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:

- Describe the GPC Program requirements for documentation, record retention, and other processes.

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

- Describe the requirements for documenting the purchase, delivery, and acceptance of GPC 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 about receipt and invoice details.

**Receipts**

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 about receipt and invoice details.

**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 utilizing Wide Area Workflow (WAWF),
- 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 all that apply)

- [x] Detailed invoices
- [x] Detailed receipts
- [ ] Meal tickets
- [ ] GSA vehicle repair tickets

Detailed invoices and detailed receipts are acceptable documentation for GPC transactions.
WAWF e-Business Suite (iRAPT)

The Wide Area Workflow (WAWF) e-Business Suite is a secure, web-based system that includes the Invoice, Receipt, Acceptance, and Property Transfer (iRAPT) application. iRAPT is used for electronic invoicing, receipt, and acceptance. WAWF, through iRAPT, 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.

It is also the only application that will be used to capture the Unique Identification (UID) of Tangible Items information. 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.
Documenting Acceptance

Documenting acceptance varies by method of payment or type of purchase.

*Select each payment or type of purchase to learn more.*
WAWF Requirements

DoD Policy sets certain WAWF requirements for the Contracting Officer and the Cardholder. Select each tab to review the information.

<table>
<thead>
<tr>
<th>DoD Policy</th>
<th>Contracting Officer</th>
<th>Cardholder</th>
</tr>
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</table>

**DoD Policy**

DoD policy requires the Merchant to use WAWF to create the receiving report when a contract:

- Authorizes payment using the GPC.
WAWF Requirements

DoD Policy sets certain WAWF requirements for the Contracting Officer and the Cardholder. Select each tab to review the information.

Contracting Officer

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. Select each tab to review the information.

| DoD Policy | Contracting Officer | Cardholder |

Cardholder

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.

WideAreaWorkFlow

- Business Suite 5.0

User ID Login

User ID
Password
Login

System Messages

(2019-08-01 10:00:00) - $888: Certificate Login: Action Required: Message for Admins.

(2019-08-01 10:00:00) - $888: Certificate Login: Action Required: Message for Admins.

Quick Links

Getting Started Help

IRAPT Mobile

Back Next
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 "CR CARD" 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 websites
  - Defense Logistics Agency
  - WAWF
Documenting Acceptance

Documenting acceptance varies by method of payment or type of purchase.

*Select each payment or type of purchase to learn more.*
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. **NOTE**

*Select the tabs to learn more about accountable property requirements.*

**What is Accountable Property?**

As stated in [DoDI 5000.64](https://www.dtic.mil/doctrine/publications/dodi5000-64.html), 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. **NOTE**

Select the tabs 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
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. **NOTE**

**NOTE:** See DoDI 5000.64, Accountability and Management of DoD Equipment and Other Accountable Property, for additional information.

<table>
<thead>
<tr>
<th>What is Accountable Property?</th>
<th>Examples</th>
</tr>
</thead>
</table>

Select the tabs to learn more...
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.
Documenting Acceptance of Accountable Property and WAWF

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 improper or fraudulent purchases is reduced.
- Paperless processing is enabled among geographically dispersed program participants.
Documenting Acceptance

Documenting acceptance varies by method of payment or type of purchase.

*Select each payment or type of purchase to learn more.*
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 and protect themselves from accusation of collusion to defraud the Government, A/BOs should verify proof of delivery documentation in their monthly transaction review and certification of billing statements.
Documenting Acceptance

Documenting acceptance varies by method of payment or type of purchase.

Select each payment or type of purchase to learn more.
Who processes receipt and acceptance of self-generated purchases?

- A Government employee other than the CH
- The Cardholder
- The Cardholder's Supervisor
- The Merchant

A Government employee other than the CH 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.
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.*

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.

NOTE: For Components that have accounts that are not EDI enabled for GPC billing statement certification and disbursement, the card-issuing bank distributes paper statements within **five (5) 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. Four arrow shaped elements pointing right. The arrows labeled right to left are: 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.**

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.
Account Statements

CHs and A/BOs receive monthly statements of account activity.

Select the tabs 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.
- 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 the tabs to learn more.

| CH Statement of Account | A/BO MA Billing Statement |

The A/BO MA Billing Statement:

- Lists all CH accounts under the Managing Account.

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
- 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. **BEST PRACTICE**

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.
- Documenting a complete description of the items 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.
- 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. **BEST PRACTICE**

Reconciliation and approval includes:

- Verifying the accuracy of each purchase.
- Paying for items not yet received and disputing any purchases not made by the CH within 90 calendar days of the purchase.
- Documenting a complete description of the items 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.
- 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. **BEST PRACTICE**

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.
- Documenting a complete description of the items 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.
- Signing the CH Certification Statement.

**BEST PRACTICE**

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.

**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. **BEST PRACTICE**

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.
- Documenting a complete description of the items 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.
- Signing the CH Certification Statement.

**BEST PRACTICE**

**NOTE:** If a cardholder has departed before a cycle has ended and the bill is closed, it is the Billing Official's responsibility to ensure the bill is properly reconciled and certified.

The billing cycle is closed at that time. After that time, the A/BO must perform the required CH Statement of Account review and certification on the CH's behalf.
Supporting Documentation

The CH must provide documentation for all purchases on their CH Statement of Account to the A/BO and Certifying Officer for certification. DoD GPC policy requires this reconciliation process be performed electronically in the card-issuing bank’s EAS. **NOTE**

**Select the tabs to learn more about the electronic reconciliation process.**

- Reconciliation (Electronic)
- After Reconciliation

The electronic reconciliation is as follows:

- The CH must promptly reconcile the transactions electronically in the card-issuing bank's EAS. **(BEST PRACTICE)** Under the electronic reconciliation/certification process, the electronic CH 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.)

- CHs are locked out of their CH Statements of Account 15 days after the close of the billing cycle. After that date, the A/BO must perform the CH's statement review.
Supporting Documentation

The CH must provide documentation for all purchases on their CH Statement of Account to the A/BO and Certifying Officer for certification. DoD GPC policy requires this reconciliation process be performed electronically in the card-issuing bank’s EAS. **NOTE**

**Select the tabs to learn more about the electronic reconciliation process.**

- [Reconciliation (Electronic)]
- [After Reconciliation]

The following process occurs after reconciliation has taken place.

- The CH’s Statement of Account, including the CH’s Certification Statement, is electronically submitted to the A/BO/Certifying Officer in the MA Billing Statement.

- If the CH knows he/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/she can reconcile the statement at the end of the cycle.

**NOTE**
Supporting Documentation

The CH must provide documentation for all purchases on their CH Statement of Account to the A/BO and Certifying Officer for certification. DoD GPC policy requires this reconciliation process be performed electronically in the card-issuing bank’s EAS. **NOTE**

**Select the tabs to learn more about the electronic reconciliation process.**

- **Reconciliation (Electronic)**
- **After Reconciliation**

The following process occurs after reconciliation has taken place.

- The CH's Statement of Account, including the CH's Certification Statement, is electronically submitted to the A/BO/Certifying Officer in the MA Billing Statement.
- If the CH knows he/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/she can reconcile the statement at the end of the cycle.

**NOTE:** 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.
Supporting Documentation

The CHCNO T E: OSD 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.

Select the tabs to learn more about the electronic reconciliation process.

Reconciliation (Electronic)  After Reconciliation
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 received, in order to:

- Allow for maximum rebates,
- Avoid prompt payment interest, and
- 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 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 rebates 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 received, in order to:

- Allow for maximum rebates,
- Avoid prompt payment interest, and
- 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 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 rebates 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:** CHs have 90 calendar days from the date the transaction was processed/posted to the account to dispute charges.
CH Certification

As mandated in the DoD FMR Volume 10, Chapter 23, Annex 1, 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.
When must WAWF be used to create and accept the receiving report?

- When the GPC is used as a method of payment against a contract
- When monthly billing statements are certified for payment
- When the CH cannot process his/her own billing statement
- When there are disputed charges

WAWF is to create and accept the receiving report when the GPC is used as a method of payment against a contract.
Applying Cardholder Account Statements

The A/BO is responsible for reviewing and approving each approved CH Statement of Account rolled up 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 rolled up 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 an Account renewal date, the account review and certification process must be completed by that date, and 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.

**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 rebates and prevent interest penalties).
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 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 MA Billing Statement in the card-issuing bank's EAS. **NOTE**

As mandated in DoD FMR Volume 10, Chapter 23, Annex 1, 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 3/29/2015**

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 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 MA Billing Statement in the card-issuing bank's EAS. **NOTE**

**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.

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 3/29/2015**

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. **NOTE**

As mandated in the DoD FMR Volume 10, Chapter 23, Annex 1, 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: 3/29/2015

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. **NOTE**

As many 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.

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 3/29/2015

GPC Certifying Officer Signature and Date
(or GAO-approved electronic signature)
Forwarding the Certified Billing Statement to the DFAS Payment Office

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 for purchases when an authorized CH uses his card or writes a check fraudulently or improperly.

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 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**

**BEST PRACTICE:** Within five business days of the billing cycle end date to maximize rebates and prevent interest penalties. *(NOTE: A business day is considered Monday through Friday, unless a Federal holiday occurs during the Monday-through-Friday timeframe.)*

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 for purchases when an authorized CH uses his card or writes a check fraudulently or improperly.

The Government will then recover the funds from the responsible CH and take appropriate administrative/criminal action against that individual.
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.
Knowledge Review

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 all that apply).

- [ ] Ensure availability of funding
- [X] Match transactions to the purchase log
- [X] Dispute transactions the CH has not authorized
- [ ] 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 item below to learn more about record retention.*

- Time Limits
- Foreign Military Sales
- FAR Subpart 4.805
- DD Form 577
- Authority and Appointment
- Electronic Storage
Time

In accordance with DoDFMR Volume 5, Chapter 15, "The requirement for retaining original records applies to any record a [Disbursing Office (DO)] receives that accompanies payment or collection transactions or supports financial reports. The requirement applies to both paper and electronic records kept as original supporting documents at both the functional and disbursing offices. Certifying officials send electronic payment files to only the DO and keep supporting documentation for six years and three months, except that the retention period for Foreign Military Sales documents is 10 years following case closure (see DoDFMR Volume 15, Chapter 6)."

GPC Certifying Officers are required to retain all original supporting documentation for GPC certified billing statements, whether the billing statement is certified electronically or by paper, to the DO to disburse Government funds for payment of the billing statement.

The DoD Purchase Card Policy Office (PCPO) is coordinating with the appropriate DoD offices on an official policy to centralize DoD electronic storage to upload certified billing statement supporting documentation for official record retention, in lieu of requiring the GPC Certifying Officer to retain all original documentation.

The coordination includes the required timeframe for the GPC Certifying Officer to retain original supporting documents that have been uploaded to the centralized electronic storage system. Paper signed billing statements will remain unchanged for the GPC Certifying Officer to retain the supporting documentation for six (6) years and three (3) months. Upon completed coordination and the officially signed policy memo, the DoD PCPO will provide the DoD Component GPC Level 2 Program Managers with the signed memo and post the memo on the DoD PCPO GPC Policy Document website for implementation.
Certifying Officer

All documents supporting payment shall be forwarded to the applicable Certifying Officer, who shall be responsible for ensuring the record retention requirements specified in this section are met.

**NOTE**

**NOTE**
Certifying Officer

All documents supporting payment shall be forwarded to the applicable Certifying Officer, who shall be responsible for ensuring the record retention requirements specified in this section are met.

**NOTE:**

**NOTE:** GPC documentation is not forwarded to the Disbursing Officer (DFAS), but is retained by the Certifying Officer for the record retention timeframe of six years and three months.
Certifying Officer

All documents supporting payment shall be forwarded to the applicable Certifying Officer, who shall be responsible for ensuring the record retention requirements specified in this section are met.

**NOTE:**

Air Force and other A/BOs who have been granted an OSD waiver for an individual other than the A/BO to be appointed as the Certifying Officer shall establish record retention policy. This policy shall address the process for the Certifying Officer to obtain the GPC documentation supporting the purchases on the billing statement and retain the documents (records) for the required Certifying Officer record-retention timeframe of six years and three months.
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 item below to learn more about record retention.

- Foreign Military Sales
- FAR Subpart 4.805
- DD Form 577
- Authority and Appointment
- Electronic Storage
- Time Limits
Components funding GPC transactions with foreign military sales (FMS) funding must follow the retention guidance in DoD FMR Volume 15, Chapter 6, Paragraph 060102 D 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 item below to learn more about record retention.
FAR 4.805

In accordance with FAR Subpart 4.805:

Agencies must prescribe procedures for the handling, storing, and disposing of contract files. These procedures must take into account documents held in all types of media, including microfilm and various electronic media.

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.

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.

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 item below to learn more about record retention.

- Time Limits
- Foreign Military Sales
- FAR Subpart 4.805
- DD Form 577
- Authority and Appointment
- Electronic Storage
DAOs' **DD Form 577** are not submitted to DFAS for retention. These forms are to be retained by the A/OPC for six years and three months after the delegation has been terminated. (See DoD FMR Volume 5, Chapter 5 for further guidance.) **NOTE**

In the event an investigation is conducted during the retention timeframe, it may be required to provide documentation to the investigation that the CH and A/BOs who were not Certifying Officers knew the limitations of their authority based upon their Delegation of Authority Letters, Appointment Letters, and DAO appointments.
DD Form 577

DAOs' DD Form 577 are not submitted to DFAS for retention. These forms are to be retained by the A/OPC for six years and three months after the delegation has been terminated. (See DoDFMR Volume 5, Chapter 5 for further guidance.)

**NOTE:** The six years and three months retention timeframe is based upon the requirement for Certifying Officers to retain original GPC records for six years and three months.

DAOs' Delegation of Authority Letters, Appointment Letters, and DAO appointments.

[Image of DD Form 577]

*NOTE:* The six years and three months retention timeframe is based upon the requirement for Certifying Officers to retain original GPC records for six years and three months.
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 item below to learn more about record retention.

- Time Limits
- Foreign Military Sales
- FAR Subpart 4.805
- DD Form 577
- Authority and Appointment
- Electronic Storage
Authority Letters and Appointment Letters

Original procurement Delegation of Authority Letters and appointment letters, executed by both the appointer and the appointee, shall be retained by the A/OPC for retention of the letters for six (6) years and three (3) months after the delegation/appointment has been terminated through personnel action such as the separation, retirement, or transfer of the appointee. Copies of these letters shall also be retained by the appointees for the same timeframe.

Additionally, the A/OPC shall provide all recipients of these letters with a copy of the appointment letter for their records.

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 and three months 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 item below to learn more about record retention.

- Time Limits
- Foreign Military Sales
- FAR Subpart 4.805
- DD Form 577
- Authority and Appointment
- Electronic Storage
Electronic Storage

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.
Electronic Storage

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.

**Disbursing Office Records (Examples)**

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 **DoD FMR Volume 5, Chapter 21, Paragraph 210102, Figure 21.1**.
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 item below to learn more about record retention.

- Time Limits
- Foreign Military Sales
- FAR Subpart 4.805
- DD Form 577
- Authority and Appointment
- Electronic Storage
Knowledge Review

How long are FMS documents retained?

- 10 years
- 6 years, 3 months
- 7 years
- 9 years, 3 months

FMS documents are retained for **10 years**.
Lesson Summary

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

- Recognize proof of purchase with a merchant detailed/itemized receipt/invoice.
- Understand the requirements for independent receipt and acceptance.
- Recognize the requirements for using WAWF.
- Recognize the billing cycle for the monthly billing statement.
- Identify the two statements required for payment.
- Understand the CH reconciliation process.
- Recognize supporting documentation required for purchases.
- Recognize the process regarding paying for items not yet received.
- Understand CH certification.
- Recognize the process for approving CH Statements of Account.
- Recognize A/BO and Certifying Officer certifications.
- Recognize the process to forward the certified Billing Statement to DFAS to disburse payments.
- Understand interest penalties for late certifications/payments.
- Recognize the record retention timeframes.
Lesson Completion

Congratulations! You have completed this lesson.

If the Next button is active please proceed, if not close this window.
Welcome

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 GPC 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 GPC 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 GPC.
- Identify requirements for using the GPC 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 (CCs) can be used.

Fees associated with the use of Convenience Checks are specified in the GSA Contract.

*Select each item to learn more about Convenience Checks.*
Minimum Requirements to Establish Account

The minimum requirements for establishment of GPC CC accounts are as follows:

- The Managing Account (MA) must be in good standing, to include (but not exclusive to):
  - No delinquencies
  - Reviews of MA CHs accounts are in good standing
  - Detailed receipts for all purchases
  - Sufficient documentation to support all purchases

- The authority to maintain a CC account shall be justified on an individual organization basis

- The number of CC 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/BO) or A/BO's Supervisor)

- 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 CC account to be established, a specific individual must be designated as the CH responsible for that account, and specific spending limits must be established. When properly delegated CH authority, this individual becomes a Departmental Accountable Official (DAO) and shall be appointed as a DAO on a properly approved DD 577 for purchases made against the CC account.
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 (CCs) can be used.

Fees associated with the use of Convenience Checks are specified in the GSA Contract.

Select each item to learn more about Convenience Checks.

- Establishing Accounts
- Funding Accounts
- 1099 Reporting
Funding CC Accounts and Other Information

CC accounts shall be funded in accordance with the Component's Comptroller, Resource Manager (RM), or Budget Office policies for GPC CCs.

Convenience Checks shall not:

- Exceed the micro-purchase threshold.
- Be exchanged for cash to establish a cash fund.
- Be written to "Cash" or other generic name.
- Be pre-signed by the CH to establish a "reserve" of signed checks when the CH is unavailable.
- Be signed by any individual other than the CH.
- Be written to pay against a contract.
- Be written to pay for salaries, food, entertainment, admission tickets, transportation, lodging, clothing, or any supply/service prohibited under the GPC Program.
- Be written to a family member or friend of the CH.
- Be written to the CH, CH Supervisor, or any military/civilian employee.
Funding CC Accounts and Other Information, Cont.

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 or Level 4 under suspension of GPC privileges automatically shall be suspended from use of the GPC CC system for all accounts.
Funding CC Accounts and Other Information, Cont.

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 or Level 4 under suspension of GPC privileges automatically shall be suspended from use of the GPC CC system for all accounts.

**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.
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 (CCs) can be used.

Fees associated with the use of Convenience Checks are specified in the GSA Contract.

*Select each item to learn more about Convenience Checks.*
1099 Reporting for CCs

CHs are required to obtain the Tax Identification Number (TIN) or Social Security Number (SSN) for each merchant or individual being issued a check.

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 CCs prevents the Government from collecting the appropriate taxes to support the Government's financial responsibilities.

For more information on this topic, see the Defense Finance and Accounting Service (DFAS) 1099 Tax Reporting Program Convenience Check User's Manual.
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 (CCs) can be used.

Fees associated with the use of Convenience Checks are specified in the GSA Contract.

*Select each item to learn more about Convenience Checks.*
Knowledge Review Introduction

**Jim:** Ok 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 (CCs)? (Select all that apply)

- CCs shall not be written to pay against a contract
- CCs shall not exceed the micro-purchase threshold
- CCs should be signed only by the CH
- CCs can be written to pay salaries

CCs shall not be written to pay against a contract, CCs shall not exceed the micro-purchase threshold, and CCs 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 CH left his card at home but he has a Convenience Check (CC) which the salesperson also will accept. Can he use the CC?

- Yes, as long as the purchase is below the micro-purchase threshold
- Yes, as long as he keeps a record of the purchase and the 1099 information
- Yes, but he must return with the GPC to prove that he is authorized to make the purchase
- No, he must use a GPC when a merchant accepts them for payment

No, he must use a GPC when a merchant accepts them for payment.
Knowledge Review

A CH can write a check to "Cash" to obtain cash for the office personnel to use as needed.

- True
- False

The statement is **False**. A CH cannot write a check to "Cash" to obtain cash for the office personnel to use as needed.
Knowledge Review

Convenience Checks can be disputed with the check-issuing bank.

- True
- False

The statement is **False**. Convenience checks cannot be disputed with the check-issuing bank.
**Foreign Draft Accounts**

**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. Lets 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. The following chart summarizes the authorized dollar value for GPC use given the physical location of each relevant factor:

<table>
<thead>
<tr>
<th>Government CH Physical Location</th>
<th>Merchant Physical Location</th>
<th>Supply Delivery/Service Execution Location</th>
<th>GPC Authorized for Use Up to</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outside U.S.</td>
<td>Outside U.S.</td>
<td>Outside U.S.</td>
<td>$25,000</td>
</tr>
<tr>
<td>Outside U.S.</td>
<td>Inside U.S.</td>
<td>Inside U.S.</td>
<td>$10,000</td>
</tr>
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</tr>
<tr>
<td>Inside U.S.</td>
<td>Inside or Outside U.S.</td>
<td>Inside or Outside U.S.</td>
<td>$10,000</td>
</tr>
</tbody>
</table>

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 official'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. The following chart summarizes the authorized dollar value for GPC use given the physical location of each relevant factor:

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<td>$10,000</td>
</tr>
</tbody>
</table>

Because these purchases are outside the U.S. and its jurisdictions, the following requirements do not apply:

- Federal Acquisition Regulation (FAR) Subpart 19 – Small Business Programs
- FAR Section 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.
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, EMALL, 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
- 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.

Select each tab to learn more about this topic.
Authority to Make Contract Payment

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 about this topic.*
Making Contract Payments

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 Wide Area Work Flow (WAWF) training and access that enables them to verify the Government has accepted the required supplies or services. **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.
Making Contract Payments

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 Wide Area Work Flow (WAWF) training and access that enables them to verify the Government has accepted the required supplies or services. **NOTE**

FAR Clause 52.232-36, Payment for issue by or for DoD. CHs should refer any issues with CH compliance with this contract requirement to the Contracting Officer for resolution.

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 about this topic.*
A/BO Certification of Payments

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.
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 about this topic.
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 procedures to directly pay the provider in the following:

**DoD FMR Volume 10, Chapter 12, Paragraph 120327**

**DoDI 1400.25, Volume 410**
Title 5 United States Code (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.
The total price of training authorized by the use of a single SF-182 may not exceed $25,000 in accordance with DoD Financial Management Regulation (FMR) Volume 10, Chapter 12, Paragraph 120327. 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. **NOTE**

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 DoD Financial Management Regulation (FMR) Volume 10, Chapter 12, Paragraph 120327. 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. **NOTE**

This includes tailored materials at or below the payment method on the contract, if the merchant agrees to GPC payment.

**NOTE:** Examples of Government-tailored training requirements include who can attend the training, date or time of training, and location of training.
Knowledge Review

If the Government has a need for tailored training or tailored training materials, the requirement shall be placed with which one of the following:

- [ ] SF-182 Authorization Training
- [ ] DD 577
- [x] Government contract by a warranted Contracting Officer
- [ ] Commercial contract signed by a CH

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 SF-182 may not exceed which of the following:

- $10,000
- $15,000
- $25,000
- $50,000

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.
Knowledge Review Introduction

**Jim:** Ok 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.
Knowledge Review

Frustrated Freight occurs when a shipment is:

- [x] Stopped along the transportation chain due to problems with shipping, marking, and packaging instructions
- [ ] Sent commercially at a rate that exceeds the GPC threshold
- [ ] Delivered with the incorrect content and must be returned
- [ ] Re-routed to the transportation chain due to information contained in the shipping and packaging instructions

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 module and should be able to:

- Understand the process of establishing CC accounts and the number of authorized checking accounts.
- Recognize the process to fund CC accounts.
- Recognize the limitations on CC accounts.
- Understand the requirement to file 1099-MISC reporting on CCs.
- Recognize when a GPC purchase for shipment OCONUS requires additional information to assist with the shipment reaching the appropriate destination.
- Recognize when a Government contract is required for Government tailored training or tailored training materials.
- Recognize the issues associated with 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 I.

Susan: So this lesson is about fraud and abuse of the GPC?

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 GPC program challenges and ways to address them.

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

- Recognize restrictions on GPC use.
- Identify the types of fraud.
- Describe 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 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 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 co-worker should return all of the paper to the office supply store.

Example #2
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.
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.

Example #2

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.

Example #2

Description:
The CH receives a request for the purchase of 1000 units of a specific product, to be delivered within 30 days. The merchant faxes a merchant contract, with the company terms and conditions to perform the delivery, 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.

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 fax, 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

The following items cannot be purchased with the GPC:

- Purchases made by individuals other than the authorized CH
- Supplies or services purchased for other than mission-essential "Official Government Use"
- Gifts, gift cards, or mementos
- Aircraft fuel and oil
- Bail and bond payments
- Video Surveillance Cameras
- Betting, casino gaming chips, and off-track betting
- Cash advances
- Contractor purchases
- Fines
- Construction services over $2,000

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 supplement
- DoD Component Level 3 A/OPC supplement
- A/OPC training
Prohibited Purchases

The following items cannot be purchased with the GPC:

- Purchases made by individuals other than the authorized CH
- Supplies or services purchased for other than mission-essential "Official Government Use"
- Gifts, gift cards, or mementos
- Aircraft fuel and oil
- Bail and bond payments
- Betting, casino gaming chips, and off-track betting
- Cash advances
- Contractor purchases
- Fines
- Construction services over $2,000

NOTE: GPC accounts used to pay for construction under $2,000 are usually issued to CHs in the Public Works Office (or other office responsible for the facility/building). If a CH is not a Public Works Office employee, the CH should obtain written (e-mail acceptable) approval from the Public Works Office to ensure the anticipated construction work does not duplicate, interfere, or directly relate to other ongoing efforts at the same facility.
Cardholder Fraud

With respect to the GPC Program, fraud is defined as any felonious act of corruption or attempt to deliberately cheat the Government or corrupt the Government's agents.

More specifically, fraud is an act of deceit, misrepresentation, or an intentional perversion of truth in order to induce another individual to part with something of value or to surrender a legal right.

For the purposes of the GPC Program, fraud occurs when 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

This list is not all inclusive.
Cardholder 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 include:

- A CH's unauthorized purchase of power tools for their home
- A supplier's intentional charges for services not provided
- The unauthorized use by a third party of a CH's compromised or stolen account for personal gain

CHs are responsible for ensuring they use their GPC account only to purchase and pay for mission-essential supplies and services.

If they don't, they may be using their GPC or convenience check fraudulently.

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 or Cardholder Fraud. When all items are placed, select Check Answer.*

**Prohibited Purchases**
- Gift cards for customer appreciation
- Fines for parking violations
- Cash for travel expenses

**Cardholder Fraud**
- Gas for traveling to work
- Power tools for home use

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:**

The A/BO should question the CH on why the CH is making weekly purchases to the same merchant. The A/BO should remind the CH of the [FAR 13.203(a)(1)](https://www.acq.osd.mil/far/far13_03.html) requirement for micro-purchases to be distributed equitably among qualified merchants.
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 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.
Third-Party Fraud

Third-party fraud involves use of the GPC account by an unauthorized person. CHs are required to promptly identify, report, and resolve or formally dispute any fraudulent transactions. **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. CHs should take the card-issuing bank's training on fraudulent and disputed transactions to 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 OUSD(P&R) memoranda:

- 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
Third-Party Fraud

Third-party fraud involves use of the GPC account by an unauthorized person. CHs are required to promptly identify, report, and resolve or formally dispute any fraudulent transactions.

**BEST PRACTICE:** Frequent (e.g., daily or weekly) review and reconciliation of account transactions in the card-issuing bank's 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.

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 OUSD(P&R) memoranda:

- 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
Fraud Oversight

GPC CHs should be watchful for merchants who may be committing fraud; for example, by:

- Billing for items not ordered
- Billing for items not delivered
- Delivering non-conforming items

A/BOs should examine purchase documentation for unauthorized CH purchases as well as possible merchant fraud when reconciling their MA Billing Statement.
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?

- John should notify his supervisor.
- The supervisor should investigate the charge.
- 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 you 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 third-party (non-CH) fraud. Select each step to identify the actions that should be taken if such a situation arises.

1. Promptly notify all affected parties:
   a. 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.
      a. The CH notifies the A/BO within one business day of notifying the card-issuing bank.
      b. 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.
      c. 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 third-party (non-CH) fraud. **Select each step to identify the actions that should be taken if such a situation arises.**

1. **Notification**
2. **Last Seen**
3. **Last Used**
4. **Cooperate**
5. **New Card**
6. **Examine Statement**

2. 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 third-party (non-CH) fraud. Select each step to identify the actions that should be taken if such a situation arises.

1. Notification
2. Last Seen
3. Last Used
4. Cooperate
5. New Card
6. Examine Statement

3. 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 third-party (non-CH) fraud. Select each step to identify the actions that should be taken if such a situation arises.

1. **Notification**
2. **Last Seen**
3. **Last Used**
4. **Cooperate**
5. **New Card**
6. **Examine Statement**

4. **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 third-party (non-CH) fraud. **Select each step to identify the actions that should be taken if such a situation arises.**

1. **Notification**
2. **Last Seen**
3. **Last Used**
4. **Cooperate**
5. **New Card**
6. **Examine Statement**

5. In most cases, a **new card** 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 third-party (non-CH) fraud. Select each step to identify the actions that should be taken if such a situation arises.

1. Notification
2. Last Seen
3. Last Used
4. Cooperate
5. New Card
6. Examine Statement

6. 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.
Knowledge Review

When reporting a card or checks lost or stolen, the CH should first notify:

- [ ] The CH's Supervisor
- [ ] The merchant where a card/check was used to make the last purchase by the CH
- [x] The card/check-issuing bank
- [ ] The A/OPC

The CH should first notify the **card/check-issuing bank** when reporting lost or stolen card or checks.
CHs 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.
- 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.

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.

Select the Standards of Conduct and Ethics below to learn more.
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 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
Ethical Conduct

Executive Orders (EOs) 12674 and 12731 establish ethical conduct requirements and are the foundation for policy. The broad principles of these EOs 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
- 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)
- 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.
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.

Select the Standards of Conduct and Ethics below to learn more.
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 the tabs 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
- 5 CFR Part 2635--Standards of Ethical Conduct for Employees of the Executive Branch.

Select the tabs 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.
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.

Select the Standards of Conduct and Ethics below to learn more.
Knowledge Review

CHs 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 GPC use.
- Identify the types of fraud.
- Describe the reporting procedures of lost or stolen Government Purchase Cards/Checks.
- Identify ethical standards of conduct and their regulatory/legal foundation.
Congratulations! You have completed this lesson.

If the **Next** button is active please proceed, if not close this window.
Welcome

**Jim:** Ok, Susan, by now you should have a pretty good understanding of the 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 requirements of the Government Charge Card Abuse Prevention Act.

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

- Recognize the impact of Public Law 112-194, the Government Charge Card Abuse Prevention Act of 2012, on the DoD GPC Program.
- Describe the corrective actions that may be taken against GPC Program participants who misuse their GPC authority.
Government Charge Card Abuse Prevention Act

Public Law 112–194, "Government Charge Card Abuse Prevention Act of 2012," was signed into law on October 05, 2012.

This law is intended to prevent abuse of all Government charge cards by mandating several Governmentwide safeguards and internal controls.

The law also contains provisions that specifically address the DoD GPC Program. The DoD-specific provisions mandate the following:

- DoD must use effective systems, techniques, and technologies to prevent or identify potential fraudulent purchases.
- DoD must take appropriate steps to immediately invalidate the GPC account(s) of:
  - DoD civilian employees who cease to be employed by the Department, immediately upon their termination of employment
  - DoD civilian employees who transfer to another unit of the Department, unless the Secretary of Defense determines that the units are covered by the same purchase card authority
  - U.S. Armed Forces members who separate or are released from active duty or full-time National Guard duty
- DoD must take 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.
Government Charge Card Abuse Prevention Act: Definitions

Before we continue, let's review the meaning of the terms "fraud," "waste," and "abuse" as they are used throughout the Government Charge Card Abuse Prevention Act. Select each tab to see the definition.

**Fraud**

"Fraud" is defined as any felonious act of corruption or attempt to cheat the Government or corrupt the Government's agents.

For the purposes of the GPC Program, use of the GPC 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, or not as a part of official Government business, are instances of fraud. (This list is not intended to be all inclusive.)

Use of the GPC to acquire supplies or services that are unauthorized and intended for personal use or gain constitutes fraud against the Government.

Examples include a CH's purchase of power tools for his home, a supplier's intentional charge for a service not provided, and the unauthorized use (by a third party) of a CH's compromised or stolen account.
Before we continue, let's review the meaning of the terms "fraud," "waste," and "abuse" as they are used throughout the Government Charge Card Abuse Prevention Act. Select each tab to see the definition.

- **Waste** is defined as "to use or expend carelessly, extravagantly, or for no beneficial purpose."
### Government Charge Card Abuse Prevention Act: Definitions

Before we continue, let's review the meaning of the terms "fraud," "waste," and "abuse" as they are used throughout the Government Charge Card Abuse Prevention Act. Select each tab to see the definition.

<table>
<thead>
<tr>
<th>Fraud</th>
<th>Waste</th>
<th>Abuse</th>
</tr>
</thead>
</table>

For the purposes of the GPC Program, "abuse" is defined as use of a Government charge card to buy authorized items, but at terms (e.g., price, quantity) that are excessive, or to fulfill a questionable Government need, or both.

Examples of such transactions include the purchase of a day planner costing $300 rather than one costing $45, a notebook costing $100 rather than one costing $25, and year-end or other bulk purchases of computer and electronic equipment for a questionable Government need.
Government Charge Card Abuse Prevention Act: Compliance

The DoD has processes and procedures in place to ensure compliance with the Government Charge Card Abuse Prevention Act. Select each tab to learn about the process/procedure.

<table>
<thead>
<tr>
<th>PCOLS Data Mining</th>
<th>Personnel Changes</th>
<th>Adverse Personnel Actions</th>
<th>Recovering Costs</th>
<th>Violations Report</th>
</tr>
</thead>
</table>

The Purchase Card On-Line System (PCOLS) Data Mining (DM) tool fulfills the mandate that DoD use effective systems, techniques, and technologies to prevent or identify potential fraudulent purchases.

The tool filters all GPC transactions for potential fraud, waste, abuse, and split purchases against a specific set of DoD laws, regulations, and policies, and assigns a score to each transaction.

The transactions with the highest scores are flagged for review, and an e-mail is generated to the A/BO, Level 3 A/OPC, Level 4 A/OPC (Army, Air Force, Defense Agencies) or Level 5 (Navy/USMC), and AO Supervisor to review and provide information on the transaction.

The PCOLS Auto Cancellation functionality fulfills the law's mandate to immediately invalidate GPCs for DoD civilian employees and U.S. Armed Forces Members upon termination of their appointment as AO or separation from their duty station assignment.
The DoD has processes and procedures in place to ensure compliance with the Government Charge Card Abuse Prevention Act. Select each tab to learn about the process/procedure.

PCOLS complies with the Government Charge Card Abuse Prevention Act requirement for automatic cancellation of CH accounts when the individual separates from a DoD Service or Agency, or has a personnel change to another DoD unit as identified in the P.L. as follows:

1909. Management of purchase cards. (b) CONFORMING AMENDMENTS TO DEPARTMENT OF DEFENSE PURCHASE CARD PROVISIONS.—Subsection (b) of section 2784 of title 10, United States Code, is amended—

(12) That the Department of Defense takes appropriate steps to invalidate the purchase card of each card holder who—

A. in the case of an employee of the Department—
   i. ceases to be employed by the Department, immediately upon termination of the employment of the employee; or
   ii. transfers to another unit of the Department, immediately upon the transfer of the employee unless the Secretary of Defense determines that the units are covered by the same purchase card authority; and

B. in the case of a member of the armed forces, is separated or released from active duty or full-time National Guard duty.
The DoD has processes and procedures in place to ensure compliance with the Government Charge Card Abuse Prevention Act. Select each tab to learn about the process/procedure.

The Government Charge Card Abuse Prevention Act prescribes the following penalties for GPC Program violations in Section 1909, Management of purchase cards:

(C) PENALTIES FOR VIOLATIONS.—

(1) IN GENERAL. — The head of each executive agency shall provide for appropriate adverse personnel actions or other punishment to be imposed in cases in which employees of the agency violate agency policies implementing the guidance required by subsection (b) or make illegal, improper, or erroneous purchases with purchase cards or convenience checks.

(2) DISMISSAL. — Penalties prescribed for employee misuse of purchase cards or convenience checks shall include dismissal of the employee, as appropriate.

Any penalties or personnel action(s) resulting from GPC fraud, waste, and/or abuse will be carried out by the employee's supervisor in accordance with Component personnel policies and procedures.
Government Charge Card Abuse Prevention Act: Compliance

The DoD has processes and procedures in place to ensure compliance with the Government Charge Card Abuse Prevention Act. **Select each tab to learn about the process/procedure.**

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The Government Charge Card Abuse Prevention Act requires the DoD to recover costs from GPC officials who have used the GPC for illegal, improper, or erroneous purchases.

Section 1909, Management of purchase cards:

(b) CONFORMING AMENDMENTS TO DEPARTMENT OF DEFENSE PURCHASE CARD PROVISIONS

(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, 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 CC.
Government Charge Card Abuse Prevention Act: Compliance

The DoD has processes and procedures in place to ensure compliance with the Government Charge Card Abuse Prevention Act. *Select each tab to learn about the process/procedure.*

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The Government Charge Card Abuse Prevention Act requires semiannual reporting to OMB as follows:

Section 1909. Management of purchase cards:

(3) REPORTS ON VIOLATIONS.

(A) A summary description of confirmed violations involving misuse of a purchase card following completion of a review by the agency or by the Inspector General of the agency.

(B) A summary description of all adverse personnel action, punishment, or other action taken based on each violation.

Accordingly, DoD submits a consolidated violations report to OMB on the GPC Program. PCOLS electronically provides these data on all PCOLS users.

Those who are not using PCOLS are required to submit a manual report from the DoD Component's Level 2 GPC Program Manager to the OSD, Office of the Under Secretary of Defense (Acquisition and Sustainment), Defense Procurement and Acquisition Policy, Program, Development and Implementation, PCPO, to include in the consolidated report to the Office of Management and Budget.
Knowledge Review

The Government Charge Card Abuse Prevention Act 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 Act does not call for DoD to require merchants to submit reports to identify potential fraudulent purchases.
Knowledge Review

The Government Charge Card Abuse Prevention Act 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_________."

- Salary offsets
- Selling the items
- Returning the items to the merchant
- 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

Adverse personnel action for illegal, improper, or erroneous purchase made with a GPC or CC may include dismissal.

- True
- False

True. Adverse personnel action for illegal, improper, or erroneous purchase made with a GPC or CC may include dismissal.
Knowledge Review

What tool fulfills the Government Charge Card Abuse Prevention Act mandate that DoD use effective systems, techniques, and technologies to prevent or identify potential fraudulent purchases?

- Purchase Card On-Line System (PCOLS)
- Purchase Card On-Line System (PCOLS) Data Mining (DM) tool
- GPC On-Line System (GPCOLS) Data Management (DM) tool
- GPC On-Line System (GPCOLS) tool

The **Purchase Card On-Line System (PCOLS) Data Mining (DM) tool** meets the mandate of the Government Charge Card Abuse Prevention Act.
Lesson Summary

You have completed this lesson, and should have an understanding of:

- Government Charge Card Abuse Prevention Act
- Definition of Fraud, Waste and Abuse
- PCOLS Data Mining Tool
- Personnel Changes
- Adverse Personnel Actions
- Recovering Costs to Department of Defense (DoD)
- Violations Report
Module Summary

Congratulations. You have completed all the lessons in the DoD Governmentwide Commercial 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 fraud, waste, misuse and abuse relative to the GPC program.

The module contained the following lessons:

- Lesson 1 DoD Governmentwide Commercial Purchase Card Overview
- Lesson 2 Controls and Procedures
- Lesson 3 Documentation, Record Retention, and Other Processes
- Lesson 4 Additional GPC Authorized Uses
- Lesson 5 GPC Challenges and Resolutions
- Lesson 6 GPC Additional Issues
Congratulations! You have completed this lesson.

If the **Next** button is active please proceed, if not close this window.