a short timeframe when the total known requirement(s) exceeds the micro-purchase threshold.

All transactions made inside the United States with values exceeding the micro-purchase threshold must be procured on a Government contract.

The A/BO is responsible for ensuring that all transactions are legal, proper, and correct, and that the purchases are not split by the Cardholder.

Procedures regarding GPC purchases that exceed the micro-purchase threshold but do not exceed $25,000, made outside the U.S. and U.S. jurisdictions using simplified acquisition methods as prescribed in DFARS 213.302, will be presented later in this course.

Now that you know more about split purchases, you are better prepared to ensure GPC Program compliance.
Long Description

The DAU logo fades in and then fades out. The title "Split Purchases" moves offscreen and then offscreen.

A split image of a person using a credit card and a person holding a GPC fades in. The image changes to FAR 13.003. The page scrolls down, and (c)(2), which prohibits split purchases, is highlighted. The image fades out.

An image of a bar graph with two bars labeled "Cardholder Single Spending Limit" and "Known Requirement Value" fades in. Both bars are the same height. The Known Requirement Value bar grows higher than the Cardholder Single Spending Limit bar. Both bars shrink, and the image changes to a document with three dollar-signs on it. A door labeled "Contracting Office" appears. The door opens, the document moves inside, and the door closes.

The image changes to a businessman icon. An arrow is drawn from the businessman down to the document with three dollar-signs on it. The document splits into three documents, each with one dollar-sign on it. The image moves offscreen, and the document with three dollar-signs on it and the door labeled "Contracting Office" move onscreen. The document moves toward the door and disappears before it gets there. The screen fades out.

An image of a person swiping a credit card fades in. A box with the following text fades in:

"Split purchase examples include:

- Multiple Purchases – Same Merchant
- Same or Similar Items – Multiple Merchants
- Holding Known Requirements for Multiple Purchases
- Use of Multiple Cardholders"

The screen fades out.

The text "Multiple Purchases – Same Merchant" fades in. The businessman icon appears. A branching line is drawn from the businessman icon to three identical boxes, each with a dollar sign above them. The text "Multiple purchases from the same merchant on the same day, the total of which exceeds the single-purchase limit" fades in. The screen fades out.
The text "Same or Similar Items – Multiple Merchants" fades in. The businessman icon appears. A branching line is drawn from the businessman icon to three boxes in different colors, each with a dollar sign above them. The text "Purchasing the same or similar items from multiple merchants on the same day, the total of which exceeds the single-purchase limit" fades in. The screen fades out.

The text "Holding Known Requirements for Multiple Purchases" fades in. The businessman icon appears. The document with three dollar-signs appears next to him. A branching line is drawn from the businessman icon to three identical boxes, each with a dollar sign above them. The text "Holding known requirements exceeding the micro-purchase threshold to purchase the items from the same or multiple merchants over a period of time" fades in. The screen fades out.

The text "Use of Multiple Cardholders" fades in. The businessman icon and a businesswoman icon appear. A line is drawn from the businessman icon to a box with a dollar sign above it, and a branching line is drawn from the businesswoman to two boxes, each with a dollar sign above them. The text "More than one Cardholder under the same A/BO purchasing the same or similar item(s) on the same day or during a short timeframe" fades in. The screen fades out.

An image of a contract and a pen fades in. The image changes to two businesspeople looking at a computer screen. A box with the text "Legal, proper, and correct" fades in. The image changes to a person holding a GPC and using a laptop. The screen fades out.

An image of a businesswoman holding a credit card and using the phone fades in. The screen fades out.

The DAU logo fades in, then fades out.
Cardholder Considerations Before Purchase

Prior to purchase, it is important to:

- Ensure adequate and appropriate funds are available to cover the cost of the supply or service being procured. CHs must also ensure adequate funds are available to cover both the cost of the supply/service plus the bank's check fees.

- Determine if any special requirements or approvals are required. (Normal procedures for obtaining special requirements or approvals are provided in Component-level GPC guidance. Several are addressed in the following section. Contact your A/OPC or A/BO with any questions.)

- Check for availability from required sources. CHs must purchase supplies and services in accordance with the laws, regulations, and policies for the specific type of purchase.
Cardholder Considerations Before Purchase

Prior to purchase, it is important to:

- Ensure adequate and appropriate funds are available to cover the cost of the supply or service being procured. CHs must also ensure adequate funds are available to cover both the cost of the supply/service plus the bank's check fees.

**Note**

The bank check fee is not considered when determining whether the value of the requirement exceeds the micro-purchase threshold. For example: The total cost of supplies, including delivery is $9,998.00. The bank's check fee is $5.10. A CH with a $10,000 single purchase limit can write the check after verifying that $10,003.10 funds are available for use and other applicable guidance is followed (e.g., no card-accepting merchant provides the item of supply).

Is adequate funding available?
Preapproval Requirements

Preapproval from the A/BO is required for any purchase initiated by a CH without a **written** requirement from the requestor (e.g., CH self-generated purchases).

Preapproval may also be required for certain categories of services/supplies. These include:

- Chemicals, paints, and hazardous materials
- Computer equipment and software
- Construction up to $2,000
- Books and subscriptions

Consult with your A/BO or A/OPC before purchasing any of these types of items to determine whether preapproval is required.
Preapproval Requirements

Preapproval from the A/BO is required for any purchase initiated by a CH without a *written* requirement from the requestor (e.g., CH self-generated purchases).

**Note**

Some Components prohibit self-generated purchases. CHs should check Component-level guidance prior to making a self-generated purchase to ensure the practice is authorized.

- Books and subscriptions

Consult with your A/BO or A/OPC before purchasing any of these types of items to determine whether preapproval is required.
Required Sources

FAR part 8 specifies the available sources of supplies and services and defines the priority for consideration of these sources.

FAR 8.002 specifies the mandatory sources of supplies and services. If available, CHs must purchase items from mandatory sources of supplies and services, even if the item is available at a lower price from a non-mandatory source.

Select here for more information about mandatory sources specified in FAR 8.002.

FAR 8.004 specifies the other available sources of supply. These sources may be used only after it has been determined the supply or service is not available from a mandatory source.

Select here for more information about other sources of supply specified in FAR 8.004.
Required Sources

**FAR part 8** specifies the available sources of supplies and services and defines the priority for consideration of these sources.

**FAR 8.002** specifies the mandatory sources of supplies and services. If available, CHs must purchase items from mandatory sources of supplies and services, even if the item is available at a lower price from a non-mandatory source.

**Note**

AbilityOne products on the Procurement List are mandatory by law and cannot be competed with commercial products.

*Select here for more information about other sources of supply specified in FAR 8.004.*
Required Sources

FAR part 8 specifies the available sources of supplies and services and defines the priority for consideration of these sources.

Note

CHs must comply with FAR part 8, Federal Prison Industries, Inc. (FPI) regulatory requirements for items estimated between $3500.01 and the micro-purchase threshold. Components that authorize CHs to purchase above $3,500 need to be sure they have policies and procedures in place and have provided applicable training concerning the requirements outlined in FAR subpart 8.6 and DFARS subpart 208.6 regarding acquisition from FPI (also referenced by the trade name UNICOR).

To determine whether a requirement is available from FPI/UNICOR, check the UNICOR Schedule of Products and Services at https://www.unicor.gov/sopAlphalist.aspx

Components shall process any waiver requests in accordance with Component policies and procedures and follow the UNICOR procedures at https://www.unicor.gov/Waivers.aspx
Electronic and Information Technology, and Section 508

Section 508 of the Rehabilitation Act of 1973 was amended in 1998. It now requires Federal agencies' electronic and information technology (EIT) to be accessible to people with disabilities.

Compliance with the Section 508 requirements accomplishes the following:

- Provides Federal employees with disabilities access to office systems and information equal to their non-disabled colleagues; and
- Ensures that disabled people in the general public have equal access to Government information.

For more information about EIT and Section 508, see FAR 39.2, Information and Communication Technology, and the Section 508 website.
Sustainable Procurement

DoD Components are required to comply with Federal Government environmental quality sustainable (formerly "Green") policies when acquiring supplies or services with the GPC. CHs must follow Component Sustainable Procurement procedures.

The DoD Green Procurement Program was established in August 2004 and updated in 2008. The program:

- Requires that sustainable products and services be considered as first choice for all procurements;
- Assigns responsibility to virtually every DoD employee, including GPC CHs; and
- Requires implementation at the organizational level where initial purchasing requirements are defined.
What are Sustainable Products and Services?

Sustainable products or services are those that promote environmental health or resource conservation.

Sustainable products or services must be considered and used when cost effective. Sustainable products include products that:

- Are made with recycled content;
- Are bio-based;
- Are environmentally preferable;
- Are energy and water efficient;
- Do not contain ozone-depleting substances (ODS); or
- Do not contain Environmental Protection Agency (EPA) priority chemicals.
Sustainable Procurement: Mandatory Items and Exceptions

The EPA and U.S. Department of Agriculture (USDA) oversee the designated product programs. These agencies designate products that can be made with recycled or bio-based content and place them on the mandatory list for Federal purchasers. There are also exceptions to the mandatory list.

Select each tab to learn more.

| Mandatory Items | Exceptions to Mandatory Items |

Some examples of mandatory items include:

- Paper (including copy paper, computer paper, envelopes, index cards, folders)
- Toner cartridges
- Office products (such as binders, clipboards, and plastic desktop accessories)
- Office recycling containers
- Office trash cans
- Toilet paper
- Trash bags
Sustainable Procurement: Mandatory Items and Exceptions

The EPA and U.S. Department of Agriculture (USDA) oversee the designated product programs. These agencies designate products that can be made with recycled or bio-based content and place them on the mandatory list for Federal purchasers. There are also exceptions to the mandatory list.

**Select each tab to learn more.**

| Mandatory Items | Exceptions to Mandatory Items |

CHs shall document if one or more of the following issues prevents purchase of mandatory green products/services:

- Price of the product/service is unreasonable.
- Product/service will not meet reasonable performance standards.
- Availability does not meet requirement timeframe.
The following laws and regulations govern the procurement of sustainable products:


- Resource Conservation and Recovery Act (RCRA), *42 U.S.C. Section 6901*, requires Federal agencies to establish a program favoring the purchase of recycled-content products. The EPA is the oversight agency.

- **Environmental Protection Agency (EPA) Comprehensive Procurement Guidelines (CPG)** is part of EPA's continuing effort to promote the use of materials recovered from solid waste.

- **Farm Bill 2002** added bio-based products to mandatory procurement programs. The USDA is the oversight agency.

- Office of Management and Budget (OMB) **Circular A-123, Appendix B**, Chapter 10, Environmental Requirements, states that each agency must account for the environmental quality of products procured with the GPC.

- **Circular A-123, Appendix B**, Chapter 10.2 sets forth the laws and executive orders related to sustainable procurement with which Agency and Component policies and procedures must comply.
Sources of Sustainable Products

Sustainable products are available from the following sources:

- **AbilityOne** - AbilityOne products are available via DoD FedMall and GSA Advantage.
- **DoD FedMall** - Under General Attributes - ENAC (Environment Attribute Code); the tree icon is used to search for green products.
- **GSA Advantage** - Under Environmental Program with a green leaf icon.
- **CH/Merchant** - Internet/catalogs. Request green products. Look for labels and descriptions indicating the product has environmental or energy-saving benefits.
Resources for Sustainable Procurement Information and Training

The following links provide information and training regarding sustainable procurement:

- CLC 046 DoD Sustainable Procurement Program Continuous Learning Module
- FedCenter for Green Procurement Information
- USDA's Bio-Based Program, including a list of items on the Bio-Preferred List
Small Business

Small businesses play a vital role in contributing to the defense industrial base, and DoD is committed to increasing opportunities for small business.

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

Although there is no absolute requirement to purchase from small businesses below the micro-purchase threshold, CHs should provide small businesses maximum practicable opportunity to participate in micro-purchase procurements.
Price Reasonableness

The merchant or source for an open-market micro-purchase must be selected impartially. Purchases must be distributed equally among qualified merchants.

CHs may not continually purchase from the same merchant. CHs must rotate sources when making GPC open-market micro-purchases.

Micro-purchases may be awarded without soliciting competitive quotations if the CH considers the price to be reasonable. The CH does not need to take action to verify price reasonableness unless:

- The CH suspects that the price may not be reasonable; or
- Comparable pricing information is not readily available.

If competitive quotes were obtained and the purchase was made from a firm offering other than the lowest quote, then the CH must document the reason.
DoD-Controlled Assigned Commodities

DoD-controlled assigned commodities are **prohibited** GPC purchases.

For example, weapons, ammunition, and explosives are assigned to the Army as prescribed at DFARS 208.70, Coordinated Acquisition, with the contracting responsibility to supply the appropriate DoD Components with weapons, ammunition, explosives, and other assigned commodities listed in DFARS PGI 208-7006, Coordinated Acquisition Assignments.

DoD Components are to submit their commodity requirement on a Military Interdepartmental Purchase Request (MIPR) as prescribed in DFARS 208.7002, Assignment Authority; and DFARS PGI 208.7002-1, Acquiring Department Responsibilities.
GPC Purchase Exemption from State Taxes

Generally speaking, DoD is exempt from paying taxes to any other Federal, State, or local authority. The most current State Tax Exemption information is available at the General Services Administration (GSA) SmartPay® website.

The phrase "U.S. Government Tax Exempt" is printed on the front of each GPC. Additionally, the first four numbers of the GPC can be used by merchants and the charge card associations (e.g., Mastercard and VISA) to identify the Government accounts. These items indicate tax-exempt status to merchants.

While the Federal Government is tax exempt in most cases, sales tax is not a disputable item through the card-issuing bank's disputes process. The CH must work to resolve disputed charges directly with the merchant. When sales tax or shipping charges were erroneously charged, the CH should obtain a credit.
Cardholder - Questions to Answer before Purchase

Before using the GPC, as the CH you should ask yourself the following questions:

- Are any special pre-approvals required for this supply, service, or construction?
- Does the merchant accept the GPC for payment? [Note]
- Are the supplies/services available from a required source of supply?
- Do Section 508 requirements apply to the supplies or services?
- Are there any cybersecurity concerns associated with this purchase request? [Note]
- Are sustainable products available?
- Is the merchant a small business?
- Does the merchant offer Government pricing?
- What is the total price, including any shipping/handling charges and applicable discounts? [Note]
- Are the supplies or services immediately available? [Note]
- Is the requirement for a DoD-controlled Assigned Commodity?
Cardholder - Questions to Answer before Purchase

Before using the GPC, as the CH you should ask yourself the following questions:

- Are any special pre-approvals required for this supply, service, or construction?
- Does the merchant accept the GPC for payment? [Note]
- Are the supplies/services available from a required source of supply?

Note

Before writing convenience checks, CHs must verify with the merchant that they do not accept charge card payments.

If the merchant does not accept the GPC, the CH must attempt to locate a merchant who does accept GPC payments.

Before any convenience check is issued, every effort should be made to use the GPC to make the necessary purchase. Maximum effort should be made to find and use merchants that accept the GPC as the primary payment vehicle.

Not all merchants outside the United States accept VISA.
DoD purchases and uses a wide variety of commercial off-the-shelf (COTS) information technology (IT) items, such as laptops, software, cameras, and networking equipment. Some COTS information technology items can be used as embedded components in command and control; communications; and intelligence, surveillance, and reconnaissance systems. In July 2018, the Deputy Director, Cybersecurity Risk Management, DoD Chief Information Officer, estimated that 70 to 80 percent of the components that comprise DoD systems are COTS items. The DoD GPC community must be aware of cybersecurity risks when making purchases using the GPC.

The Internet of Things (IoT) poses considerable risks as common devices are increasingly connected to networks. For example, Internet-ready refrigerators and video surveillance cameras have potential cyber vulnerabilities.

Some of the key cyber supply chain risks include:

- Services provided by vendors and other third parties (e.g., HVAC services, IT software engineering services, or anyone with access to the physical or virtual network).
- Poor information security practices and/or compromised software or hardware procured from suppliers.

Before purchasing any cyber or IT-enabled technology, check with your Security Chief to ensure the purchase would not violate any U.S. law or statute.

If you suspect a cybersecurity incident, notify your organization's help desk or Security Office immediately.
Cardholder - Questions to Answer before Purchase

Before using the GPC, as the CH you should ask yourself the following questions:

- Are any special pre-approvals required for this supply, service, or construction?
- Does the merchant accept the GPC for payment? **Note**
- Are the supplies/services available from a required source of supply?
- Do Section 508 requirements apply to the supplies or services?
- Are there any cybersecurity concerns associated with this purchase request? **Note**

**Note**

CHs are **PROHIBITED** from accepting gift cards, in-store credit or any other form of "credit" or "gift" in lieu of a discount off the price of the supplies/services at the time of purchase.

Government is tax exempt from local and state taxes.
Cardholder - Questions to Answer before Purchase

Before using the GPC, as the CH you should ask yourself the following questions:

- Are any special pre-approvals required for this supply, service, or construction?
- Does the merchant accept the GPC for payment? Note
- Are the supplies/services available from a required source of supply?
- Do Section 508 requirements apply to the supplies or services?
- Are there any cybersecurity concerns associated with this purchase request? Note
- Are sustainable products available?
- Is the merchant a small business?

Note

Items purchased with the GPC should be delivered within the billing cycle (30 days).
Jim: Okay, Susan, now you should have a good understanding of the controls and procedures that govern your use of the GPC. Let's see how much you remember.

Susan: I think I remember all of it, Jim. Go ahead and ask me some questions to check my knowledge.

Jim: Great, let's begin.
Knowledge Review

As a GPC holder, you decide to buy $900 worth of office supplies using your card. You do not have a written request from anyone for this purchase. Do you need preapproval from the Approving/Billing Official (A/BO)?

☐ No, this is considered a self-generated purchase and is not allowed under any circumstance.

☐ Yes, because the purchase amount is over $500.

☒ Yes, this is considered a self-generated purchase.

☐ No, since the purchase amount is below $1,000.

Preapproval from the A/BO is required for any purchase initiated by a Cardholder (CH) without a written requirement from the requestor (e.g., CH self-generated purchases).
You are using your GPC to purchase a piece of office equipment for which you have a written requirement from a requestor. Since this is a Government purchase, the supplier offers a discount. The sales person offers to give you a gift card in the amount of the discount rather than adjusting the price. Can you accept the card?

- Yes, gift cards and in-store credits are the same as a discount.
- Yes, but only if you report it to the A/BO.
- No, you are not allowed to accept discounts.
- Yes, you cannot accept the gift card. You can accept the discount.

You cannot accept gift cards or in-store credits in lieu of a discount.
Knowledge Review

What is the micro-purchase threshold for construction?

- $2,500
- $5,000
- $10,000
- $2,000

$2,000 is the micro-purchase threshold for construction.
Knowledge Review

Which of the following are things that you, a Cardholder (CH), should ask yourself before making a purchase? (Select the three that apply.)

- Does the provider accept GPCs?
- Can a split purchase be made?
- Is preapproval required?
- Are there mandatory sources for the supply or service?

You should ask:
- Are there mandatory sources for the supply or service?
- Is preapproval required?
- Does the provider accept GPCs?
Lesson Summary

You have now completed this lesson and should be able to:

- Identify the various micro-purchase thresholds.
- Recognize what the Cardholder must consider prior to making different types of Governmentwide Commercial Purchase Card transactions.
Lesson Completion

Congratulations! You have completed this lesson.

If the Next button is active please proceed, if not close this window.
Welcome

Jim: Now that we have covered the fundamentals, we need to take a look at some very important details. Even when you follow the policies designed to protect you and the Government, you must document your actions and keep accurate records.

Susan: From everything I've learned so far, I can see how documentation is important. Especially in today's environment, data can easily be misused despite our best efforts to follow procedure.

Jim: That's right, Susan. So, it's very important for you to regularly document any actions you take with your Government Purchase Card.
Lesson Objectives

The learning objective for this lesson is:

- Recognize the Governmentwide Commercial Purchase Card Program requirements for documentation, record retention, and other processes.

Upon your completion of this lesson, you should be able to:

- Recognize the requirements for documenting the purchase, delivery, and acceptance of Governmentwide Commercial Purchase Card purchases.

- Recognize the procedures for reconciling account statements for each billing cycle.
Receipts and Invoices

Each GPC transaction must be supported by a detailed/itemized receipt or invoice from the merchant to document the transaction. The requirement for a detailed/itemized receipt or invoice applies to all transactions, whether they are made over the phone, via the Internet, or in person.

Select each tab to learn more.

| Receipts | Invoices |

A receipt is a written acknowledgment that lists the supplies or services purchased, the total amount paid, and price for each. Many point-of-sale terminals or cash registers automatically produce receipts.

Detailed/itemized receipts must include the following minimum information:

- Name of merchant
- Merchant contact information (e.g., address and phone number)
- Name/description of each supply/service purchased
- Price for each supply/service purchased
- Tax for the taxable items (Note: GPC purchases are exempt from State tax)
- Date of purchase
- Method of payment
- Total purchase price
Receipts and Invoices

Each GPC transaction must be supported by a detailed/itemized receipt or invoice from the merchant to document the transaction. The requirement for a detailed/itemized receipt or invoice applies to all transactions, whether they are made over the phone, via the Internet, or in person.

Select each tab to learn more.

Receipts

An invoice is a commercial document issued by a seller to a buyer that relates to a specific sales transaction. It lists the products, quantities, and agreed prices for supplies or services the seller has provided to the buyer. Invoices can be issued only by legal entities.

Detailed/itemized invoices must include the following minimum information:

- Name of merchant
- Merchant contact information (e.g., address and phone number)
- Name/description of each supply/service purchased
- Price for each supply/service purchased
- Tax for the taxable items (Note: GPC purchases are exempt from State tax.)
- Date of purchase and/or shipping date
- Shipping address (if applicable)
- Shipping charges
- Total purchase price
Returns

Receipts/invoices are normally required for the return of supplies. All returns must be credited to the account used to make the purchase.

CHs are also required to obtain a merchant receipt/invoice for each return transaction to document the transaction and support Approving/Billing Official (A/BO) account reconciliation.

No merchant in-store credit or gift cards are authorized for returned supplies.
Proof of Delivery

Proof of delivery shall be included in supporting documentation for all GPC transactions.

An individual other than the CH must document proof of delivery. Proof of delivery is documented by having a Government employee:

- Sign and date the invoice, packing slip, or other document listing the items that were ordered, billed, and received.
- To ensure proper identity, print or type his/her name.

A/BOs shall verify proof of delivery documentation in their monthly transaction review and certification of billing statements.
Independent Receipt and Acceptance

Written independent receipt and acceptance is proof of delivery documented by someone other than the CH or A/BO.

DoD GPC Policy requires independent receipt and acceptance for:

- Transactions in which the GPC is used as a method of payment;
- GPC purchases of accountable property, self-generated CH purchases (i.e., purchases lacking a documented requisition/request from someone other than the CH); and
- Other specific circumstances for which Components elect to require independent receipt and acceptance.

CHs must follow DoD and Component procedures to ensure required acceptance documentation is received and provided to the Certifying Officer for use in the billing statement account reconciliation process and for formal record retention.
Knowledge Review

What documentation is acceptable for GPC transactions? (Select the two that apply.)

- Detailed invoices
- General Services Administration (GSA) vehicle repair tickets
- Meal tickets
- Detailed receipts

Detailed invoices and detailed receipts are acceptable documentation for GPC transactions.
The Procurement Integrated Enterprise Environment (PIEE) procurement portfolio includes Wide Area Workflow (WAWF), a secure, web-based system that is used for electronic invoicing, receipt, and acceptance. WAWF allows:

- Government merchants to submit and track invoices and receipt/acceptance documents over the web, and
- Government personnel to process those invoices in a real-time, paperless environment.

DFARS 232.7002 requires utilization of WAWF to create and accept the receiving report when the GPC is used as a method of payment against an existing Government contract. In order to ensure proper routing of contract transactions paid with the GPC, the code "CRCARD" must be used in the Pay Official/DoDAAC field. The contractor is required to generate the receiving report in WAWF, and the Government acceptor is required to accept the receiving report in WAWF. The CH is required to verify acceptance has occurred in WAWF prior to submitting the invoice to the Certifying Officer for certification.

Procure-to-Pay Capability Summaries are available at [https://www.acq.osd.mil/dpap/pdi/p2p/p2p_capability_summaries.html](https://www.acq.osd.mil/dpap/pdi/p2p/p2p_capability_summaries.html)

The PIEEE-specific capability summary is at [https://www.acq.osd.mil/dpap/pdi/p2p/docs/capabilitysummaries/Procure-To-Pay_Capability_Summary_29_-_PIEE.pdf](https://www.acq.osd.mil/dpap/pdi/p2p/docs/capabilitysummaries/Procure-To-Pay_Capability_Summary_29_-_PIEE.pdf)
Documenting Acceptance

Documenting acceptance varies by method of payment or type of purchase:

- WAWF
- Accountable property
- Self-generated purchases
- Other circumstances requiring independent receipt and acceptance

We will learn more about each of these on the following screens.
DoD Policy sets certain WAWF requirements for the Contracting Officer and the Cardholder (CH). *Select each tab to review the information.*

**WAWF Requirements**

DoD policy requires the merchant to use WAWF to create the receiving report when a contract:

- Authorizes payment using the GPC; and
- Includes DFARS Clause 252.232-7003—Electronic Submission of Payment Requests and Receiving Reports.
WAWF Requirements

DoD Policy sets certain WAWF requirements for the Contracting Officer and the Cardholder (CH). **Select each tab to review the information.**

<table>
<thead>
<tr>
<th>DoD Policy</th>
<th>Contracting Officer</th>
<th>CH</th>
</tr>
</thead>
</table>

The Contracting Officer who makes the award is required to:

- Provide the CH's contact information to the merchant.
- Identify the appropriate Government acceptor for inclusion in the WAWF receiving report process.
WAWF Requirements

DoD Policy sets certain WAWF requirements for the Contracting Officer and the Cardholder (CH). Select each tab to review the information.

<table>
<thead>
<tr>
<th>DoD Policy</th>
<th>Contracting Officer</th>
<th>CH</th>
</tr>
</thead>
</table>

When delegated authority to use their GPC to make payments against contracts that include DFARS Clause 252.232-7003, CHs must request and receive WAWF access to enable them to verify the Government has accepted the required supplies or services in WAWF.
Preparing for A/BO Review

Prior to approving and forwarding the monthly Statement of Account to the A/BO for review, the CH must:

- Ensure the Government has accepted the receiving report in WAWF.
- Verify the code "CRCARD" was entered in the WAWF Pay Official/DoD Activity Address Code (DoDAAC) field. Use of any other code will create time-consuming issues (e.g., double obligation of the funds) that will have to be resolved after payment is made. If an alternate entry is made, the CH should contact the Contracting Officer for resolution/correction prior to issuing payment.
The WAWF Receiving Report process is as follows:

**Step 1**
The Merchant is required to generate the receiving report in WAWF.

**Step 2**
The Government acceptor is required to accept the receiving report in WAWF.

**Step 3**
The CH is required to verify the Pay Official/DoDAAC Field is populated with "CRCARD" and acceptance has occurred in WAWF prior to submitting their Statement of Account to the A/BO for review and certification.

For more information, see: [DFARS subpart 232.7002](#)
WAWF Receiving Report Process

The WAWF Receiving Report process is as follows:

1. The Merchant is required to generate the receiving report in WAWF.
2. The Government acceptor is required to accept the receiving report in WAWF.
3. The CH is required to verify the Pay Official/DoDAAC Field is populated with "CRCARD" and acceptance has occurred in WAWF prior to submitting their Statement of Account to the A/BO for review and certification.

For more information, see: DFARS subpart 232.7002
Accountable Property Requirements

DoD policy requires that all accountable property acquired by DoD must be properly recorded in the appropriate accountable property system of record; this includes any accountable property acquired using GPC micro-purchase procedures.

Select each tab to learn more about accountable property requirements.

What is Accountable Property?  Examples

As stated in DoD Instruction (DoDI) 5000.64, Accountable Property includes:

- Government property with a unit acquisition cost of $5,000 or more
- Property of any value that is controlled or managed at the item level
- Leased items of any value
- Assets that are sensitive or classified
- Other items as specified by Component property instructions
Accountable Property Requirements

Note

See DoDI 5000.64, Accountability and Management of DoD Equipment and Other Accountable Property, for additional information.

What is Accountable Property?  Examples

As stated in DoD Instruction (DoDI) 5000.64, Accountable Property includes:

- Government property with a unit acquisition cost of $5,000 or more
- Property of any value that is controlled or managed at the item level
- Leased items of any value
- Assets that are sensitive or classified
- Other items as specified by Component property instructions
Accountable Property Requirements

DoD policy requires that all accountable property acquired by DoD must be properly recorded in the appropriate accountable property system of record; this includes any accountable property acquired using GPC micro-purchase procedures.

Select each tab to learn more about accountable property requirements.

What is Accountable Property? Examples

Examples of accountable property include:

- Pilferable property (items that are subject to theft)
- Property hazardous to public health
- Small arms
- Property designated as heritage assets
- Information technology property
- Government-furnished property
Documenting Acceptance of Accountable Property

DoD policy requires that proof of delivery for accountable property purchases be documented in the accountable property system of record.

The CH is responsible for following Component procedures for reporting, processing, and receiving reports.

The CH also is responsible for obtaining and retaining a copy of each receiving report and including it in the transaction file.
Use of WAWF to create and accept the receiving report for GPC micro-purchases that result in delivery of accountable property is encouraged but not mandatory. When WAWF is used, no hard copy is required in the GPC transaction file.

Use of WAWF for GPC accountable property micro-purchases is encouraged for the following reasons:

- Record of receipt is electronically captured and stored.
- Once accountable property has been delivered, property systems are electronically updated, ensuring proper accounting and tracking of Government assets and increasing transparency and auditability.
- The UID Registry is updated (if required).
- The risk of misuse, abuse, and fraud is reduced.
- Paperless processing is enabled among geographically dispersed program participants.
Self-Generated Purchases

DoD GPC policy requires that all CH self-generated purchases (i.e., those lacking a written requirement from someone other than the CH) be subject to independent receipt and acceptance.

Independent receipt and acceptance for these actions may be documented by having a Government employee, other than the CH, affix a legible signature and date to the receipt, invoice, packing slip, or other document, listing the supplies or services that were ordered, billed, and received.

To ensure proper identity, the Government employee signature should be printed or typed.
Other Circumstances

For other specific circumstances in which Components elect to require independent receipt and acceptance, the CHs must follow applicable Component documentation procedures.

CHs must follow DoD and Component procedures to ensure required acceptance documentation is completed and provided to the Certifying Officer for use in the billing statement account reconciliation process and for formal record retention.

To reduce the risk of GPC misuse, abuse, and fraud, A/BOs should verify proof of delivery documentation in their monthly transaction review and certification of billing statements.
Knowledge Review

Who processes receipt and acceptance of self-generated purchases?

- A Government employee other than the Cardholder
- The Cardholder
- The Cardholder's Supervisor
- The Merchant

A Government employee other than the Cardholder processes receipt and acceptance of self-generated purchases.
Billing Cycle

After the CH makes a purchase, the billing cycle involves four distinct processes.

*Select each process to learn more.*

- Transmittal
- Payment
- Posting
- Electronic Statements

**Note**
Billing Cycle

After the CH makes a purchase, the billing cycle involves four distinct processes.

Select each process to learn more.

- **Transmittal**
  
  The merchant transmits the purchase information through the Charge Card Association (e.g., Mastercard or VISA) to the card-issuing bank for processing.
Billing Cycle

After the CH makes a purchase, the billing cycle involves four distinct processes.

*Select each process to learn more.*

- **Transmittal**
- **Payment**
- **Posting**
- **Electronic Statements**

**Payment**

The card-issuing bank pays the merchant, then bills the CH account for payment.
Billing Cycle

After the CH makes a purchase, the billing cycle involves four distinct processes.

Select each process to learn more.

- Transmittal
- Payment
- Posting
- Electronic Statements

Posting

The card-issuing bank posts the transactions to the appropriate account.

Transactions are available to the CH and the A/BO on the card-issuing bank’s Electronic Access System (EAS) for review, approval, dispute, and reallocation throughout the billing cycle.
Billing Cycle

After the CH makes a purchase, the billing cycle involves four distinct processes.

Select each process to learn more.

Transmittal ✓ Payment ✓ Posting ✓ Electronic Statements

Electronic Statements

At the end of the billing cycle, the bank posts the electronic CH Statements of Account and MA Billing Statement. This is done within one day of the end of the billing cycle.
Billing Cycle

After the CH makes a purchase, the billing cycle involves four distinct processes.

Select each process to learn more.

- Transmittal
- Payment
- Posting
- Electronic Statements

Note

For Components that have accounts that are not Electronic Data Interchange enabled for GPC billing statement certification and disbursement, the card-issuing bank distributes paper statements within five business days of the end of the billing cycle. A business day is considered Monday through Friday, unless a Federal holiday occurs during the Monday-through-Friday timeframe.
Billing Cycle

After the CH makes a purchase, the billing cycle involves four distinct processes.

Select each process to learn more.

Long Description

Four-part diagram of the billing cycle with labels: Transmittal, Payments, Posting, Electronic Statements.
Billing Cycle Practice

Sort the steps of the billing cycle into the correct order by clicking and dragging the step to a new location above or below another item. Select Check Answer when all items are sorted.

- Merchant transmits purchase information to the card-issuing bank
- Card-issuing bank pays the merchant and bills the CH account
- Card-issuing bank posts transactions to the appropriate account
- Card-issuing bank posts electronic statements

The correct order is provided.
Billing Cycle Practice

Sort the steps of the billing cycle into the correct order by clicking and dragging the step to a new location above or below another item. **Select Check Answer when all items are sorted.**

- Merchant transmits purchase information to the card-issuing bank
- Card-issuing bank pays the merchant and bills the CH account
- Card-issuing bank posts transactions to the appropriate account
- Card-issuing bank posts electronic statements

The correct order is provided.
Billing Cycle Practice

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1. Merchant transmits purchase information to the card-issuing bank
2. Card-issuing bank pays the merchant and bills the CH account
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4. Card-issuing bank posts electronic statements

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The correct order is provided.
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1. Merchant transmits purchase information to the card-issuing bank
2. Card-issuing bank pays the merchant and bills the CH account
3. Card-issuing bank posts transactions to the appropriate account
4. Card-issuing bank posts electronic statements

The correct order is provided.
Billing Cycle Practice

Sort the steps of the billing cycle into the correct order by clicking and dragging the step to a new location above or below another item. Select Check Answer when all items are sorted.

The correct order is provided.
Account Statements

CHs and A/BOs receive monthly statements of account activity.

Select each tab to learn more.

| CH Statement of Account | A/BO MA Billing Statement |

The CH Statement of Account:

- Lists all purchases that have been posted to the CH's account during the 30 calendar days of the billing cycle; and

- Lists all credits that have been posted to the CH's account during the 30 calendar days of the billing cycle.
Account Statements

CHs and A/BOs receive monthly statements of account activity.

*Select each tab to learn more.*

<table>
<thead>
<tr>
<th>CH Statement of Account</th>
<th>A/BO MA Billing Statement</th>
</tr>
</thead>
</table>

The A/BO MA Billing Statement lists all CH accounts under the Managing Account (MA).

The A/BO should ensure that all the appropriate CHs are listed and immediately notify the A/OPC:

- If any accounts are listed that should not be under the A/BO's oversight; or
- If any accounts are missing that should be under the A/BO's oversight.
CH Account Statement Reconciliation

At the end of each monthly billing cycle, the CH must promptly reconcile and approve all information provided in the CH Statement of Account.

Reconciliation and approval includes:

- Verifying the accuracy of each purchase listed;
- Paying for items not yet received and disputing any purchases not made by the CH within 90 calendar days of the purchase; (Note that when a CH is unable to resolve a disputed charge with a merchant, it is his/her responsibility to initiate a dispute with the issuing bank.)
- Documenting a complete description in the Purchase Log using Order Management for each item listed on the CH Statement of Account;
- Ensuring availability of appropriate funding allocations;
- Approving transactions on the CH Statement of Account;
- Matching transactions with the CH’s Purchase Log; and
- Signing the CH Certification Statement.

Best Practice

The bank automatically locks CHs out of the reconciliation process 15 days after the billing cycle end date. After that time, the A/BO must perform the required CH Statement of Account review and certification on the CH’s behalf.
CH Account Statement Reconciliation

At the end of each monthly billing cycle, the CH must promptly reconcile and approve all information provided in the CH Statement of Account. Best Practice

Best Practice

Within three business days of the billing cycle end date to maximize refunds and prevent interest penalties.

- Documenting a complete description in the Purchase Log using Order Management for each item listed on the CH Statement of Account;
- Ensuring availability of appropriate funding allocations;
- Approving transactions on the CH Statement of Account;
- Matching transactions with the CH's Purchase Log; and
- Signing the CH Certification Statement.

Best Practice

Note

The bank automatically locks CHs out of the reconciliation process 15 days after the billing cycle end date. After that time, the A/BO must perform the required CH Statement of Account review and certification on the CH's behalf.
CH Account Statement Reconciliation

At the end of each monthly billing cycle, the CH must promptly reconcile and approve all information provided in the CH Statement of Account.

Reconciliation and approval includes:

- Verifying the accuracy of each purchase listed;
- Paying for items not yet received and disputing any purchases not made by the CH within 90 calendar days of the purchase; (Note that when a CH is unable to resolve a disputed charge with a merchant, it is his/her responsibility to initiate a dispute with the issuing bank.)
- Documenting a complete description in the Purchase Log using Order Management for each item

Best Practice

To ensure timely certification, CHs should reconcile their GPC CH Statement of Account throughout the billing cycle to ensure issues can be resolved and appropriate documentation is available prior to the end of the billing cycle.

Best Practice

Note

The bank automatically locks CHs out of the reconciliation process 15 days after the billing cycle end date. After that time, the A/BO must perform the required CH Statement of Account review and certification on the CH's behalf.
CH Account Statement Reconciliation

At the end of each monthly billing cycle, the CH must promptly reconcile and approve all information provided in the CH Statement of Account. 

Reconciliation and approval includes:

- Verifying the accuracy of each purchase listed;
- Paying for items not yet received and disputing any purchases not made by the CH within 90 calendar days of the purchase; (Note that when a CH is unable to resolve a disputed charge with a merchant, it is his/her responsibility to initiate a dispute with the issuing bank.)
- Documenting a complete description in the Purchase Log using Order Management for each item listed on the CH Statement of Account;
- Ensuring availability of appropriate funding allocations;

Note

If a CH has departed before a cycle has ended and the bill is closed, it is the A/BO's responsibility to ensure the bill is properly reconciled and certified.

Note

The bank automatically locks CHs out of the reconciliation process 15 days after the billing cycle end date. After that time, the A/BO must perform the required CH Statement of Account review and certification on the CH's behalf.
Reconciliation Process

In this video, you will learn the process for electronically reconciling a Statement of Account, which consists of these three steps.

Let’s look at each step. First, as required by DoD GPC policy, the Cardholder must promptly reconcile the transactions electronically in the card-issuing bank’s EAS. The Office of the Secretary of Defense has granted a small number of waivers to this requirement.

Components not electronically reconciling their transactions utilizing the Bank’s EAS must follow applicable Component procedures.

As a best practice, Cardholder reconciliation should be completed within three business days of the billing cycle end date to maximize refunds and prevent interest penalties.

Under the electronic reconciliation/certification process, the electronic Cardholder Statement of Account and Billing Statement are received on the first day following the close of the billing cycle. A business day is considered Monday through Friday, unless a Federal holiday occurs during the Monday-through-Friday timeframe.

Now, let’s move to Step 2. Cardholders are locked out of their Cardholder Statements of Account 15 days after the close of the billing cycle. After that date, the A/BO must perform the Cardholder's statement review.

Finally, let's look at Step 3. After reconciliation has taken place, the Cardholder's Statement of Account, including the Cardholder's Certification Statement, is electronically submitted to the A/BO and Certifying Officer in the MA Billing Statement.

The Cardholder must provide documentation for all purchases on their Cardholder Statement of Account to the A/BO and Certifying Officer for certification.

If the Cardholder knows he or she will not be available to reconcile the account at the end of the billing cycle, the A/BO should be advised. All purchase receipts and credit vouchers should be forwarded to the A/BO so he or she can
reconcile the statement at the end of the cycle.

When the Pay and Confirm account payment model is being utilized, Component-level GPC policies addressing account reconciliation, certification, and records retention that adhere to all applicable DoD FMR provisions must be established and followed.

Following the reconciliation process helps ensure accuracy and accountability within the GPC Program.
Long Description

The DAU logo fades in and then fades out. The title "Reconciliation Process" moves onscreen and then offscreen.

The text "Reconciliation Process" and a process diagram fade in. The diagram has three steps:

The Cardholder reconciles the transactions electronically in the card-issuing bank's EAS.
The Cardholder is locked out of their Cardholder Statement of Account.
The Cardholder's Statement of Account is electronically submitted to the A/BO/Certifying Officer in the MA Billing Statement.

Everything fades out except the first step: The Cardholder reconciles the transactions electronically in the card-issuing bank's EAS. The step enlarges and moves to center screen. The step shrinks and moves to the corner, and an image of hands holding a paper titled "WAIVERS" appears. The image changes to a binder labeled "Procedures" with a pen and a document.

The image changes to a calendar. The 13th is circled, and the text "Billing cycle end date" appears on the date. A box with the text "Reconciliation should be completed" fades in, pointing to the 16th. The box fades out, and a callout box with the text "Electronic Cardholder Statement of Account and Billing Statement are received" fades in, pointing to the 14th. The box fades out, and a rectangle fades in around the 14th to the 18th (Monday to Friday). The calendar fades out.

The rest of the reconciliation process diagram fades back in and moves to center screen. Everything fades out except the second step: The Cardholder is locked out of their Cardholder Statement of Account. A box with the text "15 days after the close of the billing cycle" fades in, pointing to the step. The box fades out.

The rest of the reconciliation process diagram fades back in. Everything fades out except the third step: The Cardholder's Statement of Account is electronically submitted to the A/BO/Certifying Officer in the MA Billing Statement. The step enlarges and moves to center screen. The step shrinks and moves to the corner, and the text "Cardholder" next to a file folder labeled "Documentation" appears. An arrow is drawn from Cardholder to Documentation. The text "A/BO" and "Certifying Officer" fades in at the right of the folder. Arrows are drawn from Documentation to A/BO and Certifying Officer. The image changes to a businessman and businesswoman walking and talking.
The image changes to the text "Cardholder" next to a receipt and a credit voucher. An arrow is drawn from Cardholder to the receipt and credit voucher. An arrow is drawn from the receipt and credit voucher to the text "A/BO."

The image changes to a PAY AND CONFIRM key on a computer keyboard. A box with the following text fades in and points to PAY AND CONFIRM: "Component-level GPC policies addressing account reconciliation, certification, and records retention that adhere to all applicable DoD FMR provisions must be established and followed."

Everything fades out except the process step. The rest of the reconciliation process diagram fades back in, and the diagram enlarges and moves to center screen. The screen fades out.

The DAU logo fades in, then fades out.
Paying for Items Not Yet Received

DoD policy allows for GPC Billing Statement certification prior to verification that all items submitted for payment have been accepted, in order to:

- Allow for maximum refunds.
- Avoid prompt payment interest.
- Decrease penalties for faulty disputes.

For example, this situation may arise when a CH initiates a transaction near the end of the billing cycle. While merchants are not authorized to charge the GPC account until they have shipped the items purchased, it is possible for the items to be in transit but not yet received and accepted in time to allow for timely GPC billing statement certification.

If the CH and A/BO are confident this is the case, rather than delay certification (which would result in reduced refunds and could result in prompt payment interest), or dispute the transaction (which would eventually be resolved in favor of the merchant and may result in interest penalties on the disputed amount), the GPC billing statement may be paid as long as:

- The A/BO has a system in place to ensure the supply or service is received no later than 45 days after the invoice date.
- The CH protects the Government's rights by disputing the transaction if receipt and acceptance cannot be verified within 45 days.

Note
Paying for Items Not Yet Received

DoD policy allows for GPC Billing Statement certification prior to verification that all items submitted for payment have been accepted, in order to:

- Allow for maximum refunds.
- Avoid prompt payment interest.
- Decrease penalties for faulty disputes.

For example, this situation may arise when a CH initiates a transaction near the end of the billing cycle. While merchants are not authorized to charge the GPC account until they have shipped the items purchased, it is possible for the items to be in transit but not yet received and accepted in time to allow for timely GPC billing statement certification.

If the CH and A/BO are confident this is the case, rather than delay certification (which would result in reduced refunds and could result in prompt payment interest), or dispute the transaction (which would

Note

CHs have 90 calendar days from the date the transaction was processed/posted to the account to dispute charges.
As mandated in the DoD FMR, the following CH Certification Statement, electronically or on paper, must accompany every Statement of Account forwarded for payment:

I certify that, except as may be noted herein or on supporting documents, the purchases and amounts listed on this account statement:

1. Are correct and required to fulfill mission requirements of my organization.
2. Do not exceed spending limits approved by the Resource/Financial Manager.
3. Are not for my personal use or the personal use of the receiving individual.
4. Are not items that have been specifically prohibited by statute, by regulation, by contract or by my organization.
5. Have not been split into smaller segments to avoid dollar limitations.

Cardholder
(Authorized Cardholder Signature)

This statement is automatically electronically transmitted for CHs who electronically reconcile their Statements of Account in the card-issuing bank's EAS.
Knowledge Review

When must Wide Area Workflow (WAWF) be used to create and accept the receiving report?

- [ ] When the Cardholder (CH) cannot process his/her own billing statement
- [ ] When monthly billing statements are certified for payment
- [ ] When there are disputed charges
- [X] When the GPC is used as a method of payment against a contract

WAWF is to create and accept the receiving report **when the GPC is used as a method of payment against a contract.**
Approving Cardholder Account Statements

The A/BO is responsible for reviewing and approving each approved CH Statement of Account under their MA Billing Statement.

A/BOs who review and certify their MA Billing Statements in the card-issuing bank's EAS can access CH transactions throughout the billing cycle.

**Best Practice**

If a CH has not completed their Statement of Account review within 15 days of the billing cycle end date, the bank automatically locks them out of the account reconciliation process. A/BOs who review and certify their MA Billing Statements in the card-issuing bank's EAS can access CH transactions throughout the billing cycle.

After that time, the A/BO must perform an independent review of transactions and supporting documentation on the CH Statement of Account and certify it on the CH's behalf.
Approving Cardholder Account Statements

The A/BO is responsible for reviewing and approving each approved CH Statement of Account under their MA Billing Statement.

A/BOs who review and certify their MA Billing Statements in the card-issuing bank’s EAS can access CH transactions throughout the billing cycle.

Best Practice

A/BOs should review transactions throughout the billing cycle to ensure issues are resolved and ensure necessary documentation is available to support timely MA Billing Statement certification (Best Practice: Within five business days of the billing cycle end date to maximize refunds and prevent interest penalties).

In parallel, the A/BO may perform an independent review of transactions and supporting documentation on the CH Statement of Account and certify it on the CH’s behalf.
A/BO Certification for Payment

At the end of the billing cycle, the A/BO ensures the CH has approved the transactions on the Statement of Account. If the CH has not fulfilled his or her responsibilities, the A/BO performs an independent review of transactions and supporting documentation on the CH's Statement of Account and certifies it on the CH's behalf.

The A/BO certifies his or her MA Billing Statement in the card-issuing bank's EAS. [Note]

As mandated in the DoD FMR, the following Accountable Official certification statement, electronically or on paper, must accompany every Statement of Account forwarded for payment.

I certify that the items listed herein are correct and proper for payment from the appropriation(s) or other funds designated thereon or on supporting vouchers, and that the payment is legal, proper, and correct, except as may be noted herein or on supporting documents.

A/BO 3/29/2021
Authorized Approving Official Signature and Date
(or GAO-approved electronic signature)
A/BO Certification for Payment

At the end of the billing cycle, the A/BO ensures the CH has approved the transactions on the Statement of Account. If the CH has not fulfilled his or her responsibilities, the A/BO performs an independent review of transactions and supporting documentation on the CH's Statement of Account and certifies it on the CH's behalf.

The A/BO certifies his or her MA Billing Statement in the card-issuing bank's EAS.

Note

Components utilizing the Confirm and Pay account payment model or operating under a waiver from the requirement to electronically certify payments in the card-issuing bank's EAS must follow relevant Component-level guidance.

correct, except as may be noted herein or on supporting documents.

A/BO  3/29/2021
Authorized Approving Official Signature and Date
(or GAO-approved electronic signature)
Certifying Officer Certification for Payment

At the end of the billing cycle, the Certifying Officer (who is usually the A/BO) certifies the MA Billing Statement in the card-issuing bank's EAS.

As mandated in the DoD FMR, the following Certifying Officer certification, electronically or on paper, must accompany every Statement of Account forwarded for payment.

Pursuant to authority vested in me, I certify that this invoice (billing statement) is correct and proper for payment, except as may be noted herein or on supporting documents.

Certifying Officer 3/29/2021
GPC Certifying Officer Signature and Date (or GAO-approved electronic signature)
Certifying Officer Certification for Payment

At the end of the billing cycle, the Certifying Officer (who is usually the A/BO) certifies the MA Billing Statement in the card-issuing bank's EAS.

As mandated in the DoD FMR, the following Certifying Officer certification, electronically or on paper, must accompany every Statement of Account forwarded for payment.

Note

Components utilizing the Confirm and Pay account payment model or operating under a waiver from the requirement to electronically certify payments in the card-issuing bank's EAS must follow relevant Component-level guidance.

Certifying Officer 3/29/2021
GPC Certifying Officer Signature and Date
(or GAO-approved electronic signature)
Forwarding the Certified Billing Statement to the DFAS Payment Office

The Certifying Officer is required to use the card-issuing bank's EAS to perform reviews and electronically certify GPC invoices for payment.

If a joint OUSD (Comptroller)/A&S/DPC waiver has been granted and an alternative electronic solution has been approved, Component procedures should be followed. The A/BO/Certifying Officer ensures the Billing Statement is forwarded to the appropriate Defense Finance and Accounting Service (DFAS) Payment Office for payment. Certified Billing Statements must be promptly forwarded to the DFAS Payment Office.

Best Practice

In accordance with the terms and conditions of the GSA Master Contract with the card-issuing banks, the Government is required to pay the card-issuing bank to purchase when an authorized CH uses his card or writes a check for purchases other than valid Government requirements.

The Government will then recover the funds from the responsible CH and take appropriate administrative/criminal action against that individual.
Forwarding the Certified Billing Statement to the DFAS Payment Office

The Certifying Officer is required to use the card-issuing bank's EAS to perform reviews and electronically certify GPC invoices for payment.

If a joint OUSD (Comptroller)/A&S/DPC waiver has been granted and an alternative electronic solution has been approved, Component procedures should be followed. The A/BO/Certifying Officer ensures the Billing Statement is forwarded to the appropriate Defense Finance and Accounting Service (DFAS) Payment Office for payment. Certified Billing Statements must be promptly forwarded to the DFAS Payment Office.

Best Practice

Within five business days of the billing cycle end date to maximize refunds and prevent interest penalties. *(Note: A business day is considered Monday through Friday, unless a Federal holiday occurs during the Monday-through-Friday timeframe.)*
Interest Penalties

If the Billing Statement is forwarded to the Payment Office too late to pay the bill within 30 calendar days, or if the Payment Office fails to pay the bill within 30 calendar days, then, in accordance with the Prompt Payment Act:

- A late penalty fee and interest are assessed to the A/BO's account.
- Penalties and fees will be paid from the unit/activity budget.
Cardholder (CH) Steve has verified the purchase prices, descriptions, and supporting documents of the transactions on his CH Billing Statement in the bank's Electronic Access System (EAS) throughout the billing cycle time frame. What else does Steve have to do for reconciliation during the billing cycle? (Select the two that apply.)

- ✔ Dispute transactions the CH has not authorized
- ☐ Ensure availability of funding
- ✔ Match transactions to the Purchase Log
- ☐ Forward the billing statement to the Payment Office

Steve has to **match transactions to the Purchase Log**, and **dispute transactions the CH has not authorized** to complete reconciliation.
Record Retention

DoD Component procedures must specify GPC record retention requirements. The requirements include identification of the responsible party, the required physical and electronic controls, the media used, and the location for record storage. Various regulations, processes, and procedures specific to record retention must be followed. Select each tab to learn more.

| Overview | FMS | FAR 4.805 | Electronic Storage | Letters |

CHs are required to maintain documentation supporting their purchases, acceptance, and receipt until the end of the monthly billing cycle and then provide the documentation to the Certifying Officer for review and to ensure record retention. Certifying Officers must ensure GPC transaction-supporting documentation is retained for 6 years in accordance with FAR 4.805.

Note

CHs using the GPC for foreign military sales (FMS) requirements should coordinate with their FMS officials for the applicable retention period.

In order to support the SmartPay® 3 oversight process, CHs are required to scan their transaction supporting data and load it into the card-issuing bank's EAS using the Transaction Management - Attachments function. This should be done throughout the billing cycle to ensure supporting data is available to the account's A/BO, A/OPC, OA/OPC, and CPM for use in completing the required oversight reviews.

Use of the card-issuing bank's EAS to store GPC transaction supporting documents fulfills the DoD FMR record retention requirements when EDI payments are made.
As an acquisition program, the DoD GPC Program follows the records retention requirements of the FAR. However, some organizations may follow the DoD FMR and Component-specific requirements.
Record Retention

DoD Component procedures must specify GPC record retention requirements. The requirements include identification of the responsible party, the required physical and electronic controls, the media used, and the location for record storage. Various regulations, processes, and procedures specific to record retention must be followed. Select each tab to learn more.

Components funding GPC transactions with foreign military sales (FMS) funding must follow the retention guidance in the DoD FMR and ensure the FMS documents are retained for 10 years from the date of final case closure.
Record Retention

DoD Component procedures must specify GPC record retention requirements. The requirements include identification of the responsible party, the required physical and electronic controls, the media used, and the location for record storage. Various regulations, processes, and procedures specific to record retention must be followed. Select each tab to learn more.

| Overview | FMS | FAR 4.805 | Electronic Storage | Letters |

In accordance with FAR 4.805:

Agencies must prescribe procedures for the handling, storing, and disposing of contract files.

Agencies may change the original medium to facilitate storage as long as the requirements of part 4, law and other regulations are satisfied.

The process used to create and store records must record and reproduce the original document, including signatures and other written and graphic images completely, accurately, and clearly.

Data transfer, storage, and retrieval procedures must protect the original data from alteration. Unless law or other regulations require signed originals to be kept, they may be destroyed after the responsible agency official verifies that record copies on alternate media and copies reproduced from the record copy are accurate, complete and clear representations of the originals.

When original documents have been converted to alternate media for storage, the requirements in paragraph (b) of this section also apply to the record copies in the alternate media.
Record Retention

DoD Component procedures must specify GPC record retention requirements. The requirements include identification of the responsible party, the required physical and electronic controls, the media used, and the location for record storage. Various regulations, processes, and procedures specific to record retention must be followed. *Select each tab to learn more.*

| Overview | FMS | FAR 4.805 | Electronic Storage | Letters |

In accordance with **FAR 4.805**: 

Agencies must prescribe **procedures** for the handling, storing, and disposing of contract files.

Agencies may change the law and other regulations and these procedures must take into account documents held in all types of media, including microfilm and various electronic media.

The process used to create an original document, including signatures and other written and graphic images completely, accurately, and clearly.

Data transfer, storage, and retrieval procedures must protect the original data from alteration. Unless law or other regulations require signed originals to be kept, they may be **destroyed** after the responsible agency official verifies that record copies on alternate media and copies reproduced from the record copy are accurate, complete and clear representations of the originals.

When original documents have been converted to alternate media for storage, the requirements in paragraph (b) of this section also apply to the record copies in the alternate media.
Record Retention

DoD Component procedures must specify GPC record retention requirements. The requirements include identification of the responsible party, the required physical and electronic controls, the media used, and the location for record storage. Various regulations, processes, and procedures specific to record retention must be followed. Select each tab to learn more.

Overview | FMS | FAR 4.805 | Electronic Storage | Letters

In accordance with FAR 4.805:

Agencies must prescribe procedures for the handling, storing, and disposing of contract files.

Agencies may change the original medium to facilitate storage as long as the requirements of part 4, law and other regulations are satisfied.

The process used to create and store records must record and reproduce the original document, including signatures and other written and graphic images completely, accurately, and clearly.

Data transfer, storage, and retrieval procedures must protect the original data from alteration. Unless law or other regulations require signed originals to be kept, they may be destroyed after the

Agency procedures for contract file disposal must include provisions that the documents specified in paragraph (b) of this section may not be destroyed before the times indicated and may be retained longer if the responsible agency official determines that the files have future value to the Government.
Record Retention

DoD Component procedures must specify GPC record retention requirements. The requirements include identification of the responsible party, the required physical and electronic controls, the media used, and the location for record storage. Various regulations, processes, and procedures specific to record retention must be followed. Select each tab to learn more.

| Overview | FMS | FAR 4.805 | Electronic Storage | Letters |

Original disbursing office records (A/BO or Certifying Officer), along with CH supporting documents in electronic format, negate the need for the CH to store duplicate hardcopy documents.

Electronic record storage requires adequate controls to ensure the digital images accurately represent the corresponding paper documentation and to detect changes to an original digital image.

In addition, electronic storage must be in a centrally managed location that has an established backup process.
Record Retention

DoD Component procedures must specify GPC record retention requirements. The requirements include identification of the responsible party, the required physical and electronic controls, the media used, and the location for record storage. Various regulations, processes, and procedures specific to record retention must be followed. *Select each tab to learn more.*

Original *disbursing office records* (A/BO or Certifying Officer), along with CH supporting documents in duplicate hardcopy documents.

Ensure the digital images accurately represent changes to an original digital image.

Some examples of GPC transaction-supporting documentation/disbursing office records include, but are not limited to, requests for purchase from the requiring individual, special approvals, order confirmations, invoices, cash register receipts, purchase documents, records of return, waivers, receiving reports or other proof of delivery, and property book entries or communications. For additional examples of the types of documents classified as disbursing office records, see the DoD FMR.
Record Retention

DoD Component procedures must specify GPC record retention requirements. The requirements include identification of the responsible party, the required physical and electronic controls, the media used, and the location for record storage. Various regulations, processes, and procedures specific to record retention must be followed. *Select each tab to learn more.*

**Overview**  |  **FMS**  |  **FAR 4.805**  |  **Electronic Storage**  |  **Letters**

Original procurement Delegation of Authority Letters and appointment letters, executed by both the appointer and the appointee, shall be processed using JAM, the PIEE module used to initiate, review, approve, store, and terminate required delegations of procurement authority and/or appointments.

As appropriate, JAM GPC appointments result in issuance of not only GPC Delegation and/or Appointment Letters, but also limited-scope SF-1402 Certificate of Appointment (commonly referred to as a Warrant) and DD Form 577 Appointment/Termination Record - Authorized Signature (commonly referred to as a Certifying Officer Appointment). Copies of appointment letters are available in JAM.

Components that have been granted waivers to the JAM requirement shall follow local procedures.

Any paper-based or e-mail requests relating to new account issuance and maintenance request (e.g., request to increase single or monthly purchase limit) shall be retained by the A/OPC for six years after the date of account issuance or update.
Record Retention

DoD Component procedures must specify GPC record retention requirements. The requirements include identification of the responsible party, the required physical and electronic controls, the media used, and the location for record storage. Various regulations, processes, and procedures specific to record retention must be followed. *Select each tab to learn more.*
Record Retention

DoD Component procedures must specify GPC record retention requirements. The requirements include identification of the responsible party, the required physical and electronic controls, the media used, and the location for record storage. Various regulations, processes, and procedures specific to record retention must be followed. Select each tab to learn more.
Knowledge Review

How frequently should Cardholders (CHs) scan their transaction supporting data and load it into the card-issuing bank's Electronic Access System (EAS)?

- Every six years
- No later than one year after the billing cycle
- At the end of the billing cycle
- Throughout the billing cycle

CHs should load their transaction supporting data into the card-issuing bank's EAS throughout the billing cycle to ensure supporting data is available to the account's Approving/Billing Official (A/BO), Agency/Organization Program Coordinator (A/OPC), Oversight Agency Organization Program Coordinator (OA/OPC), and Component Program Manager (CPM) for use in completing the required oversight reviews.
Lesson Summary

You have now completed this lesson and should be able to:

• Recognize the requirements for documenting the purchase, delivery, and acceptance of Governmentwide Commercial Purchase Card purchases.
• Recognize the procedures for reconciling account statements for each billing cycle.
Lesson Completion

Congratulations! You have completed this lesson.

If the Next button is active please proceed, if not close this window.
Jim: Hello again. In this lesson you will learn about other authorized uses for the Governmentwide Commercial Purchase Card (GPC), including convenience checks and how to deal with frustrated freight.

Susan: Convenience checks? At this point I thought I knew about all the authorized uses for the GPC. There's more? Frustrated freight?

Jim: Yes, Susan, there are a few other authorized uses, which will be explained. Let's see if you can answer your own questions about frustrated freight when we have finished the lesson.
Lesson Objectives

The learning objective for this lesson is:

- Recognize additional authorized uses for the Governmentwide Commercial Purchase Card and the issues associated with frustrated freight.

Upon your completion of this lesson, you should be able to:

- Recognize the processes of using convenience checks and foreign draft accounts.
- Recognize the requirements for using the Governmentwide Commercial Purchase Card for purchases that exceed the micro-purchase threshold but do not exceed $25,000 outside the United States and U.S. jurisdictions.
- Recognize Ordering Officer authority to use the Governmentwide Commercial Purchase Card.
- Identify requirements for using the Governmentwide Commercial Purchase Card to pay against contracts and to pay for training.
- Identify methods to avoid frustrated freight.
Convenience Checks

Occasionally, unique/rare cases arise where, for example, a merchant does not accept payment by credit card, or it is not practical to pay for items using traditional procurement methods. In these cases, the GPC convenience checks can be used.

Fees associated with the use of convenience checks are specified in the General Services Administration (GSA) Contract. Because these fees are high, convenience checks should be used only as the last choice to meet mission needs.
Minimum Requirements to Establish Account

The minimum requirements for establishment of GPC convenience check accounts are as follows:

- The Managing Account (MA) must be in good standing.
- The authority to maintain a convenience check account shall be justified on an individual organization basis.
- The number of convenience check accounts should not, if possible, exceed one per major DoD tenant activity or independent location. However, additional accounts may be established following a written determination by the Commander that another account is necessary to meet mission requirements.
- Appropriate internal controls shall be in place, to include written approval (e-mail acceptable) one level above the Cardholder (CH) (e.g., Approving/Billing Officials [A/BOs] or A/BO’s Supervisor).
- Check Writers must receive the appropriate appointment letters.
- CHs writing checks must have taken all training required of CHs.
- CHs writing checks must obtain detailed receipts/invoices and other documentation required of CHs in addition to the check-writing documentation (including approval one level above the CH, as well as 1099-MISC information).

In order for a convenience check account to be established, a specific individual must be designated as the CH responsible for that account, and specific spending limits must be established.
Minimum Requirements to Establish Account

The minimum requirements for establishment of GPC convenience check accounts are as follows:

- The Managing Account (MA) must be in good standing.

  An MA account in good standing includes (but is not exclusive to):
  - No delinquencies;
  - Reviews of MA Cardholders (CH) accounts are in good standing;
  - Detailed receipts for all purchases; and
  - Sufficient documentation to support all purchases.

  Check writers must receive the appropriate appointment letters.

- CHs writing checks must have taken all training required of CHs.

- CHs writing checks must obtain detailed receipts/invoices and other documentation required of CHs in addition to the check-writing documentation (including approval one level above the CH, as well as 1099-MISC information).

In order for a convenience check account to be established, a specific individual must be designated as the CH responsible for that account, and specific spending limits must be established.
Funding Convenience Check Accounts

Convenience check accounts shall be funded in accordance with the Component's Comptroller, Resource Manager (RM), or Budget Office policies for GPC convenience checks.

The Check Writer must ensure funds are available to cover both the value of the check and the bank fee to process the check.

Convenience checks are non-disputable with the check-issuing bank. Once a check is written, signed, and provided to the merchant, the check-issuing bank has no authority not to pay the check.

The CH can request that the bank "stop payment" on a check, and the CH's account will be assessed a related fee. If payment has been made before a stop payment is processed, the CH cannot dispute the charge.

**Note**

CHs are to secure checks in a locked container that cannot be accessed by anyone other than the CH. Any MA under suspension of GPC privileges automatically shall be suspended from use of the GPC convenience check system for all accounts.
Funding Convenience Check Accounts

Convenience check accounts shall be funded in accordance with the Component's Comptroller, Resource Manager (RM), or Budget Office policies for GPC convenience checks.

The Check Writer must ensure funds are available to cover both the value of the check and the bank fee to process the check.

Convenience checks are non-disputable with the check writer.

Note

CHs should refer to their Component procedures on the actions required when a merchant has cashed a convenience check and the merchant is required to reimburse the Government for all or a portion of the amount of the cashed check.

Note

CHs are to secure checks in a locked container that cannot be accessed by anyone other than the CH. Any MA under suspension of GPC privileges automatically shall be suspended from use of the GPC convenience check system for all accounts.
1099 Reporting for Convenience Checks

CHs are required to obtain the Tax Identification Number (TIN) or Social Security Number (SSN) for each merchant or individual being issued a check via a signed Internal Revenue Service (IRS) Form W-9.

This information is used to file a Form 1099-MISC for tax reporting. CHs are to maintain convenience check records to fulfill 1099-MISC tax reporting requirements.

Failure to file Form 1099-MISC on convenience checks prevents the Government from collecting the appropriate taxes to support the Government's financial responsibilities.
Jim: Okay, Susan, you should have a good understanding of the processes of using convenience checks. Let's see how much you remember.

Susan: I think I got it, Jim. Go ahead and ask me some questions to check my knowledge.

Jim: Great, let's begin.
Knowledge Review

Which statements are true regarding the use of convenience checks? (Select the three that apply.)

- Convenience checks should be signed only by the Cardholder (CH).
- Convenience checks shall not exceed the micro-purchase threshold.
- Convenience checks shall not be written to pay against a contract.
- Convenience checks can be written to pay salaries.

Convenience checks shall not be written to pay against a contract, shall not exceed the micro-purchase threshold, and should be signed only by the CH.
Knowledge Review

An authorized GPC holder is going to make a purchase from XYZ Inc. for some supplies. The salesperson says that they accept credit cards. The Cardholder (CH) left his card at home, but he has a convenience check, which the salesperson also will accept. Can he use the convenience check?

- [x] No, he must use a GPC when a merchant accepts them for payment.
- [ ] Yes, as long as the purchase is below the micro-purchase threshold.
- [ ] Yes, but he must return with the GPC to prove that he is authorized to make the purchase.
- [ ] Yes, as long as he keeps a record of the purchase and the 1099 information.

No, he must use a GPC when a merchant accepts them for payment.
Knowledge Review

True or False? Convenience checks can be disputed with the check-issuing bank.

False

The statement is **False**. Convenience checks cannot be disputed with the check-issuing bank.
Jim: So, how did you do? Do you understand all there is to know about convenience checks?

Susan: I think I have a pretty good grasp of convenience checks, but there is always room for improvement.

Jim: Yes. While you may never have occasion to use convenience checks, it's important to understand when and under what circumstances they can be used.

Susan: Absolutely. So, what's next?

Jim: Well, up to this point we have discussed the use of the GPC within the U.S. What about making purchases outside the U.S.?

Susan: I'm not sure this will impact me. My present job does not require foreign travel.

Jim: You never know what the future holds. You may find yourself in a new job that requires you to travel and conduct Government business abroad.

Susan: I'm open to new opportunities. Let's see what GPC outside the U.S. is all about.
GPC Simplified Acquisitions up to $25,000 Made Outside the U.S. and Outside U.S. Jurisdictions

Defense Federal Acquisition Regulation Supplement DFARS 213.301 provides authority for use of the GPC as a simplified acquisition method outside the U.S. and outside U.S. jurisdictions for commercial item supply/service purchases exceeding the micro-purchase threshold but not exceeding $25,000, if the purchase is made outside the U.S. and its jurisdictions for use outside the U.S. and its jurisdictions. These actions are not micro-purchases.

DoD GPC policy permits Components to issue CH accounts to individuals for the purpose of making these purchases. This authority is separate and distinct from the authority to use the GPC to purchase mission-related supplies and services with values that do not exceed the micro-purchase threshold.

See applicable Component procedures for additional guidance related to use of the GPC up to $25,000 outside the U.S. and its jurisdictions.

Questions related to this and all other GPC authorized uses should be directed to the Agency/Organization Program Coordinator (A/OPC).
Only CHs who have been formally granted this authority in their GPC Letter of Delegation are authorized to use the GPC as a simplified acquisition method to make these purchases.

CHs making these purchases must receive additional training to ensure they understand their additional roles and responsibilities. This training should be provided by the A/OPC. A/BOs of CHs making these purchases must also receive additional training to ensure the A/BO understands the CH's additional roles and responsibilities.

Due to the higher dollar value of these transactions, CHs making these purchases are subject to additional periodic compliance reviews by the RM and A/OPC.
GPC Simplified Acquisitions up to $25,000 Made Outside the U.S. and Outside U.S. Jurisdictions, Cont.

To qualify for this increased dollar value for GPC use, the CH, merchant, and supply delivery/service execution must all be outside the United States and its jurisdictions.

Because any purchase exceeding the micro-purchase threshold is not a micro-purchase, the CH must receive customized training related to their Component procedures for processing these transactions. Examples of training topics include the CH's role in ensuring:

- Necessary contract reporting requirements are fulfilled.
- Maximum practicable competition is obtained by getting quotes from at least three sources.
- The supplies or services being purchased are immediately available.
- One delivery and one payment will be made.
- The supplies or services are commercially offered.

Because these purchases are outside the U.S. and its jurisdictions, the following requirements do not apply.
GPC Simplified Acquisitions up to $25,000 Made Outside the U.S. and Outside U.S. Jurisdictions, Cont.

To qualify for this increased dollar value for GPC use, the CH, merchant, and supply delivery/service execution must all be outside the United States and its jurisdictions.

Requirements that do not apply to purchases outside the U.S. and its jurisdiction:

- Federal Acquisition Regulation (FAR) part 19 – Small Business Programs
- FAR subpart 22.10, Service Contract Labor Standards (includes Fair Labor Standards Act)
- McNamara-O'Hara Service Contract Act of 1965 (SCA), codified at 41 U.S.C. Sections 351-358. The SCA requires contractors and subcontractors performing services on prime contracts in excess of $2,500 to pay service employees in various classes no less than the wage rates and fringe benefits found prevailing in the locality, or the rates (including prospective increases) contained in a predecessor contractor's collective bargaining agreement.

Because these purchases are outside the U.S. and its jurisdictions, the following requirements do not apply.
Ordering Officers

DoD GPC Policy permits Components to issue CH accounts to individuals delegated Ordering Officer authority. Not all Components authorize this practice. Questions related to this and all other GPC authorized uses should be directed to the A/OPC.

Select each tab to learn about Ordering Officers.

Ordering Officers are established to provide DoD Components with the ability to make purchases against existing contracts to support their mission. Only DoD civilian employees and members of the U.S. military may be appointed as Ordering Officers. No Ordering Officer may be appointed until they have received training commensurate with their delegated authority.

Ordering Officer appointments are distinct from GPC CH appointments:

- Each appointment carries its own roles and responsibilities and is governed by the associated Component-level policy.
- Appointed individuals are subject to all compliance reviews associated with each appointment.
- When a single individual is to be appointed as both an Ordering Officer and a CH, both appointments may be conveyed in a single Delegation of Procurement Authority Letter.

The Ordering Officer's A/BO shall also obtain additional training to ensure the A/BO understands the additional roles and responsibilities of an Ordering Officer.
Ordering Officers

DoD GPC Policy permits Components to issue CH accounts to individuals delegated Ordering Officer authority. Not all Components authorize this practice. Questions related to this and all other GPC authorized uses should be directed to the A/OPC.

Select each tab to learn about Ordering Officers.

Appointment  Thresholds  Procedures

Component procedures may authorize DoD GPC Ordering Officers to make purchases up to the Simplified Acquisition Threshold:

- At or below the micro-purchase threshold against Federal Supply Schedule contracts, FedMall, or other ordering systems that are authorized in Component procedures.
- Above or below the micro-purchase threshold against contract vehicles (e.g., blanket purchase agreements, indefinite delivery/indefinite quantity contracts, or other contract types) issued for the Component by a Contracting Officer that contain a provision authorizing order and payment by the GPC.
- Using Simplified Acquisition Procedures above or below the micro-purchase threshold against Federal Supply Contract vehicles.
Ordering Officers

DoD GPC Policy permits Components to issue CH accounts to individuals delegated Ordering Officer authority. Not all Components authorize this practice. Questions related to this and all other GPC authorized uses should be directed to the A/OPC.

Select each tab to learn about Ordering Officers.

Appointment Thresholds Procedures

CHs who also hold an Ordering Officer delegation must follow Component procedures for order placement. These procedures will address requirements related to:

- Public notification
- Competition
- Small business
- Mandatory clauses
- Contract reporting
- Wide Area Workflow (WAWF) acceptance
- Contract documentation
## Contract Payments

DoD GPC policy permits Components to issue CH accounts to individuals for the purpose of making payments against contracts. Not all Components authorize this practice. Questions related to this and all other GPC authorized uses should be directed to the A/OPC. 

### Authority

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<th>Authority</th>
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<th>Certification</th>
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CHs may be granted authority to use their GPC accounts to make payments (i.e., as a method of payment) against existing contracts that were awarded by a warranted Contracting Officer.

This authority is separate and distinct from the authority to use the GPC to purchase mission-related supplies and services with values that do not exceed the micro-purchase threshold.

Only CHs who have been formally granted this authority in their GPC Letter of Delegation are authorized to use the GPC to make contract payments.

Contract Payment CHs must receive additional training to ensure they understand the additional roles and responsibilities. This training should be provided by the Contracting Officer authorizing use of the GPC to make contract payments, in coordination with the A/OPC.

Contract Payment CHs are subject to additional periodic compliance reviews by the Contracting Office, RM, and A/OPC.

The Contract Payment CH's A/BO shall also obtain additional training to ensure the A/BO understands the additional roles and responsibilities of a Contract Payment CH.
Contract Payments

DoD GPC policy permits Components to issue CH accounts to individuals for the purpose of making payments against contracts. Not all Components authorize this practice. Questions related to this and all other GPC authorized uses should be directed to the A/OPC. Select each tab to learn more.

| Authority | Payments | Certification |

Prior to authorizing any contract payment against a contract that includes DFARS Clause 252.232-7003, Electronic Submission of Payment Requests and Receiving Reports, CHs must request and receive WAWF training and access that enables them to verify the Government has accepted the required supplies of.

Note

FAR Clause 52.232-36, Payment by Third Party, provides additional important details related to contract payments.

Prior to approving and forwarding their monthly Statement of Account to the A/BO for review, the CHs must:

- Ensure payment is being made in accordance with the contract terms and conditions.
- Ensure adequate funds are available to make the payment.
- Ensure the Government has documented acceptance in WAWF.
- Verify the code "CRCARD" was entered in the WAWF Pay Official/DoDAAC field. Use of any other code will create time-consuming issues (e.g., double obligation of the funds) that will have to be resolved after payment is made. If an alternate entry is made, the CH should contact the Contracting Officer for resolution/correction prior to issuing payment.
Contract Payments

DoD GPC policy permits Components to issue CH accounts to individuals for the purpose of making payments against contracts. Not all Components authorize this practice. Questions related to this and all other GPC authorized uses should be directed to the A/OPC. Select each tab to learn more.

Authority

Prior to authorizing any contract payment against a contract that includes DFARS Clause 252.232-7003, Electronic Submission of Payment Requests and Receiving Reports, CHs must request and receive WAWF training and access that enables them to verify the Government has accepted the required supplies or services.

Note

DFARS 252.232-7003 is required to be included in all contracts issued by or for DoD. CHs should refer any issues with CH compliance with this contract requirement to the Contracting Officer for resolution.

- Ensure adequate funds are available to make the payment.
- Ensure the Government has documented acceptance in WAWF.
- Verify the code "CRCARD" was entered in the WAWF Pay Official/DoDAAC field. Use of any other code will create time-consuming issues (e.g., double obligation of the funds) that will have to be resolved after payment is made. If an alternate entry is made, the CH should contact the Contracting Officer for resolution/correction prior to issuing payment.
Contract Payments

DoD GPC policy permits Components to issue CH accounts to individuals for the purpose of making payments against contracts. Not all Components authorize this practice. Questions related to this and all other GPC authorized uses should be directed to the A/OPC. *Select each tab to learn more.*

| Authority | Payments | Certification |

Prior to certifying the MA Billing Statement for payment, the A/BO must:

- Review and ensure all CH supporting documentation supports the payment.
- Ensure adequate funds are available to make the payment.
SF-182 Authorization, Agreement, and Certification of Training Payments

DoD GPC Policy permits Components to issue CH accounts to individuals for the purpose of making payments against approved Standard Form (SF) 182s, Authorization, Agreement and Certification of Training Payments. Questions related to this and all other GPC authorized uses should be directed to the A/OPC.

The GPC is mandated for use as the **method of payment** for all commercial training requests using the SF-182, valued at or below $25,000, in lieu of an employee reimbursement by miscellaneous payment in accordance with the DoD Financial Management Regulation (DoD FMR) procedures to directly pay the provider.
Title 5 U.S.C. Section 4109 authorizes the Head of an Agency, under the regulations prescribed in 5 U.S.C. 4118(a)(8), to reimburse employees for necessary training expenses (e.g., tuition and matriculation fees; library and laboratory services; purchase or rental of books, materials, and supplies; and other services or facilities directly related to employee training).

Therefore, training, education, and professional development SF-182 actions are not FAR-based transactions. See DoDI 1400.25, Volume 410 for additional information regarding the appropriate use of the SF-182.
SF-182 Authorization, Agreement, and Certification of Training Payments: Thresholds

The total price of training authorized by the use of a single SF-182 may not exceed $25,000 in accordance with the DoD FMR. SF-182 authorized training may be provided by Government or non-Government sources.

When training is provided by a non-Government source, in order to be eligible for GPC payment via the SF-182 process it must consist of a regularly scheduled, commercial-off-the-shelf (COTS) course, training conference, or instructional service that is available to the general public and priced the same for everyone in the same category (e.g., price per student, course, program, service, or training space).

If the Government has a need for tailored training or tailored training materials, the requirement shall be placed on Government contract by a warranted Contracting Officer.

This includes tailored training or tailored training materials at or below $5,000. The GPC may be used as the payment method on the contract, if the merchant agrees to GPC payment.
SF-182 Authorization, Agreement, and Certification of Training Payments: Thresholds

The total price of training authorized by the use of a single SF-182 may not exceed $25,000 in accordance with the DoD FMR. SF-182 authorized training may be provided by Government or non-Government sources.

When training is provided by a non-Government source, in order to be eligible for GPC payment via the SF-182 process it must consist of a regularly scheduled, commercial-off-the-shelf (COTS) course, training conference, or instructional service that is.

Note

Examples of Government-tailored training requirements include who can attend the training, date or time of training, and location of training.

This includes tailored training or tailored training materials at or below $5,000. The GPC may be used as the payment method on the contract, if the merchant agrees to GPC payment.
If the Government has a need for tailored training or tailored training materials, the requirement shall be placed with which one of the following?

- [ ] Standard Form (SF) 182 Authorization Training
- [ ] Commercial contract signed by a Cardholder (CH)
- [ ] DD 577
- [x] Government contract by a warranted Contracting Officer

A Government need for training or tailored training materials shall be placed with a **Government contract by a warranted Contracting Officer**.
Knowledge Review

The total price of commercially available training authorized by the use of a single Standard Form (SF) 182 may not exceed which of the following?

- $15,000
- $50,000
- $25,000
- $10,000

(Check Answer)

The total price of commercially available training authorized by the use of a single SF-182 may not exceed $25,000.
**Frustrated Freight**

"Frustrated freight" is a shipment of supplies or equipment that is delayed along the transportation chain and will not move until all problems are resolved. Many times, the shipment never reaches the intended recipient.

Although most overseas shipments are delivered by supplier-arranged commercial carriers, an increasing number of overseas GPC shipments, especially when being processed to contingency environments, must move through military aerial ports, ocean terminals, or container consolidation points (which are components of the Defense Transportation System [DTS]) for onward movements.

When using a GPC to purchase items with delivery to an Outside the Continental United States (OCONUS) destination, two methods of transportation are generally available:

- Commercial, door-to-door
- DTS
Frustrated Freight, Cont.

If commercial shipping is not used, CHs must coordinate with their transportation service support office (e.g., Installation Transportation Office, Transportation Management Office, or Supply Support Activity) before initiating the transaction. This will ensure the item is properly entered into the DTS and the supplier will get all necessary data to complete the military shipping label (MSL).

Shipments entering the DTS require additional funding and shipping, marking, and packaging instructions. If any of the required information is incorrect or lacking, the shipment may become "frustrated" at military transit ports or at an intermediate staging area prior to the final destination.

CHs must ensure they provide correct shipping information and transportation requirements to suppliers when using DTS rather than the preferred door-to-door commercial method of delivery.

CHs initiating GPC transactions involving the DTS must follow applicable Component procedures. Questions related to utilization of DTS for GPC transactions should be directed to the A/OPC.
Jim: Okay, Susan, we have talked about some additional authorized uses of the GPC and ways to avoid frustrated freight. Let's see how much you remember and if you can answer a question about frustrated freight.

Susan: I think I remember all of it, Jim, and I definitely know what frustrated freight is. Go ahead and ask me a question to check my knowledge.

Jim: Great, let's begin.
Frustrated freight occurs when a shipment is stopped along the transportation chain due to problems with shipping, marking, and packaging instructions.
Lesson Summary

You have now completed this lesson and should be able to:

- Recognize the processes of using convenience checks and foreign draft accounts.
- Recognize the requirements for using the Governmentwide Commercial Purchase Card for purchases that exceed the micro-purchase threshold but do not exceed $25,000 outside the United States and U.S. jurisdictions.
- Recognize Ordering Officer authority to use the Governmentwide Commercial Purchase Card.
- Identify requirements for using the Governmentwide Commercial Purchase Card to pay against contracts and to pay for training.
- Identify methods to avoid frustrated freight.
Lesson Completion

**Congratulations!** You have completed this lesson.

If the **Next** button is active please proceed, if not close this window.
Welcome

Jim: Susan, this lesson—Governmentwide Purchase Charge Card (GPC) Challenges and Resolutions—addresses topics that can affect any program where money and people are involved.

Susan: I'm not sure what you mean.

Jim: Well, not everybody is as honest and ethical as you and me.

Susan: So, this lesson is about GPC misuse, abuse, and fraud.

Jim: Yes, it addresses those topics, but it also addresses other topics like how to deal with lost and/or stolen cards and checks. So, it's not all about deceitful practices.

Susan: I look forward to learning more.
Lesson Objectives

The learning objective for this lesson is:

- Recognize Governmentwide Commercial Purchase Card Program challenges and ways to address them.

Upon your completion of this lesson, you should be able to:

- Recognize restrictions on Governmentwide Commercial Purchase Card use.
- Identify Governmentwide Commercial Purchase Card fraud.
- Recognize the reporting procedures of lost or stolen Government Purchase Cards/checks.
- Identify ethical standards of conduct and their regulatory/legal foundation.
Unauthorized Commitments and Ratifications

An unauthorized commitment is an agreement that is not binding solely because the Government representative who made it lacked the authority to enter into that agreement on behalf of the Government.

Only individuals who have received a written delegation of procurement authority may bind the Government.

A ratification is the act of approving an unauthorized commitment by an official who has the authority to do so. GPC Cardholders (CHs) shall not pay for or purchase supplies, services, or small construction in an attempt to cover up unauthorized commitments.

In the event of an unauthorized commitment, the CH must contact their Agency/Organization Program Coordinator (A/OPC). Together, working with the Contracting Office and Office of Counsel, they will initiate and follow the ratification process as prescribed in FAR 1.602-3, Ratification of Unauthorized Commitments.
Unauthorized Commitment - No Procurement Authority

No Procurement Authority is when an individual with no delegated procurement authority arranges for a supply or service to be provided. After completion of the work, the CH is asked to pay the service provider.

*Select each example to learn more about this type of unauthorized commitment.*

**Example #1**

**Description:**

A CH’s Government coworker informs the CH that she went to an office supply store last night and picked up copy paper for the office. The coworker asks the CH to call the office supply store to pay for the paper.

**Resolution:**

The CH is prohibited from paying for the paper. The coworker should return all of the paper to the office supply store.
Unauthorized Commitment - No Procurement Authority

No Procurement Authority is when an individual with no delegated procurement authority arranges for a supply or service to be provided. After completion of the work, the CH is asked to pay the service provider.

Select each example to learn more about this type of unauthorized commitment.

Example #1

Description:
A military officer picks up flowers for a change of command ceremony and tells the florist that a CH would call to pay for the flowers. A few weeks later, the CH receives a bill from the florist.

Resolution:
The CH is not authorized to pay for the flowers. The CH must notify the A/OPC of the unauthorized commitment. The bill is processed by the Contracting Office as a ratification to determine whether the Government is liable to pay for the flowers, or if the military officer is liable to pay for the flowers with his own personal funds.

Example #2
Unauthorized Commitment - Purchase Limit

A Purchase Limit Unauthorized Commitment is when a GPC CH initiates a transaction for a purchase that exceeds their delegated single purchase limit.

*Select each example to learn more about this type of unauthorized commitment.*

**Example #1**

**Description:**

The CH obtains price quotes from three merchants, and all three quotes exceed the CH's delegated single purchase limit.

**Resolution:**

The CH is required to return the requirement to the requestor, informing the requestor that the requirement is outside the CH's purchase authority. The CH should tell the requestor to submit the requirement to the appropriate supporting contracting office for action.
Unauthorized Commitment - Purchase Limit

A Purchase Limit Unauthorized Commitment is when a GPC CH initiates a transaction for a purchase that exceeds their delegated single purchase limit.

Select each example to learn more about this type of unauthorized commitment.

Example #1

Description:

The CH obtains a price quote from a merchant below the CH's delegated single purchase limit and orders the supplies. When the merchant sends the CH the receipt, the merchant added shipping and handling charges, causing the total amount to exceed the CH's delegated single purchase limit.

Resolution:

The CH should inform the merchant that the price quoted should have included shipping and handling. Now the order exceeds the CH's authorized purchase limit and must be cancelled. The merchant may decide to remove the shipping and handling charges to the originally quoted price. If not, the order is cancelled.

The CH may check another source for a price quote after the original order is cancelled. If the new price quote exceeds the CH's delegated single purchase limit, then the CH is required to return the requirement to the requestor, informing the requestor that the total amount of the requirement exceeds the CH's authority and to submit the requirement to the appropriate supporting contracting office for action.

When obtaining price quotes in the future, the CH should ask merchants to quote the total cost (shipping and handling, and merchant surcharge, if applicable) required to obtain the supplies or services.
Unauthorized Commitment - Contingent Liability

A Contingent Liability Unauthorized Commitment is when a GPC CH initiates a transaction for a purchase that includes terms and conditions that create a contingent liability for the Government.

Select each example to learn more about this type of unauthorized commitment.

**Example #1**

**Description:**

The CH receives a request for training of 15 Government personnel, to be conducted in a Government facility located on Government property, from 8 a.m. to 8 p.m. on a Wednesday. The training merchant faxes a merchant contract, with the company terms and conditions to perform the training, for the CH to sign.

**Resolution:**

The CH is required to cancel the purchase and return the requirement to the requestor. The CH should notify the requestor that neither the CH, nor any Government personnel other than a Contracting Officer, has authority to bind the Government, as prescribed in FAR 1.602, Contracting Officers.

A Government contract for training is required when the Government has specific requirements on location, date, time, who can attend the training, tailoring the training to Government specifications, or any other Government-specified requirements.

Any requirement for a merchant to perform in a Government facility is required to be on a Government contract that clearly defines the requirement, terms, and conditions, and grants the merchant authority to perform in a Government facility.
Unauthorized Commitment - Contingent Liability

A Contingent Liability Unauthorized Commitment is when a GPC CH initiates a transaction for a purchase that includes terms and conditions that create a contingent liability for the Government.

Select each example to learn more about this type of unauthorized commitment.

Example #1

**Description:**

The CH receives a request to repair a Government-owned fax machine. When the merchant arrives to repair the machine, he hands the CH a form with merchant terms and conditions for the repair, with a stipulation that, if the fax machine cannot be repaired, the merchant will scrap the machine.

**Resolution:**

The CH is required to cancel the repair and return the requirement to the requestor. The CH should notify the requestor that neither the CH, nor any Government personnel other than a Contracting Officer, has authority to bind the Government with terms and conditions, nor to authorize a merchant to scrap Government-owned property. In the future, the CH should ask merchants whether they require any terms and conditions to be signed prior to repair, service, or delivery.
Prohibited Purchases and Fraud Introduction

**Susan:** After looking at unauthorized commitments, I realize it isn't always obvious when purchases are allowed.

**Jim:** Unauthorized commitments occur when someone lacks authority to make the purchase, even if the purchased item is for Government use. But some purchases are prohibited regardless of procurement authority.

**Susan:** Oh, so what's next?

**Jim:** Next, we will take a look at prohibited purchases and various forms of fraud.
Prohibited Purchases

Making the following purchases with the GPC is prohibited:

- Aircraft fuel and oil
- Appliances acquired for personal use in a work environment
- Bail and bond payments
- Betting, casino gaming chips, and off-track betting
- Cash advances
- Commercial unmanned aerial systems
- Construction services over $2,000
- Court costs, alimony, and child support
- Dating and escort services
- Equal Employment Opportunity (EEO) settlements
- Fines
- Food and meals
- Foreign currency
- Gift certificates and gift cards

- Long-term lease of land and building
- Purchases for other than mission-essential "Official Government Use"
- Purchases made by contractors
- Purchases made by individuals other than the authorized CH
- Salaries and wages
- Savings bonds
- Services acquisitions greater than $2,500
- Split purchases
- Taxes
- Telecommunication systems
- Travel advances, claims, and expenses
- Vehicle-related expenses
- Video surveillance cameras
- Weapons, ammunition, and explosives
- Wire transfers
Prohibited Purchases, Cont.

For more information on GPC-prohibited purchases and a more inclusive list, see:

- [DoD Government Charge Card Guidebook for Establishing and Managing Purchase, Travel and Fuel Card Programs](#)
- DoD Component supplements
- Other local GPC policies/procedures
- A/OPC training
Internal Fraud

With respect to the GPC Program, internal fraud is defined as any felonious act of corruption or attempt to cheat the Government or corrupt the Government's agents by charge card program officials.

For the purposes of the GPC Program, internal fraud occurs when the GPC is used to transact business that is:

- NOT sanctioned
- NOT authorized
- NOT in one's official Government capacity
- NOT for the purpose for which the card was issued
- NOT as a part of official Government business

Internal fraud is a violation reportable to Defense Pricing and Contracting (DPC).
Internal Fraud - Examples

Use of the GPC to acquire supplies or services that are unauthorized and intended for personal use or gain constitutes a fraud against the Government.

Examples of internal fraud include a CH intentionally:

- Purchasing power tools for personal use;
- Paying for repairs of privately owned equipment; or
- Purchasing items or extra quantity of items for resale or to give away to relatives.

CHs are responsible for ensuring they use their GPC account only to purchase and pay for mission-essential supplies and services.

See 10 U.S.C. 932 for additional definition of fraud against the United States.
Prohibited Purchases and Fraud

Drag the Purchases into the appropriate category either Prohibited Purchases or Fraud. When all items are placed, select Check Answer.

Prohibited Purchases

- Gift cards for customer appreciation
- Fines for parking violations
- Cash for travel expenses

Internal Fraud

- Gas for traveling to work
- Power tools for home use

The correct answers are provided.
Prohibited Purchases and Fraud

Drag the Purchases into the appropriate category either Prohibited Purchases or Fraud. When all items are placed, select Check Answer.

Prohibited Purchases

- Gift cards for customer appreciation
- Fines for parking violations
- Cash for travel expenses

Internal Fraud

- Gas for traveling to work
- Power tools for home use

The correct answers are provided.
Prohibited Purchases and Fraud

Drag the Purchases into the appropriate category either Prohibited Purchases or Fraud. When all items are placed, select Check Answer.

Prohibited Purchases

Gift cards for customer appreciation
Fines for parking violations
Cash for travel expenses

Internal Fraud

Gas for traveling to work
Power tools for home use

Check Answer

The correct answers are provided.
Kickbacks

Kickbacks are prohibited. A **kickback** occurs any time a CH initiates a GPC transaction with a merchant and the CH receives a percentage of the sale price, e.g., cash, future purchase discounts, gift cards, or additional supplies or services. These transactions are considered kickbacks **regardless** of whether they were initiated by the CH or merchant.

*Select each example part for a complete kickback scenario.*

<table>
<thead>
<tr>
<th>Example Part 1</th>
<th>Example Part 2</th>
<th>Example Part 3</th>
</tr>
</thead>
</table>

**Description:**

The CH places weekly purchases with the merchant.

**Resolution:**


<table>
<thead>
<tr>
<th>Date</th>
<th>Requestor</th>
<th>Merchant’s Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/3/20</td>
<td>John Doe</td>
<td>Acme Company</td>
</tr>
<tr>
<td>11/10/20</td>
<td>John Doe</td>
<td>Acme Company</td>
</tr>
<tr>
<td>11/17/20</td>
<td>John Doe</td>
<td>Acme Company</td>
</tr>
<tr>
<td>11/24/20</td>
<td>John Doe</td>
<td>Acme Company</td>
</tr>
</tbody>
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Kickbacks

Kickbacks are prohibited. A **kickback** occurs any time a CH initiates a GPC transaction with a merchant and the CH receives a percentage of the sale price, e.g., cash, future purchase discounts, gift cards, or additional supplies or services. These transactions are considered kickbacks **regardless** of whether they were initiated by the CH or merchant.

Select each example part for a complete kickback scenario.

| Example Part 1 | Example Part 2 | Example Part 3 |

**Description:**

The CH waits a couple of weeks and then proceeds to again place weekly purchases from the same merchant.

**Resolution:**

The A/BO should remind the CH of the previous conversation regarding the FAR requirement for micro-purchases to be distributed equitably among qualified merchants and require the CH to obtain the A/BO or Alternate A/BO's approval prior to any future purchases to the merchant, regardless of dollar value.

The A/BO should notify all Alternate A/BOs of the requirement for this CH to obtain approval prior to placing an order to the specific merchant, regardless of dollar value.

If the A/BO is not the CH's Supervisor, the A/BO should notify the CH's Supervisor of the issue.

The A/BO should take care to review other purchasing patterns of the CH.
Kickbacks

Kickbacks are prohibited. A kickback occurs any time a CH initiates a GPC transaction with a merchant and the CH receives a percentage of the sale price, e.g., cash, future purchase discounts, gift cards, or additional supplies or services. These transactions are considered kickbacks regardless of whether they were initiated by the CH or merchant.

Select each example part for a complete kickback scenario.

Example Part 1

Description:

The CH waits three weeks until the A/BO goes on leave and places an order to the merchant.

Resolution:

The A/BO should terminate the CH's GPC account.

If the A/BO is not the CH's Supervisor, the A/BO should notify the CH's Supervisor of the action and notify the A/OPC as to why the CH's GPC account was terminated.

If the A/BO is the CH's Supervisor, the A/BO should follow the appropriate disciplinary procedures and notify the A/OPC of the actions taken.

The A/OPC should consider auditing the files for possible other violations by the CH and check merchant category reports regarding this merchant to see whether other CHs are consistently using the same merchant on a weekly basis.
External Fraud

External fraud, while a disciplinary category and reportable to DPC, is not considered a violation. External fraud is a felonious act of corruption or attempt to cheat the Government or corrupt the Government's agents by someone other than charge card program officials. CHs are required to promptly identify, report, and resolve or formally dispute any fraudulent transaction.

Best Practice

CHs must promptly notify the card-issuing bank of any known or suspected transactions not initiated or authorized by the CH in accordance with established procedures. The card-issuing bank's training on fraudulent and disputed transactions is available so CHs can become familiar with the appropriate process.

When fraudulent activity is first verified, the bank shall immediately close the account where the fraud occurred and open a new account.

When a Defense criminal investigative organization or Defense organizational element responsible for investigating potential GPC-related misconduct initiates an investigation into allegations of fraud, misuse, or abuse of authority regarding a GPC, the CH's commander or second-line supervisor, as appropriate, and security manager shall be notified.

Whenever possible, this notification shall take place within 72 hours of the initiation. For additional information, see the following memoranda:

- Final Governmentwide Commercial Purchase Card Disciplinary Category Definitions Guidance, dated 1/27/20
- Government Charge Card Disciplinary Guide for Civilian Employees, dated 4/21/03
- Disciplinary Guidelines for Misuse of Government Charge Cards by Military Personnel, dated 6/10/03
External Fraud

External fraud, while a disciplinary category and reportable to DPC, is not considered a violation. External fraud is a felonious act of corruption or attempt to cheat the Government or corrupt the Government's agents by someone other than charge card program officials. CHs are required to promptly identify, report, and resolve or formally dispute any fraudulent transaction.

Best Practice

CHs must promptly notify the card-issuing bank of any known or suspected transactions not initiated or authorized by the CH in accordance with established procedures. The card-issuing bank's training on fraudulent and disputed transactions is available so CHs can become familiar with the appropriate process.

Best Practice

The CH's frequent (e.g., daily) review and reconciliation of his/her account transactions in the card-issuing bank's Electronic Access System (EAS) increases the CH's ability to identify and resolve any disputed or fraudulent transactions within the monthly billing cycle, thereby minimizing the potential for problematic transaction(s) to involve multiple billing statements.

For more information, see the following memoranda:

- Final Governmentwide Commercial Purchase Card Disciplinary Category Definitions Guidance, dated 1/27/20
- Government Charge Card Disciplinary Guide for Civilian Employees, dated 4/21/03
- Disciplinary Guidelines for Misuse of Government Charge Cards by Military Personnel, dated 6/10/03
External Fraud Oversight

GPC CHs should be watchful for merchants who may be committing fraud; for example, by:

- Billing for items not ordered; or
- Billing for services not provided.

A/BOs should examine purchase documentation for unauthorized CH purchases as well as possible merchant fraud when reconciling their MA Billing Statement.

The A/BO must ensure a Data Mining (DM) case is opened—and corrective action taken is documented—for all instances of fraud or other policy noncompliance identified.
Knowledge Review

During a routine review of his GPC statement, John Cardholder noticed a transaction he didn’t recognize. He called the card-issuing bank to report the discrepancy. The bank verified the fraudulent transaction. What should happen next?

- [ ] The supervisor should investigate the charge.
- [ ] John should notify his supervisor.
- [x] The bank should close the account.
- [ ] An investigative team should open a case.

After verifying the fraudulent transaction, the bank should close the account.
Lost or Stolen Cards and Checks Introduction

**Jim:** Susan, so now you should have an understanding of prohibited purchases and fraud associated with GPC.

**Susan:** Yes, Jim, I found the prohibited purchases and fraud section to be straightforward.

**Jim:** Well, good. The next topic is more relevant to most people. It addresses what you should do when a card or check is lost or stolen. You will notice the process for addressing a lost or stolen card or check is relatively the same. It's important to note this section also details the steps the CH should take when a card or check is lost or stolen.

**Susan:** Thanks for the advance notice. I'll make sure to pay close attention to the steps.
Lost Cards or Checks

In the event that a CH reports a misplaced or lost card or check, the account is closed and a new card or checks are issued.

However, reporting the card lost or misplaced does not relieve the Government of its obligation to pay for all valid transactions made prior to reporting the loss.

The CH may be required to sign an affidavit confirming the card/check has been lost or misplaced.

If transactions not made by the CH appear on the Statement of Account, the CH should dispute them with the card-issuing bank within 90 days of the transaction date.

Failure to submit the dispute within 90 days of the transaction date and/or to provide a signed affidavit that a card or check has been lost could result in liability to the Government.
Stolen Card or Checks

In the event a CH reports a card or check has been stolen, the account will be closed, and a new card or checks issued.

However, reporting the card/checks stolen does not relieve the Government of its obligation to pay for valid transactions that were made prior to reporting the card or checks stolen.

The CH may be required to sign an affidavit confirming that the card or checks were stolen.

If transactions not made by the CH appear on the Statement of Account, the CH should dispute them with the card-issuing bank within 90 days of the transaction date.

Failure to provide a signed affidavit to the card-issuing bank could result in liability to the Government.
Steps to Follow for Lost or Stolen Card or Check

If a GPC card or convenience check is lost or stolen, the CH and A/BO must proactively take steps to prevent external fraud.

Select each step to identify the actions that should be taken if such a situation arises.
Steps to Follow for Lost or Stolen Card or Check

If a GPC card or convenience check is lost or stolen, the CH and A/BO must proactively take steps to prevent external fraud.

Select each step to identify the actions that should be taken if such a situation arises.

- **Notification**
  - In the first step, promptly notify all affected parties.
  - The CH immediately notifies the card-issuing bank. To notify the bank of a lost or stolen card, the CH calls the phone number listed on the CH Statement of Account. The phone number can also be found on the card-issuing bank's website. The CH should document the name of the card-issuing bank's representative with whom they spoke, the phone number they called, and the date and time they filed the report.
  - The CH notifies the A/BO within one business day of notifying the card-issuing bank. The A/BO notifies the A/OPC within three business days of being notified by the CH. If the A/BO is unavailable, the CH must notify the A/OPC within three business days.
  - The CH notifies their supervisor within two business days of notifying the card-issuing bank.
Steps to Follow for Lost or Stolen Card or Check

If a GPC card or convenience check is lost or stolen, the CH and A/BO must proactively take steps to prevent external fraud.

Select each step to identify the actions that should be taken if such a situation arises.

**Step 2: Last Seen**

Determine when and where the card/checks were last seen, and any other pertinent circumstances, and then document this information.
Steps to Follow for Lost or Stolen Card or Check

If a GPC card or convenience check is lost or stolen, the CH and A/BO must proactively take steps to prevent external fraud.

Select each step to identify the actions that should be taken if such a situation arises.

**Step 3: Last Used**

Determine when and where the card/checks were last used, the transaction, merchant, price, and any other pertinent information, then document this information and annotate the Purchase Log.
Steps to Follow for Lost or Stolen Card or Check

If a GPC card or convenience check is lost or stolen, the CH and A/BO must proactively take steps to prevent external fraud.

Select each step to identify the actions that should be taken if such a situation arises.

Step 4: Cooperate

Cooperate with the card-issuing bank's representative and A/OPC investigating the matter.
Steps to Follow for Lost or Stolen Card or Check

If a GPC card or convenience check is lost or stolen, the CH and A/BO must proactively take steps to prevent external fraud.

Select each step to identify the actions that should be taken if such a situation arises.

Step 5: New Card

In most cases, a new card or checks and account number from the bank will be received within a few days.
Steps to Follow for Lost or Stolen Card or Check

If a GPC card or convenience check is lost or stolen, the CH and A/BO must proactively take steps to prevent external fraud.

Select each step to identify the actions that should be taken if such a situation arises.

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notification</td>
<td>The CH must notify the card-issuing bank of the loss or theft.</td>
</tr>
<tr>
<td>Last Seen</td>
<td>The CH must find out where the last known place of the card is.</td>
</tr>
<tr>
<td>Last Used</td>
<td>The CH must find out when the card was last used.</td>
</tr>
<tr>
<td>Cooperate</td>
<td>The CH must cooperate with the card-issuing bank in the investigation.</td>
</tr>
<tr>
<td>New Card</td>
<td>The CH must request a new card from the card-issuing bank.</td>
</tr>
<tr>
<td>Examine Statement</td>
<td>The CH must examine their Statement of Account to determine whether there are any disputable charges.</td>
</tr>
</tbody>
</table>

**Step 6: Examine Statement**

The CH must examine their Statement of Account to determine whether there are any disputable charges. These charges still must be disputed with the card-issuing bank even though the bank has been notified of the theft/loss.

Failure to file a dispute within 90 days will result in the loss of dispute rights, and charges will become the liability of the Government—and possibly the CH for failure to carry out responsibilities.
Steps to Follow for Lost or Stolen Card or Check

If a GPC card or convenience check is lost or stolen, the CH and A/BO must proactively take steps to prevent external fraud.

Select each step to identify the actions that should be taken if such a situation arises.

Long Description

Six-part diagram of the steps to follow for a lost or stolen card or check: Notification, Last Seen, Last Used, Cooperate, New Card, and Examine Statement.
When reporting a card or checks lost or stolen, the Cardholder (CH) should first notify:

- The Agency/Organization Program Coordinator (A/OPC)
- The merchant where a card/check was used to make the last purchase by the CH
- The CH's supervisor
- The card/check-issuing bank

The CH should first notify the **card/check-issuing bank** when reporting lost or stolen card or checks.
Knowledge Review

Cardholders (CH) are authorized to pay for items that another Government employee ordered and to pick them up on their way in to work.

- True; any Government employee can bind the Government.
- False; only CHs can order, purchase, and pay for supplies, services, and small construction with the GPC.
- True; the organization needed the items and the Government employee was trying to save time to obtain the items.
- True; Government employees know what they need for supplies and do not need the CH to make the purchase.

False; only CHs can order, purchase, and pay for supplies, services, and small construction with the GPC.
Standards of Conduct and Ethics

Numerous Regulations, Directives and Executive Orders have been issued that specifically address Standards of Conduct and Ethics that all Military, DoD Civilian, and Government personnel must understand and practice.
Standards of Conduct

All military and DoD civilian personnel are required to comply with the Standards of Conduct guidelines established by their appropriate Component. The guidelines include:

- Federal Acquisition Regulation (FAR) 3.101--Standard of Conduct
- 5 CFR part 2635--Standards of Ethical Conduct for Employees of the Executive Branch.

Select each tab to learn more.

FAR 3.101 5 CFR part 2635

FAR 3.101--Standard of Conduct

Subpart 3.101-1--General

"Government business shall be conducted in a manner above reproach and, except as authorized by statute or regulation, with complete impartiality and with preferential treatment for none. Transactions relating to the expenditure of public funds require the highest degree of public trust and an impeccable standard of conduct.

The general rule is to avoid strictly any conflict of interest or even the appearance of a conflict of interest in Government-contractor relationships. While many Federal laws and regulations place restrictions on the actions of Government personnel, their official conduct must, in addition, be such that they would have no reluctance to make a full public disclosure of their actions."
Standards of Conduct

All military and DoD civilian personnel are required to comply with the Standards of Conduct guidelines established by their appropriate Component. The guidelines include:

Federal Acquisition Regulation (FAR) 3.101--Standard of Conduct and
5 CFR part 2635--Standards of Ethical Conduct for Employees of the Executive Branch.

Select each tab to learn more.

FAR 3.101  5 CFR part 2635

5 CFR part 2635--Standards of Ethical Conduct for Employees of the Executive Branch

These standards establish general standards of conduct guidelines for all agencies.

- Subpart D forbids any conflict of interest in Government-Contractor relationships.
- Subpart B says that no Government employee may solicit or accept any gratuity, gift, favor, entertainment, or anything of monetary value from any party doing business with or seeking to obtain business with the employee's agency.
- Subpart G governs misuse of position, including Government resources.
Joint Ethics Regulation

All Government Agencies are required to prescribe their own standards of conduct. These should outline Agency exceptions to FAR 3.101.

Disciplinary actions for persons violating the standards are detailed in DoD 5500.07-R, Joint Ethics Regulation, and in Standards of Ethical Conduct for Employees of the Executive Branch (5 CFR part 2635).

It is the responsibility of each employee to know and follow all general and agency standards.

Under the Joint Ethics Regulation, there is an obligation to report suspected ethics violations. This includes reporting by Certifying Officials, Supervisors, and fellow employees of suspected misuse of the GPC.

Reports should be made to one of the following:

- Supervisor
- Ethics Official
- Commander
- Director, Defense Criminal Investigative Service
- DoD Hotline
Joint Ethics Regulation

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- Supervisor
- Ethics Official
- Commander
- Director, Defense Criminal Investigative Service

Under the Joint Ethics Violations. This includes reporting by Fraud, Waste and Abuse. DoD HOTLINE

Reports should be made to:

- DoD Hotline

Fraud, Waste and Abuse
DoD HOTLINE
1.800.424.9098
www.dodig.mil/hotline
Ethical Conduct

Executive Orders (E.O.) 12674 and 12731 establish ethical conduct requirements and are the foundation for policy. The broad principles of these EOs have been incorporated into 5 C.F.R 2635.101, Basic obligation of public service and illustrate why poor judgment could cause an employee to inadvertently do something unethical. These EOs specify that employees are to avoid any action that might result in or create an appearance of:

- Using public office for private gain;
- Giving preferential treatment to any private organization or individual;
- Adversely affecting public confidence in the Government's integrity;
- Making unauthorized commitments; or
- Defrauding the Government or failing to report fraud.

DoD Component Ethics Counselors should be available to resolve questions or concerns about the standards of conduct and ethical behavior.
Specific Provisions for Government Employees

The following are some specific ethics provisions for Government employees:

- Using Government property only for authorized purposes (5 CFR Section 2635.704);
- Satisfying financial obligations (5 CFR Section 2635.809); and
- Directing any questions on the Standards of Conduct to the DoD Component's Ethics Counselor.

DoD Components must ensure that GPC CHs are responsible and trustworthy, and that authorization for use of the card/checks is withdrawn when a CH uses the card or checks irresponsibly.
Knowledge Review

True or False? Cardholders (CH) are not allowed to use their position for private gain.

- True
- False

The statement is True. CHs are not allowed to use their position for private gain.
Lesson Summary

You have now completed this lesson and should be able to:

- Recognize restrictions on Governmentwide Commercial Purchase Card use.
- Identify Governmentwide Commercial Purchase Card fraud.
- Recognize the reporting procedures of lost or stolen Government Purchase Cards/checks.
- Identify ethical standards of conduct and their regulatory/legal foundation.
Lesson Completion

Congratulations! You have completed this lesson.

If the Next button is active please proceed, if not close this window.
Jim: Okay, Susan, by now you should have a pretty good understanding of the Governmentwide Purchase Card (GPC) Program. We just need to go over a few additional issues—abuse, data mining, personnel changes and adverse actions, cost recovery, and violation reports.

Susan: What can happen if a cardholder violates the rules governing GPC use?

Jim: Let's go over that now. We will start with the law that is written to prevent GPC abuse.
Lesson Objectives

The learning objective for this lesson is:

• Understand the differences between misuse, abuse, and fraud.

Upon your completion of this lesson, you should be able to:

• Recognize examples of misuse, abuse, and fraud.
• Understand the key elements of 10 United States Code 4754, Management of Purchase Cards.
Misuse, Abuse, and Fraud

Before we continue, let's review the meaning of the terms "misuse," "abuse," and "fraud" as they are used in 10 U.S.C. 4754, "Management of Purchase Cards."

Select each tab to see the definition.

For the purposes of the GPC Program, "misuse" is the unintentional use of a Government-issued charge card in violation of applicable regulations. These actions are the result of ignorance and/or carelessness, lacking intent.

Examples of misuse include, but are not limited to:

- Unintentionally purchasing excessive quantities of an item with limited shelf life;
- Violating a specific-use policy, such as an agency that requires headquarters to buy all furniture; or
- Failing to certify "Purchase Card Certification Statements" on time, costing the Government maximum refunds and incurrence of prompt payment interest.
## Misuse, Abuse, and Fraud

Before we continue, let's review the meaning of the terms "misuse," "abuse," and "fraud" as they are used in 10 U.S.C. 4754, "Management of Purchase Cards."

**Select each tab to see the definition.**

<table>
<thead>
<tr>
<th>Tab</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>Misuse</td>
<td>For the purposes of the GPC Program, &quot;abuse&quot; is the intentional use of the Government-issued charge card in violation of applicable regulations. Evidence of intentionality shall be inferred from repeat offenses of the same violation, following administrative and/or disciplinary action taken for this violation. Examples include, but are not limited to, intentionally:</td>
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<td>• Failing to purchase from mandatory sources;</td>
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<td>• Exceeding the applicable micro-purchase threshold;</td>
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<td>• Purchasing items such as a day planner costing $300 rather than one costing $45; or</td>
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<td>• Splitting requirements to avoid card thresholds.</td>
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</tbody>
</table>
Misuse, Abuse, and Fraud

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<thead>
<tr>
<th>Misuse</th>
<th>Abuse</th>
<th>Fraud</th>
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</table>

As discussed previously, for the purposes of the GPC Program, "fraud" is defined as any felonious act of corruption or attempt to cheat the Government or corrupt the Government's agents.

Fraud can be internal (conducted by program officials) or external (conducted by a merchant or someone else other than purchase card program officials).
Compliance with 10 U.S.C. 4754, Management of Purchase Cards

The DoD has processes and procedures in place to ensure compliance with 10 U.S.C. 4754. **Select each tab to learn about the process/procedure.**

<table>
<thead>
<tr>
<th>Data Mining</th>
<th>Personnel Changes</th>
<th>Adverse Personnel Actions</th>
<th>Recovering Costs</th>
</tr>
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</table>

The Insights on Demand (IOD) Data Mining (DM) tool fulfills the mandates that DoD use effective systems, techniques, and technologies to prevent or identify potential fraudulent purchases.

The tool automatically analyzes DoD's GPC data to identify high-risk transactions.

For transactions that appear to violate rules, DM cases are initiated for review by the Approving/Billing Official (A/BO) and Agency/Organization Program Coordinator (A/OPC).
Compliance with 10 U.S.C. 4754, Management of Purchase Cards

The DoD has processes and procedures in place to ensure compliance with 10 U.S.C. 4754. Select each tab to learn about the process/procedure.

When a Cardholder (CH) separates from his/her organization, retires, or is otherwise no longer in need of a GPC, his/her account must be closed.

In addition, when military or civilian CHs depart a duty station, their GPCs shall be collected and destroyed prior to their departure.
Compliance with 10 U.S.C. 4754, Management of Purchase Cards

The DoD has processes and procedures in place to ensure compliance with 10 U.S.C. 4754. Select each tab to learn about the process/procedure.

Data Mining | Personnel Changes | Adverse Personnel Actions | Recovering Costs

10 U.S.C. 4754 prescribes the following penalties for GPC Program violations:

(C) PENALTIES FOR VIOLATIONS. — [The Secretary of Defense shall prescribe regulations that:]

(1) provide —

(A) for the reimbursement of charges for unauthorized or erroneous purchases, in appropriate cases; and

(B) for the appropriate adverse personnel actions or other punishment to be imposed in cases in which employees of the Department of Defense violate such regulations or are negligent or engage in misuse, abuse, or fraud with respect to a purchase card, including removal in appropriate cases; and

(2) provide that a violation of such regulations by a person subject to chapter 47 of this title (the Uniform Code of Military Justice) is punishable as a violation of section 892 of this title (article 92 of the Uniform Code of Military Justice)

Any penalties or personnel action(s) resulting from GPC misuse, abuse, and/or fraud will be carried out by the employee's supervisor in accordance with Component personnel policies and procedures.
Compliance with 10 U.S.C. 4754, Management of Purchase Cards

The DoD has processes and procedures in place to ensure compliance with 10 U.S.C. 4754. Select each tab to learn about the process/procedure.

- Data Mining
- Personnel Changes
- Adverse Personnel Actions
- Recovering Costs

The law requires the DoD to recover costs from GPC officials who have used the GPC for illegal, improper, or erroneous purchases.

(b) REQUIRED SAFEGUARDS AND INTERNAL CONTROLS

(13) That the Department of Defense takes steps to recover the cost of any illegal, improper, or erroneous purchase made with a purchase card or convenience check by an employee or member of the armed forces, including, as necessary, through salary offsets.

Supervisors should coordinate with the appropriate Comptroller, Resource Manager (RM), or other Budget Office on the process to recover the costs from the GPC individual(s) under their supervision who have been found responsible for illegal, improper, or erroneous purchases using the GPC or convenience checks.
Knowledge Review

10 U.S.C. 4754 does **not** require which of the following?

- DoD must use effective systems, techniques, and technologies to prevent or identify potential fraudulent purchases.
- DoD must take appropriate steps to invalidate the purchase card of each card holder who ceases to be employed by DoD or transfers to another unit of the Department.
- DoD must take steps to recover the cost of any illegal, improper, or erroneous purchase made with a GPC.
- DoD must require merchants to submit reports to identify potential fraudulent purchases.

The law does not call for DoD to **require merchants to submit reports to identify potential fraudulent purchases**.
Knowledge Review

10 U.S.C. 4754 requires "That the Department of Defense takes steps to recover the cost of any illegal, improper, or erroneous purchase made with a purchase card or convenience check by an employee or member of the armed forces, including, as necessary, through __________."

- Returning the items to the merchant
- Selling the items
- Salary offsets
- Requiring the individual to work overtime without pay

The law requires that DoD recover the cost of any illegal, improper, or erroneous GPC purchase by **salary offsets**.
Knowledge Review

What tool fulfills the 10 U.S.C. 4754 mandate that DoD use effective systems, techniques, and technologies to prevent or identify potential fraudulent purchases?

- [ ] Insights on Demand Data Mining (IOD DM) tool
- [ ] Procurement Integrated Enterprise Environment (PIEE)
- [ ] GPC On-Line System (GPCOLS) Data Management tool

The **IOD DM tool** meets the mandate of the law.
Lesson Summary

You have now completed this lesson and should be able to:

- Recognize examples of misuse, abuse, and fraud.
- Understand the key elements of 10 United States Code 4754, Management of Purchase Cards.
Module Summary

Congratulations. You have completed all the lessons in the DoD Governmentwide Commercial Purchase Card Overview module.

This module provided you with an understanding of the GPC Program. It addressed the laws, regulations, and policies governing the GPC Program and the importance of each GPC role. It also discussed the authorized uses, restrictions, and laws governing misuse, abuse, and fraud relative to the GPC Program.

The module contained the following lessons:

- Lesson 1—DoD Governmentwide Commercial Purchase Card Overview
- Lesson 2—Oversight Systems and Account Information
- Lesson 3—Controls and Procedures
- Lesson 4—Documentation, Record Retention, and Other Processes
- Lesson 5—Additional GPC Authorized Uses
- Lesson 6—GPC Challenges and Resolutions
- Lesson 7—GPC Additional Issues
Module Completion

Congratulations! You have completed this module.

If the Next button is active please proceed, if not close this window after reading the important information below.

DOWNLOAD THE PRINT FILE PRIOR TO ATTEMPTING THE EXAM!

Answer all exam questions based on the module content using the downloaded print file.

To download the print file onto your computer:

Select the link to open the corresponding print file and SAVE before exam: Lessons 0 - 7

OR

1. Close this window.
2. Navigate to the Print Files tab presented on the left side of the Learning Content "launch" page.
3. Proceed to "Launch" the CLG 0010 Print File.
4. After making a lesson selection from the Print Files page, the document will open, presenting a Save (disk) icon -- SAVE the file locally on your computer.
5. After saving the print file, close the Print Files window and navigate back to the Learning Content tab to resume with the Module Summary and the end-of-course exam.