

DEPARTMENT OF DEFENSE
GOVERNMENT CHARGE CARD GUIDEBOOK
FOR ESTABLISHING AND MANAGING
PURCHASE, TRAVEL, AND FUEL CARD
PROGRAMS

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Typo corrected on Page B-1 (Appendix B, Increased Thresholds and Acquisition Flexibilities, Second Bullet). The incorrect amount of \$250,000 has been corrected to \$150,000.

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Chapter 1

Introduction

PURPOSE

The purpose of this guide is to help Department of Defense (DoD) officials establish and manage charge card programs. It provides an inventory of the pertinent policies and processes, with a goal to streamline and consolidate processes common to the purchase, travel, and fuel card programs.

The business rules identified in this guide address many of the recommendations identified in the [DoD Charge Card Task Force Final Report of June 27, 2002](#) and Management Initiative Decision (MID) No. 904, Department of Defense Charge Card Management, of December 18, 2002. Additionally, these business rules establish a proactive environment to continuously strengthen the charge card programs. As a guide, much of the information herein is presented for the purpose of guidance. Mandatory language, which is linked to the relevant statute, regulation, or policy document, is identified in bold, red typeface and is preceded by a “**Mandatory**” indicator. DoD Components may adopt more stringent internal control requirements than the mandatory requirements cited in this document. However, as these are risk-managed programs, Components should maintain a proper balance between the control environment and ease of use to ensure that the benefits of the card continue to accrue.

The chapter that follows presents business rules common to all card programs (purchase, travel, and fuel). While these programs generally have much in common, some differences result by nature of each program’s liability structure. Purchase cards, travel charge cards with centrally billed accounts (CBAs), and fuel cards involve Government liability (i.e., the Government is responsible for payment). Travel charge cards with individually billed accounts (IBAs) involve individual liability (i.e., the Cardholders [CHs] are responsible for payment). The business rules that are unique to each type of program are presented in the appendices.

[Chapter 2](#) and the program-unique appendices [A](#), [D](#), [E](#), [F](#), [G](#), and [H](#) are each compiled of sections that address the following areas:

- ◆ Processes,
- ◆ Program management,
- ◆ Personnel, and

- ◆ Special issues.

The appendices also offer additional information that will be useful in establishing and managing card programs. Appendices [B](#), [C](#), and [K](#) supplement the purchase-card-unique [Appendix A](#) by providing information on using the purchase card for contingency and humanitarian aid operations, using the purchase card for overseas shipments, and the concept of operations (CONOPS) for the purchase card system's electronic data interchange (EDI) process, respectively. [Appendix I](#) identifies the abbreviations and terms used within this guide, and [Appendix J](#) offers a list of regulatory/policy resources.

ACKNOWLEDGMENTS

The Offices of the Under Secretaries of Defense (Comptroller) (OUSD[C]) and (Acquisition, Technology, and Logistics) (OUSD[AT&L]) established the DoD Charge Card Integrated Product Team (IPT) in February 2003. The IPT reports to the Special Focus Group (SFG), which oversees charge cards for DoD within the aegis of the Acquisition Governance Board of the Business Enterprise Architecture (BEA). The SFG focuses on establishing a common approach toward the card programs across the Military Services and Defense Agencies, as well as a vision for the future. The IPT supports the SFG in its endeavors.

The Charge Card IPT is comprised of representatives from the DoD Purchase Card Program Management Office (PCPMO); OUSD(C); Defense Travel Management Office (DTMO); Departments of the Army, Navy, and Air Force; Defense Finance and Accounting Service (DFAS); Defense Logistics Agency (DLA); Defense Logistics Agency – Energy (DLA Energy); DoD Inspector General, and other Defense Agencies. The IPT produced this guide.

This guide neither supersedes nor takes precedence over more restrictive Component procedures. Rather, it is designed to provide additional guidance, and identify mandatory requirements, for the establishment and management of card programs. An electronic version of this guide is available [online](#) at the Defense Procurement and Acquisition Policy (DPAP) Web site.

Chapter 2

Common Business Rules for All Card Programs: Purchase, Travel, and Fuel

This chapter contains business rules common to purchase, travel (CBAs and IBAs), and fuel card programs.

PROCESSES

The following sections present summary-level overviews of processes common to all of the card programs.

Establishing a Program

The list below depicts the key steps in establishing a card program.

- ◆ **Mandatory: Determine need.**
- ◆ **Mandatory: Request authority to operate program.**
- ◆ **Mandatory: Establish internal controls to minimize card misuse.**
- ◆ **Mandatory: Establish a training program for cognizant officials.**
- ◆ Coordinate with issuing banks; for example:
 - Establish accounts, and
 - Establish reporting levels.

The Component Program Manager (CPM) and Agency/Organization Program Coordinator (A/OPC) should be given adequate resources to carry out responsibilities.

Mandatory: The CPM must become familiar with all regulations and policy that govern his/her organization's program. This may include the

- ◆ [DoD Financial Management Regulation](#) (FMR),
- ◆ [Defense Federal Acquisition Regulation Supplement](#) (DFARS),

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- ◆ [DoD 4140.25-M, Vol. II, Chapter 16, DoD Fleet Credit Card](#). Note: For fuel cards only, the DoD 4140.25-M takes precedence in the event of any conflict with this Guide.
 - ◆ [DoD Joint Travel Regulations](#),
 - ◆ Service supplements and instructions, and
 - ◆ Component supplements and instructions.

See [Appendix J](#) and [FAR Part 13](#) for a list of regulatory/policy resources.

PROGRAM MANAGEMENT

Program Outcomes

At the Department level, the desired outcomes for charge card programs include the following:

- ◆ Card business should be conducted so as to add value to the business process in terms of lower cost or increased productivity.
- ◆ Authorization controls should be appropriate.
- ◆ Card program management should be integrated into the overall strategic management plans of the Component acquisition communities.
- ◆ **Mandatory: Management controls should effectively identify, correct, and minimize fraud, waste, and abuse.**
- ◆ Guidance, training, and remedies should be consistent throughout Service and Agency card programs.
- ◆ Program metrics should be implemented at the appropriate management level(s) to provide key Component officials with an assessment of the risk environment and feedback as to whether card programs are satisfying overall strategic goals.

Management Controls

Card program management controls are the tools and activities used to identify, correct, and minimize fraud, waste, and abuse. To minimize losses, card program management and internal controls should have:

- ◆ Support from higher levels.
- ◆ An expectation of high integrity and ethical behavior from all participants.

- ◆ **Mandatory: Audits, at a minimum annually, of all managing/billing accounts and associated cards, to identify sources of fraud, waste, and abuse and assess compliance with governing regulations, policies, and procedures.**
- ◆ **Mandatory: Specific controls in place to ensure that losses due to fraud, waste, and abuse are minimized. The adequacy of the control environment shall be continuously assessed to ensure that controls are working as intended.**
- ◆ **Mandatory: Proper training (initial and refresher) and supporting resources to ensure that program officials have the knowledge and tools to be effective in their card responsibilities.**
- ◆ Adequate management oversight.

OTHER CONTROL INFORMATION AND GUIDELINES

Authorizing and Authenticating Cardholders

Mandatory: Ensure that cards serve a valid business need, and deactivate or close those that do not. Verify that required training is completed prior to CH authorization.

Transaction Data Integrity

Mandatory: CHs will not be able to alter their statements of accounts once they approve them. Similarly, Certifying Officers will not be able to alter billing statements (invoices) once they approve them.

Data Mining

Given the amount of data involved with charge card programs, DoD is exploring alternatives for the development of an automated data mining tool to sort through the information and present potentially relevant results to decision makers. An automated data mining tool can serve an essential internal control function. It can improve surveillance by highlighting select transactions for A/OPC review. In addition, for the purchase card, the data mining tool may assist with strategic sourcing efforts. In order to achieve a DoD-wide solution, the charge card PMOs and Components are exploring data mining pilot programs. For specific information about progress on the Purchase Card program see [the Purchase Card Online System \(PCOLS\) section](#) in [Appendix A](#).

Controlling Cards on Departure

Mandatory: Every personnel/base installation departure checklist shall include the requirement to deactivate and turn in all Government charge

cards.¹ Individually billed travel cards may transfer with an individual whose job remains within DoD.

PERSONNEL

The general roles and responsibilities of the participants in the charge card programs are presented here. The card-specific roles and responsibilities are identified in the appendices.

HEAD OF THE ACTIVITY

The roles and responsibilities of the Head of the Activity (HA) are to:

- ◆ **Mandatory: Determine the need for a card program and make the request to the appropriate functional activity (e.g., contracting, financial/resource management, and information technology).**
- ◆ **Mandatory: Appoint, in writing, qualified personnel to manage card programs.**
- ◆ **Mandatory: Ensure management controls and adequate supporting resources are in place to minimize card misuse.**
- ◆ Ensure proper separation of duties among personnel.
- ◆ **Mandatory: Order investigations when appropriate.**
- ◆ Follow up on investigation results.
- ◆ Review performance measures and reports.
- ◆ Ensure performance standards include charge card responsibilities, if appropriate.

AGENCY PROGRAM MANAGEMENT OFFICE (DPAP FOR PURCHASE CARD, DTMO FOR TRAVEL CARD, DLA-E FOR FUEL CARDS)

The roles and responsibilities of the PMO are to:

- ◆ Manage, oversee, and support card programs.
- ◆ Develop and maintain functional requirements for each card program.
- ◆ Identify opportunities to use the card to support the streamlining of DoD business processes.

¹ See the memorandum "[Inclusion on Personnel Departure Checklists of the Requirement to Turn in Government Charge Cards](#)" dated 06/23/03.

- ◆ Review performance metrics to identify any systemic deficiencies that require corrective actions(s).
- ◆ Develop and implement a data mining capability (along with the associated rules) that will enable the Components to identify and investigate, as necessary, high-risk card transactions.
- ◆ Coordinate the creation and feedback of issuing bank fraud queries.
- ◆ Run quarterly reports on span of control, inactive cards, and CHs certifying their own purchases.
- ◆ Maintain a DoD-wide blocked Merchant Category Code (MCC) list.

COMPONENT (SERVICES AND AGENCIES) PROGRAM MANAGER OR AGENCY/ORGANIZATION PROGRAM COORDINATOR

The roles and responsibilities of the Component Program Manager (CPM) or Agency/Organization Program Coordinator (A/OPC) are as follows:

- ◆ Serve as the Service's or Agency's functional representative with the PMO.
- ◆ Develop/maintain hierarchies and select/appoint/monitor (in accordance with card program policies/procedures as identified in greater detail in the related appendices) subordinate CPMs and/or A/OPCs. No programs shall be established without the existence of clearly delegated procurement authority.
- ◆ Assist/ensure A/OPCs perform their functions/roles.
- ◆ Interface with the applicable DoD-level program office on performance issues relating to card-issuing bank and internal DoD applications supporting the card program. Performance issues could run the gamut from system availability, time outs, and/or functional issues, such as the timeliness and completeness of the certification and dispute processes.

AGENCY/ORGANIZATION PROGRAM COORDINATOR

The roles and responsibilities of the A/OPC are to:

- ◆ **Mandatory: Manage and ensure the integrity of the card program.**
- ◆ Prepare reports on the program.
- ◆ Ensure the proper oversight/management controls are in place and working.

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- ◆ **Mandatory: Ensure Certifying Officers and Approving/Billing Officials (A/BOs), Cardholders, and Ordering Officers have been appointed in writing, and ensure the appointments are kept current.**
 - ◆ Complete initial and refresher training (in accordance with applicable guidance as identified in greater detail in the related appendices).
 - ◆ Oversee or perform account maintenance.
 - ◆ **Mandatory: Oversee and track the training (including refresher training) of all program participants in a system of records and ensure that the required training has been completed before issuing cards.**
 - ◆ Provide policy/procedural advice to CHs and charge card officials.
 - ◆ Serve as the issuing bank's point of contact.
 - ◆ Conduct compliance reviews.
 - ◆ Assist in dispute resolution.
 - ◆ Process card applications.
 - ◆ Maintain the required span of control in accordance with DoD and Component guidance.
 - ◆ Close accounts using the issuing bank's automated tool.
 - ◆ Ensure financial controls are established in account profiles.
 - ◆ Assist CHs and A/BOs with account management and reconciliation.
 - ◆ Monitor transactions during the cycle in order to take timely action against questionable charges, using available automated tools.
 - ◆ Analyze accounts and specific CH activity.
 - ◆ Report program activity to appropriate levels of management.
 - ◆ Attend yearly conferences as well as any other meetings and conferences pertaining to the program.
 - ◆ Perform special processing as required.
 - ◆ Ensure respective A/OPC contact information is kept up to date.
 - ◆ **Mandatory: Manage delinquent billing and CH accounts to minimize the payment of Prompt Payment interest and penalties, and the suspension of accounts.**

PCOLS A/BO (THIS INCLUDES THE BILLING OFFICIAL AND CERTIFYING OFFICER)²

The roles and responsibilities for the A/BO are to:

- ◆ **Mandatory: Ensure CHs fulfill their responsibilities.**
- ◆ **Mandatory: Review and approve CH statements, reconciling where the CH fails to do so in a timely manner.**
- ◆ **Mandatory: Ensure all CH transactions are legal, proper, mission essential, and correct in accordance with Government rules and regulations.**
- ◆ **Mandatory: Ensure monthly billing account accuracy. In accordance with applicable regulations for Government charge card transactions, A/BOs are financially liable for erroneous payments resulting from negligence in the performance of their duties.**
- ◆ **Mandatory: Maintain documentation supporting certification and payment of the applicable invoice.**
- ◆ **Mandatory: Verify payments to be legal, proper, and correct.**
- ◆ **Mandatory: Certify the issuing bank's invoices and submit through DFAS to ensure timely payment. (Within the Air Force, the Financial Services Officer [FSO] performs this function.)**
- ◆ **Mandatory: Report questionable card transactions to the A/OPC and/or appropriate authorities for investigation.**
- ◆ **Mandatory: Complete initial and refresher training in accordance with DoD requirements.**
- ◆ Conduct informal compliance reviews.
- ◆ **Mandatory: Approve and certify billing statements in a timely manner to minimize delinquent payments and suspension of accounts.**

CARDHOLDER/CARD USER

The roles and responsibilities of the CH/card user are to:

- ◆ **Mandatory: Ensure all purchases are proper, legal, and reasonable, and satisfy a bona fide need.**

² There is no Approving Official for the IBA; only for the Travel Settlement Voucher.

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- ◆ Maintain files and records (as required).
 - ◆ **Mandatory: Review and reconcile all transactions in a timely manner.**
 - ◆ **Mandatory: Initiate disputes in a timely manner. (For Fuel Card dispute procedures, see “Government Fuel Card (GFC) Program Dispute Processes” for the Air Card® and the DoD Fleet Card Program Web site for the Fleet Card.)**
 - ◆ Track disputes to completion.
 - ◆ **Mandatory: Maintain the physical security of the card.**
 - ◆ **Mandatory: If the card is lost or stolen, notify the issuing bank or Fuel Card providing company, A/BO, and A/OPC in a timely manner.**
 - ◆ **Mandatory: Complete initial and refresher training in accordance with DoD requirements.**
 - ◆ Use the issuing bank’s electronic access system (EAS) or other approved EAS to monitor activity.
 - ◆ Obtain receipts and other documents as required by the individual card programs in their respective appendices.
 - ◆ Notify the CPM and/or A/OPC of departure or when the card is no longer needed.
 - ◆ **Mandatory: Comply with the provisions of Section 508 of the Rehabilitation Act.**

FINANCIAL/RESOURCE MANAGERS

The roles and responsibilities for financial/resource managers are to:

- ◆ **Mandatory: Provide appropriate funding for the accounts.**
- ◆ **Mandatory: Maintain accurate financial records.**
- ◆ **Mandatory: Fulfill financial management reporting requirements, to include reporting in accordance with the American Recovery and Reinvestment Act of 2009.**
- ◆ **Mandatory: Establish spending limits that are tied directly to funding allocated for each billing and CH account.**

DEFENSE FINANCE AND ACCOUNTING SERVICE

The current roles and responsibilities of DFAS are to:

- ◆ Disburse payments.
- ◆ Post records to accounting and entitlement systems.
- ◆ Act as the Certifying Officer in support of programs when DFAS retains that responsibility.
- ◆ Monitor and make prompt payments.
- ◆ Control valid appropriation data (e.g., parent rule sets) (excludes travel card).
- ◆ **Mandatory: Establish and maintain electronic interface(s).**
- ◆ Ensure the timely processing of disbursements and disbursement rejects.
- ◆ Fulfill responsibilities for prevalidation of invoices prior to payment.
- ◆ **Mandatory: Ensure adherence to the provisions of the Prompt Payment Act.**

As enterprise resource planning (ERP) is deployed by the Military Departments and Defense Agencies in coming years, some of the functions listed above may be absorbed by these applications.

OTHERS

Other parties sharing responsibilities for various aspects of card programs include:

- ◆ OUSD(AT&L)
- ◆ OUSD(C)
- ◆ Military Service Control Points at each applicable petroleum office
- ◆ DFAS/DoD Component Payment Office
- ◆ Defense Manpower Data Center (DMDC)
- ◆ Audit/investigative organizations
- ◆ Office of the Under Secretary of Defense (Personnel and Readiness) [OUSD(P&R)].

Knowledge, Skills, and Abilities

For a card program to function efficiently and effectively, the program participants must have the following knowledge, skills, and abilities:

- ◆ An understanding of the relevant policies, procedures, and commercial practices
- ◆ The ability to communicate, organize, and manage effectively
- ◆ Basic analytical and computer skills
- ◆ The ability to analyze, research, and provide concise recommendations to the chain of command on required actions to prevent or correct problems.

Training

Ensuring that all card program participants are properly trained is vital to program success. Proper training of card program participants is important to prevent fraud, waste, and abuse. **Mandatory: CPMs and A/OPCs are required to ensure appropriate training is established, maintained, and tracked.** The following sections list available training resources.

DEPARTMENT OF DEFENSE

- ◆ [DoD Government Purchase Card Tutorial and refresher training, DAU course numbers CLG 001 and CLG 004, respectively.](#)
- ◆ Government Travel Charge Card (GTCC) [Mandatory GTCC Cardholder Training on TraX](#)
- ◆ [Helpful Hints for Travel Card Use](#)
- ◆ [DoD Fuel Card Programs—Defense Energy Support Center—Fuels Automated System \(FAS\) Training, FAS Enterprise System Training, and Accountable Official Training](#)
- ◆ [Certifying Officers and Accountable Officials Training](#)
- ◆ [Certifying Officer Legislative Training](#)
- ◆ [Fuel-Card-specific training](#)
- ◆ DFAS Government-Wide Commercial Purchase Card Training.

GENERAL SERVICES ADMINISTRATION

- ◆ [General Services Administration \(GSA\)-sponsored training](#)

- ◆ [GSA Travel and Transportation Training](#)
- ◆ [Annual GSA SmartPay® Conference.](#)

Investigations of Suspicious Activity

The Deputy Secretary of Defense has clearly stated that the Department will not tolerate misuse of charge cards. Examples of card misuse include the following:

- ◆ Purchases by non-trained individuals
- ◆ Purchases by individuals other than the authorized CH
- ◆ Purchases by contractors
- ◆ Cash advances³
- ◆ Returns for cash or credit vouchers⁴
- ◆ Rental or lease of land or buildings on a long-term basis⁵
- ◆ Presentation of a personal travel claim for reimbursement of an airline ticket when the traveler used the CBA travel card rather than his/her IBA travel card to purchase the airline ticket.⁶

Mandatory: Investigate and take action on program-related fraud, waste, and abuse.⁷

Program participants who encounter suspicious activity are responsible for notifying the appropriate authorities (i.e., their A/OPC or supervisor, or the [Defense Hotline](#)). See “[Handling Fraudulent Transactions](#)” in [Appendix A](#) for information on corrective actions for card misuse, abuse, or fraud.

Mandatory: Investigative agencies must ensure security managers and supervisors are notified when a Government charge card official comes under in-

³ This applies to purchase card and travel card CBAs only. IBA CHs can get cash advances via ATM withdrawals.

⁴ This applies only to the purchase card.

⁵ Travel card IBA CHs may use the travel card to rent apartments on a long-term basis.

⁶ This applies only to the travel card.

⁷ See the Memorandum on “[Government Charge Card Disciplinary Guide for Civilian Employees](#)” from the Office of the Under Secretary of Defense (Personnel and Readiness) [OUSD(P&R)], dated 4/21/03; and the Memorandum on “[Disciplinary Guidelines for Misuse of Government Charge Cards by Military Personnel](#)” from OUSD(P&R), dated 6/10/03.

investigation for charge card use or misuse. In turn, DoD security officials must notify the subject's commander of the ongoing investigation.⁸

Mandatory: The commander/director shall review and adjust the subject's access to classified information accordingly (not as a disciplinary action, but as a prudent safeguard of sensitive information).⁹ Prompt action is required in response to allegations of charge card misuse or abuse by Department military or civilian personnel. The commander or head of the organization has the authority (per [Subparagraph C8.1.3 of DoD 5200-2R](#)) to suspend the individual's classified access. The commander or head of the organization shall take immediate action upon receipt of information that raises serious questions as to the individual's ability or intent to protect classified information or execute sensitive duties. The commander or head of the organization shall make an immediate determination to either continue the individual's security status unchanged or suspend the individual's access to classified information or assignment to sensitive duties until the appropriate authority designated in [DoD 5200-2R, Appendix 5](#) makes a final determination regarding the individual's eligibility to retain a security clearance.

Financial responsibility and trustworthiness are key components for determining whether a military member or civilian employee is eligible for the issuance of, or continuance of, a security clearance. These same factors should be carefully considered should instances of abuse or misuse of a Government charge card be alleged.

SPECIAL ISSUES

Creditworthiness

In the FY 2005 Treasury, Transportation, and HUD appropriation bill ([P.L. 109-115](#)), Congress eliminated the requirement that agencies conduct creditworthiness assessments for purchase card applicants but retained the requirement for travel card applicants. The travel card requirement is discussed in [Appendix C](#), Unique Business Rules for Travel Card Programs.

Policy and Contract Issues

Questions concerning policy or contract provisions should be processed through the chain of command, beginning with the A/OPC.

⁸ See the Memorandum on "[Guidance for the Investigation of Fraud, Waste, and Abuse Involving the Use of Purchase Cards and Travel Cards](#)," dated 09/25/02 (included as attachment within the linked document).

⁹ See the Memorandum on "[Suspension of Access to Classified Information Due to Abuse or Misuse of Government Charge Cards](#)" from the Office of the Assistant Secretary of Defense, dated 11/04/02.

Appendix A

Unique Business Rules for Purchase Card Programs

This chapter contains business rules unique to Government Purchase Card (GPC) programs.

PROCESSES

The following sections present summary-level overviews of key processes unique to GPC programs.

Establishing a Program

The most important factor in establishing a GPC program is the selection of qualified personnel who are given the time, training, and resources to successfully perform their duties.

Mandatory: Purchase cards shall not be issued to contractors. Under certain conditions, GSA can authorize contractors to establish cards directly with the issuing bank, if necessary. Only organizations with procurement authority are authorized to establish a card program(s).

Mandatory: Foreign nationals may be designated as Departmental Accountable Officials (DAOs), provided they are direct hires. Therefore, purchase cards may be issued to foreign national employees of the Department if they meet DAO requirements. However, Commanders/Directors should consider the potential consequences of hiring foreign nationals as DAOs in countries where Status of Forces Agreements (SOFAs) or local laws do not subject the foreign national employee to the same pecuniary liability or disciplinary actions for card misuse as U.S. citizens.

Mandatory: The ratio of total accounts—CH and A/BO—per A/OPC should be considered when program guidelines are established. See [Ensure Workable Span of Control](#) for additional guidance.

Mandatory: The purchase card program will conform to all Executive Branch initiatives to ensure and promote transparency in Government.

Mandatory: All program officials will utilize the Authorization, Issuance, and Maintenance (AIM) system in lieu of paper-based processes, where AIM has been deployed to the base, installation, or activity.

Mandatory: Where PCOLS applications have been deployed, program officials shall utilize PCOLS to establish and maintain card and convenience check accounts.¹⁰ For organizations that have been granted a waiver for PCOLS deployment, the technical aspect of setting up an account will be in accordance with issuing bank direction.

Purchasing

Mandatory: The GPC will be used for only mission-essential purchases.

After it has been determined that a mission requirement exists, the GPC shall be the procurement and/or payment instrument for (1) micro-purchases,¹¹ (2) delivery orders against indefinite delivery/indefinite quantity (IDIQ) contracts, and (3) training requests¹² up to \$25,000. The list below depicts the key steps in making a purchase using a GPC.

- ◆ Identify the need.
- ◆ **Mandatory: Determine whether the need is within the CH purchase authority.** [FAR Subpart 2.101](#) defines the micro-purchase threshold for both routine purchases and those made when special circumstances apply; i.e., in support of contingency operations, or to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack.
- ◆ **Mandatory: Ensure the GPC is not used to issue a task or delivery order that exceeds the CH's single purchase limit.**
- ◆ **Mandatory: When ordering against a blanket purchase agreement (BPA), ensure the requirements of [FAR 13.303-5](#) are met.**
- ◆ **Mandatory: When ordering against a Federal Supply Schedule (FSS), ensure best-value documentation is maintained and the requirements of [FAR 8.404](#) and [DFARS 208.404](#) are met.**
- ◆ **Mandatory: Ensure every order exceeding the micro-purchase threshold complies with the reporting requirements of [DFARS 204.6](#).**
- ◆ Determine whether the funding type and purchase are appropriate.
- ◆ **Mandatory: Determine whether funding is available.** [FAR 32.702](#) states the basic principle of the [Anti-Deficiency Act](#): No Government employee

¹⁰ See the Memorandum on "[Track Four Efficiency Initiatives Decisions](#)" from the Office of the Secretary of Defense, dated 3/14/11.

¹¹ See the Memorandum on "[Micro-Purchases](#)" from the Office of the Under Secretary of Defense (Acquisition and Technology), dated 03/20/97.

¹² See the Memorandum on "[Use of Government-Wide Purchase Cards](#)" from the Under Secretary of Defense (Personnel and Readiness), dated 9/25/98.

may create or authorize an obligation in excess of funds available or in advance of appropriations.

- ◆ **Mandatory: Screen and use mandatory sources of supply and organization-designated sources of supply.**
- ◆ Obtain any required special approvals (see agency-specific guidelines).
- ◆ Determine whether commercial shipment is available for OCONUS orders. If not, ensure the supplier is provided with the necessary information to allow the purchase to enter the Defense Transportation System. (See [Appendix C](#).)
- ◆ Place the order (in person, via telephone, or via Internet).
 - Identify tax-exempt status.
- ◆ Record the item in the purchase log.
- ◆ Record the receipt.
- ◆ Document the purchase file. Some documentation examples are receipts, purchase documents, records of returns, special approvals, and waivers.
- ◆ Make sure accountable/pilferable items are accepted by someone other than the CH and added to the appropriate custodial listing.

Using Convenience Checks and Foreign Drafts

Mandatory: Convenience checks and foreign drafts provide a purchasing alternative to normal GPC transactions and formal contracting, and they are to be used only when the use of the purchase card is not possible. These tools give DoD activities the flexibility to issue low-volume, low-dollar payments for products and services at the activity level. Regulatory guidance covering the establishment, maintenance, and accountability of convenience check accounts is provided in the [DoDFMR Volume 5, Chapter 2, Paragraph 0210](#).

APPOINTMENT LETTER

Mandatory: If it is determined a need exists to establish a convenience check account, an appointment letter for that account shall be issued by the individual who issued the appointment letter for the CH. In accordance with [FAR Subpart 1.603-3\(b\)](#), all individuals delegated micro-purchasing authority, including convenience check account holders, shall be appointed in writing. This appointment letter should state:

- ◆ The specific duties of the check writer,

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- ◆ Any limitations on the scope of authority (including dollar limitations), and
 - ◆ An acknowledgement of the check writer's duties and responsibilities.

CONTROLS

Once the convenience check account is established, controls shall be in place to ensure proper use of the checks. At a minimum, these controls shall include the following:

- ◆ **Mandatory: Before any convenience check is issued, every effort should be made to use the GPC to make the necessary purchase. Maximum effort should be made to find and use merchants that accept the GPC as the primary payment vehicle. Convenience checks must not be written to vendors who accept the purchase card.**
- ◆ **Mandatory: With the exception of contingencies, convenience checks shall not be written over \$3,000 for supplies, \$2,500 for services, and \$2,000 for construction.**
- ◆ **Mandatory: Convenience checks should not be used to split payments to avoid exceeding the authorized limit.**
- ◆ Convenience checks should not be used for recurring payments.
- ◆ Convenience checks are pre-numbered. Additional control will be maintained by using a separate convenience check or foreign draft purchase log for each account.
- ◆ A discrete account must be set up in order to issue convenience checks and foreign drafts. Convenience check, foreign draft, and normal GPC accounts may be issued under a single managing account but must not be commingled. The following elements must be included in all convenience checks written: transaction date, pay to the order of, an original signature, and an amount within the applicable threshold.
- ◆ **Mandatory: Convenience checks must not be used for employee reimbursements, cash advances, cash awards, travel-related transportation payments, meals, or payroll/salary payments.**
- ◆ Only one convenience check/foreign draft account may be established per installation; however, additional accounts may be established following a written determination by the Commander that another account is necessary to meet mission requirements.
- ◆ Convenience check stock inventories should be treated like cash, for security purposes.

Paying for Items Not Yet Received

DoD has established a policy of allowing the certification of invoices for payment of micro-purchases prior to the verification that all items submitted for payment have been received. **Mandatory: Each A/BO shall establish a system to flag and track all transactions that have been certified for payment without verification of receipt and acceptance.** This procedure will ensure that all transactions that have been reconciled and approved for payment will have their receipt verified no later than 45 days after the invoice date. If receipt and acceptance cannot be verified, the CH shall protect the Government's rights by disputing the transaction. The CH is responsible for notifying the bank of any item in dispute and shall have 60 calendar days from the date that the transaction was included in a bank statement to initiate a dispute.¹³ This process is highlighted in the key steps below:

- ◆ Receive the statement from the issuing bank.
- ◆ Log charges for supplies or services charged but not yet received.
- ◆ Update the log when the supplies or services are received.
- ◆ Initiate the dispute process if the supplies or services are not received by the timeframes cited above.

Using the GPC as a Method of Payments against Contracts

At a minimum, procedures shall be in place to ensure proper separation of duties to safeguard Government resources and to minimize the posting of double obligations associated with the use of the card to make payment on existing contract vehicles.

MANDATORY: REPORTING TO THE FEDERAL PROCUREMENT DATA SYSTEM

Any contract or order where the GPC is used solely as the method of payment shall be reported to the Federal Procurement Data System (FPDS) individually, regardless of dollar value.

Open-market actions (i.e., orders not under a federal contract or agreement) purchased and paid for using the GPC shall not be reported to FPDS, except in accordance with FAR 4.606(a)(2). As a reminder, the GPC may be used for open-market actions only when the value of the action is under or equal to the micro-purchase threshold as defined in FAR Part 2.101.

¹³ The GSA contract states that a dispute must be initiated within 90 days from date of processing. This equates to the identical timeframe as the more commonly referenced 60-day window cited above.

For actions under federally awarded contracts (e.g., schedules, Government-wide acquisition contracts, indefinite delivery contracts, blanket purchase agreements, and basic ordering agreements):

- (1) Components shall report to FPDS all actions purchased and paid for using the GPC.**
- (2) Actions valued at \$25,000 or more must be reported individually; express reporting processes (see [PGI Part 204.6](#)) shall not be used.**
- (3) Components shall report the actions valued less than \$25,000 in the following descending order of preference:**
 - a. Individually, not using express reporting procedures.**
 - b. Using express reporting procedures that compile all actions monthly under the identified existing contract/agreement (such as a specified schedule) and vendor.**
 - c. Using express reporting procedures that compile all actions monthly without specifically identifying the existing contract/agreement and vendor. Use this alternative only when the first two choices above are determined, by the Head of the Contracting Activity, to be overly burdensome, because it limits the ability to comply with the [Federal Funding Accountability and Transparency Act](#). When used, identify the vendor using the generic DUNS number for either domestic or foreign GPC consolidated reporting (see [PGI Part 204.6](#)). This is the only situation when these generic DUNS numbers shall be used.**

Using the GPC for Contingency, Military Surge Environment, or Humanitarian Aid Operations

In the event of an emergency need for contingency, military surge environment, or humanitarian aid operations, the Executive Office of the President may sign into law an emergency procurement authority allowing increased GPC and convenience check limits and revised procedures in support of contingency and humanitarian aid operations.

In such circumstances, the Director, DPAP, also may authorize class deviations to allow organizations to deviate from the FAR and DFARS. Such deviations may include raising GPC spending limits.

Emergency procurement authority will allow agencies to provide critical supplies and services in support of contingency and humanitarian aid operations. **Mandatory: In support of this goal, agencies must take affirmative steps to ensure that**

this flexibility is used solely for the efforts that have a clear and direct relationship with the contingency and humanitarian aid operations and that appropriate management controls are established and maintained to support the new authority. Further, any rescue or relief operation purchases must be clearly identified as support costs, regardless of whether they are reimbursable.

Additional information regarding use of the GPC in support of contingency, military surge environment, or humanitarian aid operations can be found in Appendix B.

Using Third-Party-Payment Merchants (e.g., PayPal)

Where it is identified that the purchase will be processed via a third-party merchant, the CH should make every attempt to choose another merchant from which to procure the goods and/or services. If it is still found necessary to procure using a third-party-payment merchant, the A/BO must ensure adequate supporting documentation shows there was a detailed review of the purchase and that the use of the third-party-payment merchant was unavoidable. However, transactions made with a third-party-payment merchant are considered high-risk transactions for both subsequent audit and data mining screening.¹⁴

When a third-party payment service is used, the CH automatically forfeits all dispute rights guaranteed under the GPC contract. While certain dispute rights accrue by using the third-party payment service, these rights are not as favorable to the CH/Government as those provided pursuant to the GSA contract. In no instance are DoD CHs authorized to join third-party payment services when using the GPC. Membership with a third-party payment service is not a prerequisite to acquiring goods and services from merchants that accept payment only via third-party payment vendors.

Reconciling the Cardholder's Account

CHs should reconcile as often as possible in the approved system of record. The following list depicts key actions in the process of reconciling a CH account.

- ◆ Review the transactions and match them to the record/log.
- ◆ Reconcile/reallocate/dispute transactions, as appropriate.
- ◆ Approve the statement.
- ◆ Provide supporting documentation to A/BO or Certifying Officer.
- ◆ Track pay-and-confirm items.

¹⁴ See the Memorandum on [“Use of Third-Party Payments – Policy Change.”](#) from the Under Secretary of Defense (Acquisition, Technology and Logistics), dated 10/17/07.

CHs should not wait until the end of the cycle to accomplish the reconciliation. CHs whose Agencies have Internet access have the capability to approve their transactions as they post to their statements via the issuing bank's EAS. Frequent review of the transactions by the CHs should help to eliminate disputes at the end of the cycle, as it will allow merchants time to apply credits for improper charges. In cases where unauthorized use of the card has occurred, the CH shall follow the procedures presented in the "[Handling Fraudulent Transactions](#)" section of this document.

- ◆ The A/BO or Certifying Officer is responsible for a second-level review prior to certification, and for maintaining all supporting documentation related to invoice certification (the CH maintains supporting documents relating to purchases). Physical records for CHs are to be retained for three years if the transaction is at or below the micro-purchase threshold. If the transaction is above the micro-purchase threshold, records are to be retained for a period of 6 years and 3 months. The records of A/BOs and Certifying Officers are to be retained for 6 years and 3 months. However, if the transaction is funded by "foreign military sales funds," retention is 10 years, and if it is in support of a contract payment, it is 6 years and 3 months after final payment is made.¹⁵
- ◆ Original disbursing office records (A/BO or Certifying Officer), along with cardholder supporting documents in electronic format, negate the need to store duplicate hardcopy documents. Electronic record storage requires adequate controls to ensure the integrity of 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.

Disputing a Charge

Mandatory: The CH is responsible for notifying the bank of any item in dispute and shall have 60 calendar days from the date the transaction was included in a bank statement to initiate a dispute.¹⁶

Mandatory: When a CH is unable to resolve a disputed charge with a merchant, it is his/her responsibility to initiate a dispute with the issuing bank.

The following list depicts key aspects of the process for disputing a charge.

- ◆ Initiate the dispute with the issuing bank, either electronically or via hard copy.

¹⁵ See [FAR 4.805](#), Retention of Records chart; [DFARS 204.805](#); and [DoDFMR Volume 5, Chapter 21](#).

¹⁶ The GSA contract states that a dispute must be initiated within 90 days from date of processing. This equates to the identical timeframe as the more commonly referenced 60-day window cited above.

- ◆ Notify the A/BO and provide him/her with a copy of the dispute.
- ◆ Notify the CH's organization for tracking purposes.
- ◆ Respond to the issuing bank's requests for additional information.

While the Federal Government is tax exempt in most cases, sales tax is not a disputable item. Shipping and taxes are not disputable through the issuing bank process, and the CH shall resolve these disputes with the merchant. If sales tax or shipping charges should not have been charged, the CH should obtain a credit from the merchant.

A CH's failure to protect the Government's interest by promptly initiating disputes can result in administrative or disciplinary action.

Handling Fraudulent Transactions

Mandatory: All Government employees have a duty to report all suspected instances of fraud to the appropriate authorities. The CH must dispute any purchases believed to be fraudulent during monthly statement reconciliation.¹⁷ The CH also must report cases of fraud to the card-issuing bank, the A/OPC, and the local procurement fraud advisor.¹⁸

When a Defense Criminal Investigative Organization or Defense organizational element responsible for investigating potential misconduct involving the GPC initiates an investigation into allegations of fraud, misuse, or abuse of authority regarding a purchase card, 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.¹⁹

¹⁷ General Services Administration contract states that a dispute must be initiated within 90 days from date of processing. This equates to the identical timeframe as the more commonly referenced 60-day window cited above.

¹⁸ Reporting a transaction as fraudulent to the bank will initiate a fraud investigation by the Fraud Department at the servicing bank. "Disputing" the transaction will initiate a dispute investigation in the Dispute Department of the servicing bank. Each department will issue a credit for the transaction, resulting two credits for one charge and the need for a "charge back" in order to balance the account. In addition, accounts reported with fraudulent activity are closed immediately, and a replacement account issued. All transactions, including the fraudulent ones and credits, are transferred to the new account, which can be confusing to the CH and A/BO. The CH and A/BO should be briefed ahead of time to expect duplicate credits and a charge back so they are not confused by the apparent activity on the replacement account.

¹⁹ See ["Government Charge Card Disciplinary Guidelines for Civilian Employees,"](#) from OUSD(P&R), dated 04/21/03; and ["Disciplinary Guidelines for Misuse of Government Charge Cards by Military Personnel"](#) from the Office of the Under Secretary of Defense, dated 06/10/03.

Processing the Invoice

Mandatory: The A/BO is responsible for ensuring all transactions are legal, proper, and correct. When the A/BO is also the Certifying Officer, he/she must certify invoices for payment. The key aspects of the process for reconciling and certifying by the A/BO are listed below.

- ◆ Review transactions to ensure they are legal, proper, correct, and mission essential.

For improper charges (e.g., GPC transactions that are intended for Government use but not permitted by law, regulation, or organization policy, such as splitting purchases), the Government is liable to pay; however, action may be taken against the CH.

Mandatory: When the A/BO is also the Certifying Officer, he/she has pecuniary liability for illegal, improper, or incorrect transactions. CHs as A/BOs also have pecuniary liability when the A/BO and Certifying Officer relies on their certification that transactions are legal, proper, and correct in accordance with [DoDFMR Volume 5, Chapter 33](#).

Mandatory: If the invoice contains charges not authorized by the CH, these transactions shall not be certified for payment, and the accompanying invoice shall be “short paid” by the amount of the fraudulent transaction(s) in question. The bank, A/BO, and program coordinator must be notified immediately; and the CH shall comply with the bank’s fraud reporting procedures. Prior to allowing certification of a “short paid” invoice, the system shall require CHs to identify the reason the transactions(s) is/are deemed fraudulent and the date the transaction(s) was/were reported to the bank. In all instances, the CH shall attempt to address/reconcile all transactions during the billing cycle within which they occur, so that fraudulent transactions are never included in the corresponding billing statement. Supporting documentation regarding improper transactions shall be retained for a period of six years and three months.

Avoiding Invoice Delinquencies

Department policy requires all banking contractors to suspend any billing account that goes 60 days delinquent. If any of those accounts go 180 days delinquent, the entire activity (Level 4 for US Bank and J.P. Morgan; Level 5 for Citibank) will be suspended. The banks will automatically suspend the accounts when they go delinquent and automatically lift the suspension once they are paid. Further, a Department or Agency may not have more than 0.75 percent of its total receivables at the bank over 60 days past due. A zero tolerance will be maintained for any percentage of receivables over 180 days past due. Organizations are encouraged to implement more stringent metrics within their respective Department or Agency, as is deemed appropriate.

Closing/Canceling Accounts

Mandatory: When a CH separates from his/her organization, retires, or is otherwise no longer in need of a GPC, his/her account must be closed. In addition, when military or civilian members depart a duty station, their GPCs shall be collected prior to their departure.²⁰

A/OPCs can close accounts by accessing PCOLS or the issuing bank's EAS, or simply by calling their point of contact at the issuing bank.

Data Access by Non-Program Officials

Audit and Investigative Organizations: GPC data will be provided to DoD Service audit and investigative organizations on a timely basis to assist them in the performance of their duties. This office has been authorized by the Director, PCPMO, to exclusively provide this information to DoD Service audit and investigative organizations. GPC Program officials will refrain from providing online access to charge card program data for any purpose, even on a temporary basis.

All Other Stakeholders (e.g., local internal review officials): Local A/OPCs should provide the requested data if deemed appropriate under the circumstances. Again, GPC Program officials will refrain from providing online access to charge card program data for any purpose, even on a temporary basis.

Freedom of Information Act (FOIA) Requests

Local purchase card A/OPCs are to respond to FOIA requests made at the installation, base, or activity level for the organizational addresses and telephone numbers of CHs. In response to FOIA requests submitted by the public for transactional related purchase card data, only the following specific data are authorized for release:

- ◆ Merchant Category Code
- ◆ Transaction amount
- ◆ Merchant name
- ◆ Merchant city, state, ZIP Code, and phone number
- ◆ Transaction date (releasable 90 days after date).

²⁰ See the memorandum "[Inclusion on Personnel Departure Checklists of the Requirement to Turn in Government Charge Cards](#)" dated 06/23/03.

Oversight

Surveillance and oversight of the GPC is a shared responsibility. All stakeholders in the program, including Resource and Financial Managers, Logistics, and local audit and oversight organizations, are responsible for ensuring that the GPC is used in the proper manner and only authorized and necessary official purchases are made. Organizations should develop and follow a surveillance plan that establishes frequencies, methods, participation, etc., on how their oversight/surveillance programs will operate.

PROGRAM MANAGEMENT

Management Controls

This section provides specific management controls required of GPC programs, guidelines for disciplining abusers, and other control information. [Office of Management and Budget \(OMB\) Circular A-123, Appendix B](#), provides additional guidance on implementing strong internal controls. PCOLS is designed to both maintain the integrity of these controls and validate their effectiveness in safeguarding Government resources. Management officials are responsible for establishing a process of internal controls that is (1) designed to provide reasonable assurance that the GPC program is used efficiently, effectively, and legally to achieve the purpose for which the program was established; and (2) is in compliance with applicable laws and regulations.

MANDATORY: REQUIRED MANAGEMENT CONTROLS

Maintain Purchase Log: All CHs are required to maintain either an electronic or a manual log (if not electronically enabled) for each transaction made using the card. This includes an item description or general commodity code (e.g. office supplies), the merchant name, the date purchased, the name of the recipient of the item, and the total amount, as required by Component-specific instruction.

Maintain Positive System of Funds Control: Spending limits (such as monthly and office limits) are tied directly to the funding allocated for each card account (monthly, quarterly, semiannually). Fund limits should be consistent with historical spending patterns to minimize Government exposure and ensure adequate funds availability. This provides an overall control to ensure funding is available prior to purchases being made with the card. For example, if the total purchases for the month exceed the monthly limit for a specific card account, all subsequent attempts to make purchases will be declined by the issuing bank until additional funding is made available for that account.

Ensure Separation of Duties: For the GPC, a mandatory management control is the separation of duties. Key duties such as making purchases (CH), verifying

purchases are proper (A/BO), authorizing payments (BO and FSO), certifying funding (Finance and Resource Managers), independent acceptance for accountable property, and reviewing and auditing functions (A/OPC and Property Book Officers) will be assigned to different individuals to minimize the risk of loss to the Government to the greatest extent possible. For example, A/BOs will not be CHs within the same billing account; Property Book Officers or equivalents will not be CHs with authority to purchase accountable items; and Resource or Budget Managers will not be CHs or A/BOs with responsibility for executing their own funds.

Reconciliation/Approval by the CH: During each billing cycle, CHs are required to reconcile the CH statement they receive from the issuing bank against the purchase card log they are required to maintain for card purchases. This reconciliation requires the CH to approve, dispute, or reallocate (to an alternate line of accounting [LOA], if required by local policy) each card transaction that is posted to the CH statement. Additionally, the CH must approve the statement in its entirety once all individual transactions have been disposed of in the manner described above.

Reconciliation/Approval by the A/BO: After the CH has approved his/her entire CH statement, he/she forwards the electronic or “hard copy” file to the cognizant A/BO (with the exception of the Air Force). The A/BO is required to approve or reject each purchase made by the CHs under his/her hierarchy. When the A/BO has completed their review of each invoice submitted for his/her card accounts, the A/BO, acting in the role of Certifying Officer, can certify the entire invoice as legal, proper, and correct in accordance with his/her responsibilities.

Exercise Dispute Authority: The CH has 60 days from the date of the billing statement to dispute the transaction.²¹

Exercise/Maintain Authorization Controls: Appropriate spending limits and MCC access are tailored to each CH account. Spending limits and MCC access should reflect historical buying patterns/trends.

Systems Access Security: Appropriate safeguards must be in place to control issuance and safeguarding of access credentials to the EAS.

Available Funding Integrity: Certified lines of accounting (LOAs) will be traceable through disbursement. All changes to LOAs will be documented and certified.

Invoice Integrity: An electronic certification process will ensure that the original electronic invoice is traceable from the vendor through the certification and entitlement processes and retained in a Government record. Once the Certifying Of-

²¹ General Services Administration contract states that a dispute must be initiated within 90 days from date of processing. This equates to the identical timeframe as the more commonly referenced 60-day window cited above.

ficer has determined that the information on the original electronic invoice is proper for payment, he/she will affix their electronic signature with the standard certification statement in accordance with [DoDFMR Volume 5, Chapter 33](#). Where appropriate, the Certifying Officer also will ensure that changes to the original invoice are proper and payment totals have not changed. Should the original invoice submitted by the contractor be in paper form, the Certifying Officer shall determine if the invoice is proper for payment and affix his/her signature in accordance with the governing provisions of the [DoDFMR](#). If appropriate, the Certifying Officer will make any required “pen and ink” changes on the original invoice to reallocate the payment to different funding lines from those reflected on the original invoice. The Certifying Officer will determine whether these changes are proper and affix his/her signature with the standard certification language on the original paper invoice.

PURCHASE CARD ONLINE SYSTEM

PCOLS is a DoD-wide suite of electronic systems that GPC officials use to improve the management and accountability within their GPC program organizations. PCOLS is comprised of five applications: Enterprise Monitoring and Management of Accounts (EMMA), Authorization, Issuance, and Maintenance (AIM), PCOLS Reporting, Data Mining (DM), and Risk Assessment (RA). PCOLS is Common Access Card (CAC) enabled to ensure secure authentication and nonrepudiation.

The GPC program uses EMMA as an automated tool to capture and define organizational purchase card hierarchies, document authority chains, and identify relationships among purchase card roles. Because CAC data are used, EMMA can provide more robust information for use in DM. EMMA also enables system access of supervisors, who previously had no or limited electronic access to program data, for GPC program management (e.g., CH and managing account supervisors).

AIM is an electronic application used to initiate, approve, and transmit requests for GPC issuance and maintenance actions. AIM draws from hierarchies (e.g., role responsibilities and permissions) established in EMMA. It directly engages GPC supervisors, helps ensure business rules comply with internal organizational management controls, and is a workflow tool performing various GPC program account authorization and maintenance functions.

The PCOLS reporting capability aggregates available data into information for use by program officials and managers.

The Data Mining application programmatically reviews 100 percent of the DoD purchase card transactions using sophisticated intelligent/learning software to identify correlations, patterns, and trends in purchase card buying actions. This transaction review allows daily, near-real-time mining of the data. The Case Manager, an integral component of DM, interprets the referred transactions and cre-

ates specific cases that are assigned to the A/BOs and A/OPCs for review. Through the Case Manager interview process, the appropriate program official demonstrates that due diligence is exercised in the review of the referred transactions.

The Risk Assessment application uses internal controls and measures, coupled with results from the DM application, to assess and report on the overall “health” of a DoD organization's GPC program. RA allows users to monitor risks associated with their GPC program. A major goal of RA is to provide organizational reports to assist GPC program officials and auditors in determining the appropriate level of targeted oversight.

OTHER CONTROL INFORMATION AND GUIDELINES

Ensure Workable Span of Control

There should be no more than seven card accounts per A/BO or Certifying Officer, and no more than 300 accounts (CH and A/BO) per A/OPC. Ensuring a reasonable number of card accounts are assigned to each A/BO or Certifying Officer account is paramount to the effective accomplishment of the A/BO or Certifying Officer’s responsibilities.

A ratio of not more than seven card accounts to an A/BO is the DoD standard. The total number of transactions, as well as the number of assigned card accounts, must be considered when determining an acceptable account-to-A/BO ratio. In some cases, fewer than seven card accounts may be too many for a particular A/BO if the total number of transactions per month is excessive. Organizations should apply discretion and good judgment to determine the optimal ratio.

Self-Assessment Program

The PCPMO is developing a capability, in conjunction with its Data Mining initiative, for local activities to conduct a self-assessment of the health and financial risk of the GPC programs under their cognizance.

PURCHASE CARD SYSTEMS CONTROLS

Mandatory: All bank and Government systems utilized in support of purchase card accounts (e.g., PCOLS and individual bank electronic access systems) will include the following system controls:

- ◆ **Systems Access Security:** Appropriate safeguards must be in place to control issuance of credentials and access to bank electronic access systems.
- ◆ **System Administration Integrity:** Changes to systems must be documented.

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- ◆ **Data Exchange Security:** Transmission of all electronic account data will be processed through secure lines of communication.
 - ◆ **Functional Responsibility Controls:** Systems will be able to segregate role based capabilities and limit access to these functions to individuals with appropriate authority

The single financial system solution must ensure that payment invoices for GPCs are electronically certified only by the authorized, duly appointed Reviewing Official (RO).

CH Locked out after 15 Days: If the CH does not reconcile and certify his/her statement within a 15-calendar-day period following the close of the billing cycle, the CH is locked out of the file, and the A/BO or Certifying Officer is required to step in and perform the CH reconciliation/certification role.

CH and A/BO Locked out of Files after Certification: Once an A/BO or Certifying Officer certifies a statement or invoice in the issuing bank's EAS, the transaction file is locked and no further changes to the invoice are permitted.

Training

Mandatory: GPC A/OPCs are required to track the training (including refresher training) of all program participants (CHs, A/BOs, Certifying Officers, and A/OPCs) in a system of records and ensure that the required DAU initial and refresher training (Courses CLG001 and CLG004, respectively) have been completed. Successful completion of the initial training course is required before issuing cards. Successful completion of the refresher training course must be satisfied once every two years by program officials in order to continue in their roles. In addition, A/OPCs will ensure that completion of the refresher training requirement is part of their annual review of all managing accounts under their cognizance.

Departments and Agencies may develop their own refresher training course or use the DAU online course. If a tailored refresher course is used, it must include the key elements of the DAU online course. The basic and refresher DAU purchase card courses are online at <http://clc.dau.mil/>.

Prohibited Purchases

CHs should contact local authorities (e.g., the A/OPC, local Judge Advocate General attorney, and RM) prior to purchasing any items that seem questionable or may have the appearance of being inappropriate. The following list, which is not

all-inclusive, identifies some services and supplies that are prohibited from purchase with the GPC (this list also applies to convenience checks):²²

- ◆ Cash advances, including money orders and travelers' checks.
- ◆ Gift certificates and gift cards are also considered to be cash advances and will not be purchased with the GPC, even to obtain items from merchants that do not accept the GPC.
- ◆ Long-term lease of land and buildings. Use of the GPC to lease real property (i.e., land and/or buildings) for a term longer than one month is prohibited.
- ◆ Repair of leased GSA vehicles. Use of the GPC to purchase repairs on GSA fleet-operated vehicles is prohibited.
- ◆ Vehicle-related expenses. Vehicle-related expenses are to be paid with the travel or fleet cards (as appropriate).
- ◆ Telecommunication systems. The purchase of major telecommunications systems, such as Federal Telecommunications System (FTS) or Defense Switched Network (DSN) systems, is prohibited.
- ◆ Construction services over \$2,000. Use of the GPC to purchase construction services over \$2,000 is prohibited.
- ◆ Fines. Use of the GPC to settle commercial and Governmental fines is prohibited.
- ◆ Appliances acquired for personal use in work environment.
- ◆ Aircraft fuel and oil.
- ◆ Wire transfers.
- ◆ Savings bonds.
- ◆ Foreign currency.
- ◆ Dating and escort services.
- ◆ Betting, casino gaming chips, and off-track betting.
- ◆ Court costs, alimony, and child support.
- ◆ Bail and bond payments.

²² For the full list of Department-wide prohibited purchases, see the GSA SmartPay2® Master Contract.

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- ◆ Tax payments.
 - ◆ Payment of salaries and wages.
 - ◆ Travel advances.
 - ◆ Payment of travel claim.
 - ◆ Purchases from contractors or contractor agents who are military personnel or civilian employees of the Government.
 - ◆ Repetitive purchases with the same merchant or contractor.
 - ◆ Split purchases.

PERSONNEL

The general roles and responsibilities of the participants in the GPC program are presented below.

PROGRAM MANAGEMENT OFFICE

In addition to those identified in [Chapter 2](#), the roles and responsibilities of the PMO are as follows:

- ◆ Disseminate OMB, Office of Personnel Management, Office of the Secretary of Defense (Comptroller), and DPAP policies that impact the GPC program.

COMPONENT (SERVICES AND AGENCIES) PROGRAM MANAGER (LEVEL 2 A/OPC)

In addition to those identified in [Chapter 2](#), the roles and responsibilities of the CPM/Level 2 A/OPC are as follows:

- ◆ Maintain hierarchies and monitor appointment of Level 3 A/OPCs who are appointed by Level 3 Heads of Activities. New hierarchy Level 3s will not be established without the existence of clear delegations of procurement authority.

AGENCY/ORGANIZATION PROGRAM COORDINATOR (SYSTEM
COMMAND/DIRECTOR LEVEL 3 FOR ARMY/AIR FORCE/DEFENSE AGENCIES;
LEVEL 4 FOR NAVY)

In addition to complying with the requirements of establishing a program detailed in this appendix, the roles and responsibilities of the Level 3/4 A/OPC are as follows:

- ◆ In the event a new Level 3 must be created, submit documentation to the Component Level 2 A/OPC establishing the need for the new program, providing evidence of delegation of contracting authority and a grant/delegation of authority to operate a purchase card program, and listing all key management officials (including, at a minimum, the commanding officer or agency director, Level 3/4 A/OPC, and cognizant RMs). In addition, the documentation package must include a certification statement that all key management officials carry the required appointments and delegations to serve as GPC officials.
- ◆ Army, Air Force, and Defense Agency Level 3 A/OPCs will provision and maintain Level 4 A/OPC hierarchies where PCOLS is deployed.
- ◆ Navy Level 4 A/OPCs will provision and maintain Level 5 A/OPC hierarchies where PCOLS is deployed.²³
- ◆ Comply with Component-level GPC training, internal control, policy, procedural, and reporting requirements as required.

AGENCY/ORGANIZATION PROGRAM COORDINATOR (INSTALLATION LEVEL)
(LEVEL 4 FOR ARMY/AIR FORCE; LEVEL 5 FOR NAVY)

The A/OPC will be designated by the appropriate contracting official to be responsible for the management, administration, and day-to-day operation of the GPC program at the activity. In addition to those identified in [Chapter 2](#), the roles and responsibilities of the Level 4/5 A/OPC are as follows:

- ◆ Establish A/BOs within PCOLS or the bank's EAS. The A/BO should be within the CH's chain of command.
- ◆ **Mandatory: Conduct initial and refresher training in accordance with DoD Component or Agency requirements. Ensure training records are maintained and completion of required refresher training is part of all annual CH evaluations.**
- ◆ Develop local GPC and file management policies and procedures.

²³ Where PCOLS is not yet deployed, hierarchies are documented in the card-issuing bank's EAS and spreadsheets maintained by the A/OPC.

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- ◆ Monitor management controls and establish and implement a coordinated oversight program.
 - ◆ Ensure adequate separation of duties of participants in the GPC program.
 - ◆ Ensure spending limits and funding has been coordinated with the appropriate Financial/Resource Manager.
 - ◆ Establish and manage card account profiles to properly reflect transaction limitations, LOA information (as required in accordance with Service/Agency procedures), cycle spending, and MCC limitations.
 - ◆ Obtain a completed [DD Form 577](#) (Appointment/Termination Record—Authorized Signature) for the A/OPC, A/BO, Certifying Officer, and CH, as required in accordance with Service/Agency procedures. (For the Air Force, the Financial Management Office performs this function.) Only the A/BO or Certifying Officer's [DD Form 577](#) is sent to DFAS. [DD Form 577](#) is to be retained on file for the A/OPC and CH in accordance with Service/Agency procedures.
 - ◆ Validate that all CHs and convenience check account holders have appointment letters and that the letters contain the necessary information. (See "[Appointment Letter](#).”)
 - ◆ Take a proactive approach to monitoring convenience check use. When a potentially inappropriate transaction is identified by the card-issuing bank's convenience check reporting mechanism, take appropriate action to correct the improper use of convenience checks.
 - ◆ **Mandatory: Monitor and, as necessary, adjust ratio of CH accounts to A/BOs to comply with a 7:1 ratio, to ensure that A/BOs have sufficient time to complete their monthly reviews of CH transactions under their cognizance.**
 - ◆ Work with Financial/Resource Managers and DFAS to correct and process rejected electronic data interchange (EDI) billing invoices.
 - ◆ **Mandatory: Conduct a review of each management account. This review shall include an examination of a statistically significant random sampling of transactions.**
 - ◆ Using available misuse reports, review suspect transactions in order to take action against questionable purchases.
 - ◆ Examine the population of transactions for purchases from unauthorized merchants, violation of limits, and other irregular activities.

- ◆ Monitor and, as appropriate, recommend that the Financial Manager adjust spending limits commensurate with historical usage patterns.
- ◆ Close accounts upon abuse or misuse of card privileges, compromise of account information, card loss, or CH departure.
- ◆ **Mandatory: Ensure compliance with relevant policies, procedures, and regulations, including the Federal Acquisition Regulation (FAR).**
- ◆ Provide effective procurement support to all departments and meet the procurement needs of the command (e.g., ensure the GPC is the appropriate vehicle for acquiring the required items or services in lieu of a more formal contract vehicle.
- ◆ Act as the audit/internal review focal point for GPC-related issues.
- ◆ Respond to Freedom of Information Act Requests submitted by the Public. See “[Freedom of Information Act \(FOIA\) Requests](#).” This data can only be released 90 days after the date of the purchase card transactions(s).

SUPERVISOR

The roles and responsibilities of the supervisory chain are as follows:

- ◆ **Mandatory: Ensure that the purchases made with the card support the office mission.**
- ◆ Nominate A/BOs and CHs for appointment as appropriate.
- ◆ Initiate billing/managing account requests in PCOLS.
- ◆ Approve CH account requests (in PCOLS) if not acting as the primary A/BO pool member.
- ◆ Establish CH authorization controls. In conjunction with the Financial Manager, set reasonable transaction and monthly spend limits based on historical needs. Where possible, limit allowable MCCs to those needed by the CH to perform his/her duties.
- ◆ Maintain appropriate internal controls (to include a manageable ratio of CHs to A/BO and proper segregation of duties). In most instances, a manageable ratio of CHs to A/BO should not exceed a 7-to -1 ratio.
- ◆ Notify the A/OPC of the requirement to close accounts as necessary due to personnel turnover.

APPROVING/BILLING OFFICIAL

Mandatory: Charge cards can be established only when assigned to an A/BO account. DoD requires a second-level approval that is performed by the A/BO prior to certification. The A/BO is a Departmental Accountable Official and therefore may be held pecuniarily liable for erroneous payments resulting from the negligent performance of their duties in accordance with [Title 31, United States Code \(U.S.C.\), Section 3528](#). In addition to those identified in [Chapter 2](#), the roles and responsibilities of the A/BO are as follows:

- ◆ **Mandatory: Complete mandatory DAU initial and refresher training in accordance with DoD policy.**²⁴
- ◆ **Mandatory: Complete Service-specific training in accordance with DoD Component requirements.**
- ◆ **Mandatory: Items acquired with the GPC with a unit cost of \$5,000 or greater are considered accountable property (in accordance with the provisions of [DoD Instruction \(DoDI\) 5000.64](#)). Ensure such items are independently received and accepted by separate DoD officials and that these items are properly recorded in DoD property book systems. This includes pilferable property, as defined in the cited DoDI, regardless of unit acquisition cost.**
- ◆ **Mandatory: Review and approve CH statements, paying particular attention to ensuring accountable property, in accordance with [DoDI 5000.64](#), has been recorded in applicable property books.**
- ◆ **Mandatory: Verify that CHs have complied with independent receipt and acceptance procedures for all accountable property (pilferable and sensitive) acquired with the purchase card.**
- ◆ If acting as the primary A/BO pool member, approve CH requests in PCOLS.
- ◆ Ensure CHs fulfill their responsibilities.
- ◆ **Mandatory: Ensure all purchases were made in accordance with established policies, rules, and regulations, and are in support of organizational mission.**
- ◆ Resolve questionable purchases with CHs.
- ◆ Take appropriate action upon discovery of misuse.
- ◆ **Mandatory: Ensure monthly billing account accuracy.**

²⁴ See Memorandum on "[Mandatory Purchase Card Refresher Training](#)," dated 08/22/06.

- ◆ **Mandatory: Retain copies of monthly invoices and supporting documentation.**
- ◆ **Mandatory: Notify the A/OPC of organizational changes or personnel changes that may require CH or managing account closure.**
- ◆ Ensure continuity of records when transitioning out of A/BO responsibilities.
- ◆ Ensure CHs notify the issuing bank of lost or stolen cards.

CERTIFYING OFFICER

Mandatory: In accordance with [DoDFMR Volume 5, Chapter 33](#) and [Volume 10, Chapter 23](#), heads of DoD Components (or their designees) shall appoint Certifying Officers for purposes of certifying payments for GPC invoices.

Because of his/her fiduciary obligation to ensure proper use of, and expenditures under, the GPC, the A/BO will also be the Certifying Officer (with the exception of the Air Force). For some organizations, the execution of the [DD Form 577](#) (dated January 2004), by the local Resource Manager, is now considered the formal appointment of a Certifying Officer. **Mandatory: Certifying Officers are pecuniarily liable for erroneous payments resulting from the negligent performance of their duties in accordance with [Title 31 U.S.C. Section 3528](#).** In addition to those identified in [Chapter 2](#), the roles and responsibilities of the Certifying Officer are as follows:

- ◆ **Mandatory: Complete mandatory DAU initial and refresher training in accordance with DoD policy.²⁵**
- ◆ **Mandatory: Complete Service-specific training in accordance with DoD Component requirements.**
- ◆ **Mandatory: Complete Certifying Officer training.**
- ◆ Ensure appropriate LOA is assigned to all transactions.
- ◆ **Mandatory: Ensure all transactions are legal, proper, correct, and satisfy a bona fide need in accordance with Government policies, rules, and regulations.**
- ◆ **Mandatory: Timely certify the GPC invoice and submit to DFAS (or other paying office) for payment.**
- ◆ **Mandatory: Retain documentation supporting invoice payment, e.g., billing statement.** See the 11/07/08 OUSD(C) memorandum titled "[Government Purchase Card \(GPC\) Certifying Officer and Departmental](#)

²⁵ See Memorandum on "[Mandatory Purchase Card Refresher Training](#)," dated 08/22/06.

Accountable Official Responsibilities,” which includes a GPC Monthly Review Checklist as a reference tool for A/BOs and Certifying Officers.

- ◆ **Mandatory: If the convenience check account is to be used exclusively as a method of payment, establish a not-to-exceed spending threshold.**
- ◆ For procurement of accountable property valued at \$5,000 or more per item, ensure independent documentation of acceptance by a person other than the CH has occurred.

CARDHOLDER AND CONVENIENCE CHECK ACCOUNT HOLDER

Mandatory: In order for a GPC or convenience check account to be established, a specific individual must be designated as the account holder responsible for that account, and specific spending limits must be established for each account. That individual becomes a Departmental Accountable Official for purchases made against that account. The following list depicts key aspects in the process for setting up a GPC or convenience check account. In addition to those identified in [Chapter 2](#), the roles and responsibilities of the CH and convenience check account holder are as follows:

- ◆ **Mandatory: Complete mandatory DAU initial and refresher training in accordance with DoD policy.²⁶**
- ◆ **Mandatory: Complete Service-specific training in accordance with DoD Component requirements.**
- ◆ Hold valid delegation of purchase authority document.
- ◆ **Mandatory: Screen and use required sources.**
- ◆ **Mandatory: Ensure all purchases are proper, legal, economical, and satisfy a bona fide requirement.**
- ◆ Ensure funding is available.
- ◆ Maintain files and records.
- ◆ Maintain an electronic purchase log.
- ◆ **Mandatory: Maintain convenience check records to fulfill 1099-M tax reporting requirements.**
- ◆ **Mandatory: Implement independent receipt and acceptance of the supplies or services in accordance with DoDI 5000.64 for all account-**

²⁶ See Memorandum on “[Mandatory Purchase Card Refresher Training](#),” dated 08/22/06.

able property (including sensitive/pilferable property) with a unit acquisition cost of \$5,000 or greater.

- ◆ **Mandatory:** Ensure accountable property (including sensitive/pilferable property) is properly documented and recorded in applicable property book systems in accordance with DoDI 5000.64.
- ◆ Track any purchases made but not received.
- ◆ **Mandatory:** Review and reconcile all transactions in a timely manner, maximizing rebates and avoiding late payment interest.
- ◆ **Mandatory:** Approve the statement for input to the A/BO.
- ◆ **Mandatory:** Notify the A/BO of any discrepancies.
- ◆ **Mandatory:** Maintain receipts and other documents indicating receipt (purchase logs and other documentation regarding the purchase). Maintain purchase logs that include, at a minimum, the name of the requestor for the item purchased, description of the item, purchase cost, quantity, date purchased, and date received.
- ◆ **Mandatory:** When commercial transportation is not feasible for deliveries from Continental United States (CONUS) to Outside CONUS (OCONUS) locations, ensure that the supplier is provided with the proper information to allow entry of the purchase into the Defense Transportation System.

FINANCIAL MANAGERS

The roles and responsibilities for Financial Managers are to:

- ◆ Provide appropriate funding for the accounts.
- ◆ Maintain unique LOAs that identify and support [American Recovery and Reinvestment Act of 2009](#) funding and reporting, along with those required in [Appendix B](#).
- ◆ Maintain accurate financial records.
- ◆ Ensure that Purchase Card refunds are properly processed and accounted for, in accordance with [DoDFMR Volume 10, Chapter 2, Section 020302, Paragraph D](#).
- ◆ **Mandatory:** Fulfill financial management reporting requirements.
- ◆ **Mandatory:** In conjunction with the Supervisor, establish spending limits that are tied directly to funding allocated for each billing and

CH account. In addition, in consultation with the base/installation-level A/OPC, ensure spending limits are consistent with historical spending patterns for each account.

- ◆ Financial management hierarchies will be maintained by the Comptroller/Resource Management offices that control the obligation and expenditure of funds used by the GPC.

SPECIAL ISSUES

Use of Electronic Data Interchange Tools to Support Invoice Certification/Payment

For the purposes of this guide, electronic data interchange (EDI) refers to the automated process for receiving electronic transactions, obligations, and invoice records directly from an issuing bank into a DoD accounting system. Direct EDI translation should be compliant with American National Standards Institute (ANSI) X-12 to enable electronic data exchanges with designated trading partners such as an issuing bank, major supplier, or customer. The use of the issuing bank's EAS or other EDI system is mandatory unless a waiver is granted and an alternate electronic solution is approved. Components that wish to nominate electronic solutions other than the use of the existing card issuing bank's EAS must work with the PCPMO, Office of the DoD Comptroller, and appropriate Component-level audit community to validate that all of the required internal controls in the proposed alternate capability are resident and operating properly in a limited production environment, before a full implementation is approved. If investments are required that necessitate approval by an investment review board, that process must be fulfilled concurrent with this procedure. Alternate electronic solutions that satisfy this validation process will be authorized by the Director, DPAP, to settle GPC invoices.

EDI occurs in two phases. In the first, the issuing bank transmits EDI transaction sets (810s, 821s, 820s, 824s, and 997s) to the Defense Electronic Business Exchange (DEBX) or the Defense Automatic Addressing System Center (DAASC), where they are processed. All EDI transaction sets will conform to the FA2 accounting data format. (See [Table K-1](#).) In the second phase, the processed files are transmitted to DoD Components. Technical specifications and descriptions are available through the PMO. See [Appendix K](#) for more information.

Electronic Commerce

Electronic commerce involves the integration of electronic-based systems to support common business process. For example, the issuing bank will provide invoices electronically to Federal Agency-designated billing offices and accept payments electronically from Federal Government Payment Centers, and will provide electronic access to account data and reports.

Accountable/Pilferable Property

All accountable/pilferable property acquired with the purchase card shall be properly recorded in the appropriate custodial property system. In order to ensure this accountability requirement, the Wide Area Workflow (WAWF) application shall be used to record all accountable/pilferable property acquired with the GPC. WAWF has the capability to feed property systems with records of acquired property, thereby enabling CHs and their customers to both capture independent evidence of receipt electronically and ensure proper records of property are kept. To ensure adequate internal controls, the accepting official of accountable/pilferable property should not be the CH. However, the CH in these instances shall require a customer to use WAWF to record shipment and receipt of all accountable/pilferable property acquired with the GPC.

Mandatory Sources of Supply

[FAR Part 8](#) establishes priorities for using Government sources for supplies and services (also referred to as “Government Supply Sources” or “mandatory sources of supply”). **Mandatory: Whenever possible, CHs must purchase from these required Government sources rather than buying from commercial suppliers.**

Strategic Sourcing

DoD Components must optimize their purchasing power. **Mandatory: Acquisition logistics organizations must conduct spend analyses of the purchases made using the GPC, at least on an annual basis.** Those suppliers/commodities appearing frequently in the data have the potential to become DoD strategic targets, and DoD should consider agreements with those suppliers as appropriate. Such agreements could involve automatic point-of-sale reductions through GPC recognition or establishing central ordering vehicles with appropriate discounts and terms and conditions. **Mandatory: Component acquisition organizations are required to forward the results of their Component-level strategic sourcing analysis agreements to, and coordinate their actions with, the DoD PCPMO for possible consideration.**

Note that Components should consider the potential impact these agreements would have on the local small business communities.

Frustrated Freight

When using your GPC to purchase items with delivery to an OCONUS destination, two methods of transportation are generally available: commercial door-to-door and the Defense Transportation System. Although most overseas shipments are delivered by supplier-arranged commercial carriers, an increasing number of overseas GPC shipments, especially when being processed to contingency envi-

ronments, must move through military aerial ports, ocean terminals, or container consolidation points (these are components of the Defense Transportation System) for onward movements. If commercial shipping is not used, you must coordinate with your transportation service support office (e.g., Installation Transportation Office [ITO], Transportation Management Office [TMO], or Supply Support Activity [SSA]) before you order the item. This will ensure the item is properly entered into the Defense Transportation System and the supplier will get all necessary data to complete the military shipping label (MSL). Shipments entering the Defense Transportation System 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.

A supplier shipment that becomes “frustrated” is, at a minimum, delayed along the transportation chain and will not move until all problems are resolved. Many times, the shipment never reaches the intended recipient.

Mandatory: Military Services and Defense Agencies will ensure that GPC training provided by A/OPCs at the base/installation level includes the importance of providing correct shipping information and transportation requirements (as stated in this Guide) to suppliers when items are to be shipped utilizing the DoD organic distribution system rather than the preferred door-to-door commercial method of delivery.²⁷

[Appendix C](#) provides specific instructions on how to process a requirement involving OCONUS shipment.

Miscellaneous Payments

Where the GPC is used to settle the wide variety of miscellaneous DoD payments, the card shall be used in accordance with the [Department of Defense Guidebook for Miscellaneous Payments](#).

Purchasing Recycled Products and Section 508-Compliant Items

[Reserved.]

²⁷ See memorandum on “[Acquisition Policy on Facilitating Vendor Shipments in the DoD Organic Distribution System](#),” dated 07/23/03.

TOP TEN PURCHASE CARD MANAGEMENT TIPS

The top 10 GPC management tips are provided below.

1. Ensure management visibility into the GPC program. Commanders, managers, and supervisors must recognize the importance of the program and properly resource it. **Mandatory: Personnel involved in the GPC program must support the mission and critical responsibilities of the program.** The program includes administrative and criminal repercussions.
2. Appoint an A/OPC of appropriate grade/rank, motivation, and interpersonal skills.
3. **Mandatory: Ensure that the number of cards and billing accounts are sufficient to support mission needs. Review specific credit limits and spending histories of accounts to ensure consistency with mission requirements.**
4. **Mandatory: Take appropriate administrative and disciplinary action when fraudulent, improper, and/or abusive GPC transactions are found.**
5. **Mandatory: Ensure an appropriate span of control for each A/BO or Certifying Officer account.**
6. **Mandatory: Expediently review and resolve dispute/delinquency issues.**
7. **Mandatory: Ensure that all CHs, A/BOs or Certifying Officers, ROs, and A/OPCs have received the required training in accordance with policy and procedures.** Ensure that the training is properly documented and the training certificates are maintained on file.
8. **Mandatory: Enforce the requirement for proper separation of the purchasing, receipt, and acceptance functions for purchases of goods and services that carry a per-item cost of \$5,000 or greater or if the item acquired is deemed easily pilferable, such as a laptop computer or camera. Enforce the requirement to maintain documented evidence, such as purchase card receipts, certified billing statements, purchase logs, and DD250s or similar acceptance documents.**
9. Maintain documented evidence of proper certification of monthly purchase card statements by CHs and A/BOs or Certifying Officers.
10. Establish and maintain a surveillance program to ensure the required management controls are achieved.

Appendix B

Using the Purchase Card for Contingency and Humanitarian Aid Operations

Important: This appendix provides guidance using dollar thresholds that have been used historically for contingency or humanitarian aid operations. Before applying this guidance, it is critical to verify whether these same thresholds have been established for a particular contingency or humanitarian aid operation.

INCREASED THRESHOLDS AND ACQUISITION FLEXIBILITIES

Because contingency contracting and emergency acquisition are frequently performed on short notice and without benefit of an established office structure, certain acquisition and emergency flexibilities are prescribed in FAR Part 18. The thresholds cited below will take effect when authorized by offices within the Under Secretaries for Acquisition and Comptroller. During a declared contingency, the dollar thresholds for procurements increase as follows:

- ◆ The micro-purchase threshold increases from \$3,000 to (1) \$15,000 for any contract or purchase made inside the U.S., and (2) \$30,000 for any made outside the United States.²⁸
- ◆ The simplified acquisition threshold increases from \$150,000 to (1) \$300,000 for any contract or purchase made inside the U.S., and (2) \$1 million for outside the United States.²⁹
- ◆ The simplified acquisition procedures authorized by the test program for commercial items increases from \$11 million to \$12 million.³⁰
- ◆ Convenience check thresholds mirror the micro-purchase thresholds cited above.³¹

In addition to the increase in the thresholds, simplified forms and procedures are authorized due to the urgency of the mission. FAR Part 18 describes the acquisition flexibilities permitted.

²⁸ [FAR Subpart 13.201\(g\)\(1\).](#)

²⁹ [FAR Subpart 2.101.](#)

³⁰ [FAR Subpart 13.500.](#)

³¹ [DoDFMR Volume 10, Chapter 23, Section 230505.](#)

ROLES AND RESPONSIBILITIES

The contingency and humanitarian aid-related roles and responsibilities for GPC officials are as follows.

Agency/Organization Program Coordinator

Mandatory: The roles and responsibilities of the A/OPC are to:

- ◆ **Distribute governing policy and guidance with respect to use of the GPC for each contingency or humanitarian aid operation to all GPC officials throughout the A/OPC's Agency.**
- ◆ **Increase GPC spending limits to A/BOs and CHs only where appropriate (i.e., only for program officials who are actively supporting contingency or humanitarian aid operations).**
- ◆ **Maintain a discrete record of all A/BO and CH accounts with increased purchase and monthly limits, including convenience check accounts.**
- ◆ **Where single purchase limits are increased, ensure CH monthly limits and A/BO limits have been raised appropriately for nonprocurement and contracting official CHs.**
- ◆ **Verify the availability of funds with Resource/Financial Managers.**
- ◆ **Work with Resource/Financial Managers to add alternate LOAs earmarked for a contingency or humanitarian aid operation to appropriate A/BO and CH accounts.**
- ◆ **Contact the servicing card issuing bank to remove velocity limits from appropriate accounts.**
- ◆ **Ensure delegations of procurement authority reflect the new dollar limits.**
- ◆ **Develop and issue instructions to enable the identification and capture of all GPC purchases (transactions and dollars) spent on contingency or humanitarian aid operations, regardless of whether the cost is reimbursable.**
- ◆ **Develop and implement a supplemental oversight program for all accounts with elevated spending limits in support of contingency or humanitarian aid operations.**

- ◆ **Ensure Contracting Officer warrants are revised for higher micro-purchase thresholds if required.**

Resource/Financial Manager

Mandatory: The roles and responsibilities of the Resource/Financial Manager are to:

- ◆ **Develop unique LOAs (alternate or default) to be used only when GPC purchases are made in support of each contingency or humanitarian aid operation. In addition, make appropriate modifications when detailed budgetary guidance is provided by the DoD Comptroller. Further, establish separate alternate and default LOAs for purchases made using the GPC that constitute reimbursable support funded by and/or provided to other Federal Agencies (e.g., the Federal Emergency Management Agency).**
- ◆ **Assist in the identification and tracking of all GPC dollars associated to transactions spent in support of each contingency or humanitarian aid operation, regardless of whether or not the cost is reimbursable.**
- ◆ **Notify the A/OPC of fund availability.**

Approving/Billing Official or Certifying Officer

Mandatory: The roles and responsibilities of the A/BO or Certifying Officer are to:

- ◆ **Ensure proper documentation is recorded and maintained for GPC transactions in support of contingency or humanitarian aid operations.**
- ◆ **Ensure CH compliance with all governing statute and regulatory guidance regarding the use of the GPC in support of each contingency or humanitarian aid operation.**
- ◆ **Establish and maintain a discrete record of the number of transactions and dollars spent in support of each contingency or humanitarian aid operation, regardless of whether the cost is reimbursable.**
- ◆ **Ensure CHs properly identify and record purchases made using the GPC in support of each contingency or humanitarian aid operation.**
- ◆ **Ensure CHs use the correct LOA for purchases made in support of contingency or humanitarian aid operations.**

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- ◆ **Ensure convenience checks written in support of contingency or humanitarian aid operations do not exceed authorized spending limits and that the sources of supply for the goods or services purchased with the convenience check do not accept the GPC.**
 - ◆ **Ensure convenience check writers obtain the Tax Identification Number (TIN) or Social Security Number (SSN) for each merchant or supplier being issued a check.**
 - ◆ **Ensure that all open-market transactions (those not placed under existing contracts) that exceed the authorized micro-purchase threshold are preapproved by a warranted Contracting Officer who is not the CH, or a senior manager at or above the GS-14 level.**
 - ◆ **For construction contracts in support of a contingency or humanitarian aid operation, ensure the GPC is used only as a method of payment. An existing contract vehicle must be in place prior to the use of this authority.**

Cardholder

Mandatory: The roles and responsibilities of the CH are to:

- ◆ **Obtain appropriate requirements documentation to support purchases made in support of a contingency or humanitarian aid operation.**
- ◆ **Comply with all appropriate laws and acquisition regulations when making purchases.**
- ◆ **Identify and record purchases made in support of each contingency or humanitarian aid operation, regardless of whether the cost is reimbursable. At a minimum, this will include details on the specific goods or services purchased with the GPC and how it will specifically support the contingency or humanitarian aid operation.**
- ◆ **Ensure each GPC transaction is charged to the LOA specifically established for purchases made in support of each contingency or humanitarian aid operation.**
- ◆ **Write convenience checks only when necessary and within authorized dollar thresholds for a contingency or humanitarian aid operation; i.e., confirm that the supplier source does not accept the GPC or a formal contract. With the exception of contingencies, convenience checks shall not be written over \$3,000.**
- ◆ **Obtain the supplier's TIN or SSN whenever writing a convenience check.**

- ◆ **Ensure all open-market transactions (those not placed under existing contracts) that exceed the authorized micro-purchase threshold are preapproved by a warranted Contracting Officer or a senior manager at or above the GS-14 level.**
- ◆ **For construction contracts in support of a contingency or humanitarian aid operation, ensure the GPC is used only as a method of payment. An existing contract vehicle must be in place prior to the use of this authority.**

PROGRAM MANAGEMENT

Management Responsibilities

This section provides specific management controls required for programs that affect use of the GPC for contingency and humanitarian aid operations.

MANDATORY: REQUIRED MANAGEMENT CONTROLS

- ◆ **There will be no blanket increase of CH authority. The head of each executive agency (with delegation at a level no lower than the head of the contracting activity) must identify in writing those individuals who have permission to use an authorized increased spending threshold. These individuals must be working directly on acquisitions related to a contingency or humanitarian aid operation.**
- ◆ **Each agency must modify Contracting Officer and other warrants, as appropriate, and ensure that CHs have sufficient training appropriate for any increased authority.**
- ◆ **Agencies shall work with card-issuing banks to raise monthly and single transaction limits accordingly.**
- ◆ **Agencies must establish and communicate policies and procedures for determining whether a transaction is in support of a particular contingency or humanitarian aid operation and therefore allowable under the related law.**
- ◆ **All open-market transactions (i.e., those not placed under existing contracts) that exceed the authorized micro-purchase threshold must be preapproved by a warranted Contracting Officer (other than the purchaser or CH) or a senior manager at or above the GS-14 level.**
- ◆ **Agency heads must designate officials to conduct follow-up reviews of transactions in support of each contingency or humanitarian aid operation pursuant to the related law. These follow-up reviews should**

take place as soon as practicable, but no later than 60 days after any given transaction. The officials shall evaluate whether the transaction:

- Was consistent with the agency's policies and procedures identified above and was otherwise reasonable and appropriate.
- Provided the maximum practicable opportunity for small business participation under the circumstances.
- Was appropriately documented by the CH.

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

- ◆ Agencies should increase management controls to mitigate risk under any new GPC authority related to a contingency or humanitarian aid operation. Agencies should review OMB Circular A-123, Appendix B, for guidance on implementing strong internal controls.
- ◆ When initiating administrative or disciplinary actions for card misuse, GPC managers should follow the misuse provisions of [Appendix A](#).
- ◆ The management control responsibilities herein that have been assigned to the head of the executive agency may be delegated to a level no lower than the Head of the Contracting Activity.
- ◆ Deviation from normal separation of functions controls is authorized when mission accomplishment requires such deviation and potential conflicts of interest are mitigated. Internal control principles generally require a four-way separation of the contracting, receiving, voucher certification, and disbursing functions. Commanders/directors should be aware of the increased possibility of the risk of errors, theft, and fraud that may result from the merging of functions. Every effort to mitigate these risks should be made, such as post-payment reviews, rotation of duties, and management review of financial data and reports.

MANDATORY: ADDITIONAL ACQUISITION RESPONSIBILITIES

Competition: Competitive procedures should be used to the maximum extent practicable.

Small Business Participation: Contracting activities using emergency procurement authority for contingency or humanitarian aid operations are expected to provide small businesses maximum practicable opportunity under the circumstances to participate in the acquisitions as prime contractors and

subcontractors. Where possible and consistent with efficient acquisition of needed supplies and services, local small businesses should be given priority.

Compliance with Section 307 of the Stafford Act: Section 307 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (P.L. 93-288) establishes a preference, to the extent feasible and practicable, for contracting with local organizations, firms, or individuals for debris clearance, distribution of supplies, reconstruction, and other major disaster or emergency assistance activities. Contracting activities are expected to make every attempt, where practicable, to establish such preferences.

Price Reasonableness: CHs and Ordering Officials are responsible for ensuring that prices are reasonable. The common-sense determinations may take into consideration the extraordinary nature of the contingency or humanitarian aid operation.

Purchasing on Behalf of Another Agency: If making a purchase on behalf of another agency, the agency making the purchase will ensure the requesting agency has the authority to make the purchase and fully document the GPC transaction, including the date and time of the request, the name and contact information of the requesting official, and the funding authorization.

TRAINING

It is strongly recommended that non-procurement CHs who will be making purchases related to a contingency or humanitarian aid operation over an extended period complete the Web-based tutorial course CLM011 in the Continuous Learning Center of the DAU Web site, <http://clc.dau.mil/>.

3IN1 TOOL

The 3in1 Tool will be used in lieu of the SF 44 process to record purchase data, where use of the GPC is appropriate but not feasible or may expose Field Ordering Officers (FOO) to dangerous conditions. The 3in1 Tool will capture and record purchase, disbursement, and receiving information, including the user's receipt of goods, vendor payment, and vendor acknowledgment of payment; and transfer that data to the FOO purchase log in the Joint Contingency Contracting System (JCCS). More detailed instructions regarding the 3in1 tool may be found on the [3in1 page](#) of the DPAP Web site.

APPLICABLE LAWS AND REQUIREMENTS

In the instance of contingency or humanitarian aid operations, statutory flexibilities for purchase made with the GPC in accordance with [FAR 13.301\(c\)](#) may be implemented. **Mandatory: However, there are certain laws and regulations with which the contractor must comply, even in the case of GPC purchases**

for contingency or humanitarian aid operations. Tables B-1 through B-5 list these requirements.

Table B-1. **Mandatory: Laws and Requirements Applicable to All Purchases**

Statute	Requirements	For more information, see:
31 U.S.C. 1352	Anti-lobbying. Do not use appropriated funds to lobby for award of federal contracts.	FAR Subpart 3.8
18 U.S.C. 431	Officials not to benefit.	
41 U.S.C. 51-58	Anti-Kickback Act of 1986. The requirement for the incorporation of the contractor procedures for the prevention and detection of violations, and the contract requirement for contractor cooperation in investigations are not applicable.	FAR 3.502
41 U.S.C. 265, 10 U.S.C. 2409	Whistle-blower protection.	FAR Subpart 3.9
49 U.S.C. 40118	Fly American.	FAR Subpart 47.4
41 U.S.C. 423	Procurement Integrity.	FAR 3.104
31 CFR Chapter 5	The contractor shall not provide products from Cuba, Iran, Libya, Sudan, or North Korea, or any entity or individual listed by the Office of Foreign Assets Control as Specially Designated Nationals or Blocked Persons.	FAR Subpart 25.7
10 U.S.C. 2631	Applies to ocean transportation of cargo owned by, or destined for use by, DoD.	FAR Part 47 and DFARS Subpart 247.5

Table B-2. **Mandatory: Laws and Requirements Applicable to Purchases Greater Than the Micro-Purchase Threshold**

Statute	Requirement	For more information, see:
41 U.S.C. 351 et seq.	The contractor agrees to comply with the Service Contract Act of 1965, as amended. If this is a service contract, each service employee shall be paid not less than the minimum monetary wages and shall be furnished fringe benefits in accordance with the wages and fringe benefits determined by the Secretary of Labor, or authorized representative, as specified in any wage determination attached to this contract.	FAR Subpart 22.1006

**Table B-3. Mandatory: Laws and Requirements Applicable to
Purchases Greater Than \$10,000**

Statute or Executive Order (EO)	Requirement	For more information, see:
E.O. 11246	The contractor represents that the contractor complies with Equal Employment Opportunity (EEO) and does not maintain or provide segregated facilities for its employees. There may be limited exemptions and waivers from some of the requirements under the authorizations issued related to particular contingency or humanitarian aid operations.	FAR Subpart 22.8
29 U.S.C. 793	The contractor agrees to comply with Affirmative Action for Workers with Disabilities. There may be limited exemptions and waivers from some of the requirements under the authorizations issued related to particular contingency or humanitarian aid operations.	FAR Subpart 22.14
42 U.S.C. 6962	Use of recovered material. If this contract is for an Environmental Protection Agency designated product, the contractor certifies that the percentage of recovered materials used in the performance of the contract will be at least the amount required by the applicable contract specifications.	FAR Subpart 11.3

**Table B-4. Mandatory: Laws and Requirements Applicable to Purchases
Greater Than \$100,000**

Statute	Requirement	For more information, see:
31 U.S.C. 1352	The offeror certifies that no Federal appropriated funds have been paid to any person to influence or attempt to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, on his or her behalf in connection with the award of this contract. Disclosure using OMB Form LLL is required if the contractor makes payments with nonappropriated funds that would be prohibited if paid with appropriated funds.	FAR Subpart 3.8
38 U.S.C. 4212	Application of labor laws. The contractor agrees to comply with Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans. There may be limited exemptions and waivers from some of the requirements under the authorizations issued related to particular contingency or humanitarian aid operations.	FAR Part 22.13
40 U.S.C. 3701 et seq.	Contract Work Hours and Safety Standards Act.	FAR Subpart 22.3

Table B-5. Mandatory: Laws and Requirements Applicable to Purchases of \$175,000 or More

Statute	Requirement	For more information, see:
19 U.S.C. 2501 et seq.	World Trade Organization, Agreement on Government Procurement. If buying items listed at DFARS 225.401-70 , obtain oral certification that the supplies are U.S. made, or the products of a designated or qualifying country, unless domestic end products are not available.	FAR 25.4 , DFARS 225.4 , 252.225-7020

Mandatory: In addition to the laws and regulations listed in the tables above, the Deputy Chief Financial Officer has determined that existing internal controls requiring a four-way separation of the contracting, receiving, voucher certification, and disbursing functions may be waived. Such a separation is not always practical or possible with contingency operations. In executing any deviation from the normal contracting, certification, and disbursing procedures, commanders/directors should be aware of the increased possibility of the risk of errors, theft, and fraud that may result from the merging of payment certification responsibilities with other functions. Because internal controls may be compromised as a result of such a merger, every effort to mitigate these risks should be made, such as post-payment reviews, rotation of duties, and management review of financial data and reports.³²

³² See Deputy Chief Financial Officer, "[Appointment of Certifying Officers in Overseas Contingency Operations for Micro-purchases](#)," dated 23 June 2010.

QUESTIONS AND ANSWERS

The following questions and answers relate to using the GPC under emergency procurement authority granted to support contingency or humanitarian aid operations.

Who can be granted an increased purchase card limit, and how can it be implemented? After careful consideration of a supervisor's request to increase a CH's GPC limit to support contingency or humanitarian aid operations, the A/OPC may direct the bank to increase a non-Contracting-Officer GPC limit to the authorized micro-purchase threshold. A/OPCs may approve and implement supervisor's requests for an increased GPC limit of up to the authorized simplified acquisition threshold to support contingency or humanitarian aid operations for CHs who are also warranted Contracting Officers.

How much can a CH spend on contingency or humanitarian aid operations? A CH can spend up to his or her delegated amount on a single purchase. As always, the bank will not approve any purchase with a price that exceeds the total funding attached to the individual CH's account.

Must the CH be a warranted Contracting Officer to spend up to the authorized simplified acquisition threshold? **Mandatory: Yes, only CHs who are warranted Contracting Officers, are supporting contingency or humanitarian aid operations, and hold delegations from the A/OPC are authorized to have their GPC limit raised to the authorized simplified acquisition threshold.**

Are there other spending amounts for CHs? Yes, CHs who have received the necessary delegation from their A/OPC may spend up to the authorized micro-purchase threshold on a single purchase related to contingency or humanitarian aid operations. As always, the bank will not approve any purchase with a price that exceeds the total funding attached to the individual CH's account. A CH does not have to be a warranted Contracting Officer to be granted a delegation.

Are special funds to be used? Yes. A related law may provide funds to support particular contingency or humanitarian aid operations. However, you must communicate with your Resource Management/Budget Office to ensure that funds are available for your GPC and the necessary alternate LOAs are established in the bank system so that GPC charges attributable to particular contingency or humanitarian aid operations can be reallocated (instead of default line) to the appropriate special funding. If charges occur prior to availability of special funding, CHs must work with their Resource Management/Budget Office to properly identify those charges so they can be reclassified to ensure all costs associated with each contingency or humanitarian aid operation are appropriately captured.

Should I keep track of what I buy? Yes, this is very important. **Mandatory: Because automated systems can be slow to catch up with real-world situations,**

it is imperative that the CH maintain thorough logs and records of each individual purchase (and how it supports the rescue and relief effort) made to support contingency or humanitarian aid operations.

Are there additional laws and regulations to comply with? Yes, Tables B-1 through B-5 above list the laws and regulations for compliance. Additionally, the Contracting Officer must place a note to file that the urgency of need for the item or service required GPC use (versus other, more time-consuming contracting methods), and the purchase had a clear and direct relationship to contingency or humanitarian aid operations. Prices must always be reasonable.

Are there any special requirements for CHs spending up to the micro-purchase threshold for contingency or humanitarian aid operations? Regular operating rules apply to purchases up to the micro-purchase threshold for contingency or humanitarian aid operations. However, during GPC reconciliation, the CH must ensure that all purchases made under a related emergency authority are paid with the appropriate supplemental funding.

Is there a preference for small business and local firms? Although there is no absolute requirement to purchase from small businesses, you should provide small businesses maximum practicable opportunity to participate in procurements related to contingency or humanitarian aid operations. Section 307 of the [Robert T. Stafford Disaster Relief and Emergency Assistance Act](#) establishes a preference, to the extent feasible and practicable, for contracting with local organizations, firms, etc., to clear debris, distribute supplies, undertake reconstruction, and conduct other major disaster or emergency assistance activities.

Is there a new dollar limitation for convenience checks? In the instance of a need for contingency or humanitarian aid operations, the OUSD(C) may authorize a temporary increase in the maximum purchase dollar limit for convenience checks, in support of the particular contingency or humanitarian aid operations.

Appendix C

Government Purchase Card Guide to Overseas (OCONUS) Shipments

Mandatory: As a GPC CH, you have the final responsibility to ensure the items you buy reach the warfighter they are intended to support. This appendix specifies the procedures you must follow and provides some simple tools to assist you when the item you buy requires overseas delivery.

Mandatory: When you receive a requirement for a GPC purchase that specifies overseas delivery, determine whether supplier-arranged commercial transportation will be used to ship the item to the final destination. The supplier will usually be able to tell you if they can commercially ship the item to the OCONUS destination. If commercial transportation will be used, execute the purchase.

Mandatory: If supplier-arranged commercial transportation cannot be used, you must provide the supplier with additional shipping instructions to allow for entry into the DoD organic distribution system. If these instructions have been provided to you with the requirement or are otherwise available, proceed with the purchase. If you need assistance with these instructions, contact your supporting transportation office to obtain these special shipping instructions.

In order for your supporting transportation office to be able to assist you, you will need to provide certain CH, transportation/delivery, and supplier information. Table C-1 is a worksheet that you should complete prior to visiting your supporting transportation office. Although not all of the information requested on the worksheet may be applicable to your purchase, having the required information will facilitate the movement process and ensure that the item reaches its intended destination.

For a shipment to be accepted into the DoD organic distribution system, the supplier will be required to prepare and apply a military shipping label (MSL). A bar-code-readable label is preferred, but some suppliers may not have that capability—in which case a manual label should be prepared. You will need to contact your supporting transportation office to obtain the required information the supplier will need to accomplish this.

The sections that follow Table C-1 provide the information that is required to properly prepare MSLs—both bar-code-readable and manual. The CH is responsible for providing this information to the supplier and ensuring that the CH's of-

Official files are documented with this information. This documentation is necessary in order to support possible disputed payments.

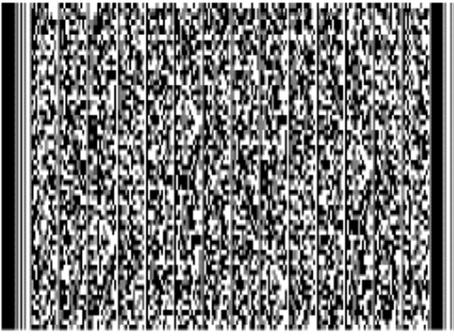
Table C-1. GPC OCONUS Shipping Information

GPC Cardholder Information	
Cardholder's Name	
Cardholder's Unit	
Building Number	
Base, Country, ZIP Code	
DSN Phone	
Commercial Phone	
DSN Fax	
Commercial Fax	
E-Mail Address	
Transportation Delivery Information	
In-the-Clear Delivery Address	
DoD Address Activity Code (DoDAAC) (if known)	
Nomenclature	
Stock Number(s) or Part Number(s) (if assigned)	
Special Handling Characteristics	
Estimated Number of Pieces	
Estimated Weight	
Estimated Dimensions (if any are over 6 feet)	
Required Delivery Date	
Transportation Account Code (if known)	
Transportation Control Number (TCN) or Document Number (if assigned)	
Project Code (if known)	
Supplier Information	
Supplier's Name	
Supplier's Street and Building Address	
Supplier's City, State, and ZIP Code	
Supplier's Phone Number	
Supplier's Fax Number	
Supplier's E-Mail Address (if known)	

TRANSPORTATION INFORMATION (BAR-CODE-READABLE MILITARY SHIPPING LABEL)

Figure C-1 is an example of an MSL with bar codes, showing the data elements that must be completed. The commercial supplier you are buying from will not know many of these, so you will have to seek assistance from your servicing transportation activity. (Also, consult with the supplier and your supporting ITO/TMO/SSA to determine if there are any special handling requirements for the material you are buying.) Each data element is described following Figure C-1.

Figure C-1. Sample MSL

TCN				SW81238350D001XXX			
							
From SW8123 In-the-clear Address 3 Lines Max, 35 Characters Per Line XXXXXXXXXX1XXXXXXXXXX2XXXXXXXXXX3XXXXX			TAC / Type Service / Postage SZZZ Frt LTL				
Piece 1 Of 1 		Weight (lb.) 7760 Cube (ft.) 385		Date Shipped 1090 Project 9BU		RDD 999 Priority 1	
Ship To / POE DOV		In-the-clear Address 5 Lines Max, 35 Characters Per Line Abcdefg Hijklmno Pqrstuv Wxyz Abcdefg Hijklmno Pqrstuv Wxyz XXXXXXXXXX1XXXXXXXXXX2XXXXXXXXXX3XXXXX					
POD RMS		MSL, Supply, & TCMD Data 					
FMS Case CKM							
DLA Data ABD77ZR Dest: 30D135 CD: Spur:							
W55XGJ 		Ultimate Consignee / Mark For Consignee Ultimate / Mark For Consignee Address 5 Lines Max, 35 Characters Per Line Abcdefg Hijklmno Pqrstuv Wxyz Abcdefg Hijklmno Pqrstuv Wxyz XXXXXXXXXX1XXXXXXXXXX2XXXXXXXXXX3XXXXX					

This 2D symbol contains data for the MSL, TCMD, and 10 supply line items.

Military Shipping Label Required Data

Mandatory: [DD Form 1387, Military Shipment Label](#), requires the following data.

Transportation Control Number (TCN): The TCN identifies the shipment within the Defense Transportation System and is *the* most important data element. Without it, the Defense Transportation System cannot recognize the shipment. The TCN is a 17-character alphanumeric with a distinct structure. For supplier shipments, you will need to work with the ITO/TMO/SSA to create a unique TCN(s) for your GPC purchase shipment.

From: This is the return shipping address of the supplier, suitable for return mail or return of the shipment if it cannot be delivered. (This information is supplier provided.)

Transportation Account Code (TAC)/Type Service/Postage: If you are using the Defense Transportation System to move the shipment overseas, the only data element you are concerned with is the TAC. This is a four-digit alphanumeric code that indicates the account to be charged for the Defense Transportation System transportation (airlift or sealift). The ITO/TMO/SSA will help identify the TAC to be used.

Piece _ of _: Your shipment may have multiple boxes. The label will state “1 of 3,” “2 of 3,” etc., so the Defense Transportation System will know when the shipment is complete. (This information is supplier provided.)

Weight: This is the weight of the package to which the label is affixed. (This information is supplier provided.)

Date Shipped: This may be left blank or provided by the supplier.

RDD (Required Delivery Date): This is the date (using our standard, Julian calendar) on which the user needs the item.

Cube: This is the actual size (volume) of the package. It is calculated using the length, width, and height or girth of the package. (This information is supplier provided.)

Project: Project codes are used to identify special programs and for tracking associated costs. Your organization or the TMO/ITO will determine if a project code applies to your requirement.

Ship-to POE (Point of Embarkation)/In-the-Clear Address: This is the address of the point where the item will enter the Defense Transportation System — or aerial port) from which cargo will depart. The ITO/TMO/SSA will provide the applicable POE information and codes to be used to initiate the shipment in the

Defense Transportation System. The code for the POE (Dover) and its physical address (Bldg XXX, Dover AFB, DE) where the shipment should be delivered for processing are entered here.

Priority: Transportation priority (TP) determines whether routine or expedited transportation service is authorized, and is defined by several factors. TP is reflected in the choice of mode—air or surface.

POD (Port of Debarkation): This is the OCONUS water or aerial node at which cargo will be discharged. It may or may not coincide with the destination. *Note: Onward movement may be required from the POD to the consignee, making address and delivery information critical.*

FMS (Foreign Military Sales) Case: Your shipment should not be associated with an FMS case. Leave this blank.

DLA Data: Because this is a supplier purchase, this block will not apply and should be left blank.

Ultimate Consignee: This is the organization to receive the shipment. It is identified by a DoD Activity Address Code (DoDAAC), the large bolt print with bar code to the left), and a clear text name and shipping address. DoDAACs can be found in the DoD Activity Address Directory (DoDAAD), available on the Internet. There are hundreds of thousands of DoDAACs, and they frequently change for units on the move or deployed during a contingency.

Advanced Transportation Control Movement Document Required Data

The Defense Transportation System nodes need to know that your shipment is coming to them. The Advanced Transportation Control Movement Document (ATCMD) is the method of transmitting this information. During the process of creating the label, the information from you, the ITO/TMO/SSA, and the supplier combine to create the ATCMD—no further information is needed. The supporting transportation service office will complete the ATCMD and transmit it accordingly. The paragraphs below describe the elements of the ATCMD.

Mode: The various modes used for movement are inland surface transportation, sea transport, and air transportation. Mode selection is driven by the RDD and the transportation priority. The ITO/TMO/SSA, in coordination with the GPC CH, will select the mode.

National Stock Number (NSN): The NSN uniquely identifies thousands of items bought and used by DoD. For GPC purchases from suppliers, you most likely will not have a NSN. However, for GPC purchases, the part number and/or nomenclature can be entered instead. The ITO/TMO/SSA will assist you in determining what to use, based on information you receive from the supplier.

Commodity Codes: These codes are used in military transportation circles to identify contents of shipments by category. There are numerous codes, depending on the mode and method, whether the shipment is hazardous or requires special handling, etc. The ITO/TMO/SSA will assist you in determining which codes apply to your purchase.

Special Handling Requirements: Consult with your ITO/TMO/SSA to determine if your purchase has any special handling requirements, including any foreign country entry requirements. *Note:* If the item is hazardous material, ensure the supplier is instructed to include material safety data sheets (MSDS) documentation with the shipment.

Dimensions: Dimensions are required to be identified only if any one dimension is more than 60 inches.

TRANSPORTATION INFORMATION (MANUAL MSL)

The data elements listed below are required to create a manual MSL and ATCMD documentation. Obtaining all of these data requires close coordination between the GPC CH, supplier, and supporting transportation office. This is the means of successfully integrating your GPC shipment with the Defense Transportation System. Consult with the supplier and your supporting ITO/TMO/SSA to determine if there are any special handling requirements.

MSL Required Data

Except as otherwise indicated, the elements below are the same as those described above as required data for bar-code-readable MSLs.

Block 1, TCN

Block 2, Postage Data/TAC

Block 3, From

Block 4, Type Service: For shipments entering Defense Transportation System, leave blank.

Block 5, Ship-to Address/POE

Block 6, TP

Block 7, POD

Block 8, Project Code

Block 9, Consignee

Block 10, Weight: For your shipment, the supplier will have to provide this information. Weight (whole pounds) and volume (whole cubic feet) of the shipment are important for load-planning purposes.

Block 11, RDD Cargo

Block 12, Cube

Block 13, Charges: Not applicable.

Block 14, Date Shipped: For your shipment, the supplier will have to provide this information.

Block 15, FMS Case Number: Complete if applicable.

Block 16, Pieces: For your shipment, the supplier will have to provide this information. A single shipment (TCN) can have multiple pieces. The piece number field on the labels for each should show “1 of 3,” “2 of 3,” etc.

Block 17, Total Pieces: See above. The piece number field on the labels for each should show “1 of 3,” “2 of 3,” etc.

ATCMD Required Data

Except as otherwise indicated, the ATCMD required data (i.e., mode, NSN, commodity codes, special handling requirements, and dimensions) for manual labels are the same as those described above for bar-code-readable MSLs.

FREQUENTLY ASKED QUESTIONS

Who pays for Defense Transportation System shipments? The supplier will charge your GPC account for moving the shipment to the first System interface point, but a separate source of funds is required to move it beyond that point to the final destination. You must have a funding source for the overseas movement of the shipment. This is accomplished through use of a funded TAC.

Will my shipment go by air? The Defense Transportation System moves only highest-priority shipments via air. This is due to the higher cost and limited availability of air, especially in contingency theaters. Just because you “want it fast” does not mean it is authorized to go by air. Your organization’s priority determines whether the shipment will go by air or surface.

Where should the supplier ship my purchase? Your ITO/TMO/SSA will tell you where the supplier should send your purchase for entry into the Defense Transportation System. This may be to a consolidation point, where many shipments are combined into ocean containers or airlift pallets; or directly to an Air

Mobility Command aerial port. The ITO/TMO/SSA will determine the proper entry point for your supplier shipment, based on System service to your destination.

What is the ATCMD? The ATCMD is an electronic record that is passed to the aerial port or seaport by the ITO/TMO/SSA, so the shipment can be processed without delay.

When is advanced notification required for my shipment to enter the Defense Transportation System? Advance notification is required when the shipment is coming from the supplier into an aerial or water port for entry into the System. The ATCMD is the tool that supports this process.

Are there special labeling and documentation requirements for a shipment to enter the Defense Transportation System? Yes. **Mandatory: Your shipment must be labeled and documented to military standards.** These are far different than those of the business world, particularly for military air shipments. Your ITO/TMO/SSA will provide you with labeling and documentation guidance to pass to the supplier.

What are the primary causes of GPC cargo becoming frustrated or delayed?

- ◆ Lack of a standard MSL
- ◆ An incomplete MSL
- ◆ Lack of MSDS
- ◆ Improper packaging and marking for hazardous material
- ◆ Lack of a TAC
- ◆ Lack of advance notification.

Where can I find more information on shipping GPC purchases? See the transportation links in the section below.

TRANSPORTATION LINKS

The [Defense Transportation Regulations](#) address GPC shipments in [Chapter 101](#), [Chapter 108](#), [Chapter 202](#), [Chapter 210](#), and [Chapter 512](#).

United States Transportation Command (US TRANSCOM):
<http://www.transcom.mil/>.

Surface Deployment and Distribution Command (SDDC): www.sddc.army.mil.

Air Force Material Command, Logistics Management Office:
<http://www.afmc.af.mil/index.asp>.

Defense Supply Center Columbus (DSCC) (Packing Specifications, Standards, and Manuals): <http://www.dsc.dla.mil/Offices/packaging/specstdslist.asp>.

Appendix D

Unique Business Rules for Travel Card Individually Billed Accounts

This chapter contains business rules unique to travel card IBA programs. For additional information, see [DoDFMR Volume 9, Chapter 3](#).

MANDATORY USE OF TRAVEL CARD

Mandatory: Use of the Government Travel Charge Card is mandated by law under the Travel and Transportation Reform Act of 1998. Exception for mandatory use can be found in the [DoDFMR Volume 9, Chapter 3](#).

PROCESSES

The following sections present summary-level overviews of processes unique to travel card IBA programs.

Payment Process

The following list depicts key aspects of the payment process.

- ◆ A Cardholder uses the travel card for official travel expenses in his/her performance of official travel.
- ◆ The CH returns from travel and prepares a travel voucher for reimbursement designating the total of his/her outstanding charges for the particular trip for split disbursement to the issuing bank. (Split disbursement is mandatory.)
 - The CH can obtain balance information in advance of receiving the monthly statement by accessing the issuing bank's EAS or by calling the issuing bank.
- ◆ Upon settlement, payment is made to the CH and/or issuing bank via split disbursements.
- ◆ The CH receives the monthly statement and verifies charges, submits disputes as needed, and ensures the balance is paid in full.

PROGRAM MANAGEMENT

A/OPCs provide program information, including GTCC delinquency reports, to their chain of command. **Mandatory: A/OPCs prepare and distribute delinquency notices to CHs and Supervisors as prescribed by [DoDFMR Volume 9, Chapter 3](#).**

Commanders and Supervisors review performance metrics and delinquency reports and take administrative or disciplinary actions as appropriate.

Senior management reviews performance metrics and determine additional actions or policy changes as required.

Refer to [DoDFMR Volume 9, Chapter 3](#), for additional program management information.

PERSONNEL

Defense Travel Management Office

The DTMO, the Travel Card Program Manager for DoD Components, awards and manages the GTCC DoD tailored task order. The DTMO provides guidance, policy, and overall management of the DoD GTCC program. The DTMO acts as a liaison to GSA, the travel card provider/contractor and DoD Component Heads/Component Program Managers (CPMs) on GTCC-related issues. The DTMO will meet regularly with the CPMs to discuss and make critical decisions concerning travel card administration throughout the DoD. The DTMO will also ensure that GTCC program training materials are made available throughout the Department.

Component Program Manager

The following roles and responsibilities are unique to travel card IBA CPMs:

- ◆ Serve as the Service/Agency functional representative with the DTMO.
- ◆ Coordinate with the issuing bank on performance issues.

Cardholder

Mandatory: With IBAs, the timely payment of the GTCC bill, including late fees, is the responsibility of the individual CH.

On a case-by-case basis, the Commander/Supervisor may approve designation of “mission-critical” status for a traveler. This designation is reflected on the individual’s travel orders and is reserved for personnel who must engage in mission-

critical travel that precludes them from filing travel vouchers. **Mandatory: While in this category, individual cards shall not be suspended or canceled. A/OPCs will notify the issuing bank of the designation and duration of the mission-critical status. Individuals have 45 days from removal of this status to remit their full balance due before the issuing bank may take action on their account.**

SPECIAL ISSUES

Training

Mandatory: Travel card A/OPCs should provide new CHs with an application packet that includes the DoD Statement of Understanding (SOU). CHs are required to read, sign, and return the SOU to the A/OPC.

Mandatory training requirements for CHs can be found in [DoDFMR Volume 9, Chapter 3](#). The online training modules are available at [TraX](#).

Mandatory Use of Travel Card

Mandatory: Use of the GTCC is mandated by law under the [Travel and Transportation Reform Act of 1998](#). Exception for mandatory use can be found in the [DoDFMR Volume 9, Chapter 3](#).

Salary Offsets

Refer to [DoDFMR Volume 9, Chapter 3](#), for salary offset information.

Creditworthiness

Mandatory: [OMB Circular A-123](#) requires Federal Agencies to assess the creditworthiness of all new GTCC applicants prior to issuing a travel card. New applicants can submit an application for a GTCC and must indicate on the form whether or not they agree to allow the card-issuing bank to conduct a credit check. If a credit check is agreed to, the employee must attain a minimum Fair Isaac Corporation (FICO) score of 660 to be issued a standard GTCC. Employees who decline a credit check or attain a FICO score between 500 and 659 will be issued a restricted GTCC. For applicants with a FICO score below 499, a GTCC will not be issued.

MANAGEMENT TIPS FOR TRAVEL CARD IBAS

1. Management personnel should consider appropriate disciplinary action in any case of delinquency or misuse.

-
2. A/OPCs should review pre-suspension, delinquency, and pre-cancellation reports monthly and address the status with the CH and Supervisor.
 3. **Mandatory: Management personnel should enforce the mandatory split disbursement policy.**
 4. APCs should review transaction activity for potential misuse.
 5. **Mandatory: CPMs should ensure CHs and A/OPCs receive required training.**
 6. CPMs and management personnel should ensure those chosen to be appointed as A/OPCs have the skills, abilities, and time to perform the responsibilities, particularly if the assignment is an additional duty.
 7. CPMs should ensure A/OPCs are regularly running and reviewing reporting tools identified in [DoDFMR Volume 9, Chapter 3](#) and available through the issuing bank's online system.

Appendix E

Unique Business Rules for Travel Card Centrally Billed Accounts (Other Than Defense Travel System)

PROCESSES

This chapter contains business rules unique to travel card CBA programs. For additional information, see [DoDFMR Volume 9, Chapter 3](#). Business rules for the use and reconciliation of CBAs are determined at the Component level.

General

The key aspects of CBAs are as follows:

- ◆ A CBA is a Government liability account.
- ◆ DoD uses two types of CBAs:
 - **Transportation accounts:** Card-less accounts for use in purchasing air, bus, and rail tickets.
 - **Unit cards:** Plastic charge cards for facilitating group travel arrangements. Unit cards may also be issued as a LOA rather than a physical card.
- ◆ The organization to which a CBA is issued is the Designated Billing Office (DBO).
- ◆ The DBO receives, reconciles, and certifies the CBA invoice for payment.
- ◆ The DBO may utilize the services of a contracted processing partner—a Commercial Travel Office (CTO)—to aid in reconciling the CBA invoice.
- ◆ The CTO makes travel arrangements for individuals based on approved travel orders.
- ◆ The CTO issues tickets to travelers who present approved travel orders and forwards the charges to the issuing bank.

-
- ◆ Unit cards may be used to purchase services directly from suppliers. The suppliers process the charges to the issuing bank, which produces an invoice containing all of the charges billed to the unit card during a cycle.
 - ◆ CBAs are billed on a 30-day cycle.

Setting up a CBA

Mandatory: CBAs require the approval of the CPM. Key steps in the approval process are as follows:

- ◆ The Activity/Agency identifies a requirement to the CPM that includes:
 - The purpose of the CBA;
 - The types of charges to be made;
 - Identification of Accountable Officials:
 - The APC or Account Manager and/or unit CHs, and
 - The AO;
 - The payment and reconciliation process that will be used for the account;
 - The Reviewing Official to certify the invoice for payment.
- ◆ CPMs must:
 - Evaluate each request and render a determination.
 - If approved, establish the required hierarchy.
 - Notify the issuing bank to open the CBA.
 - Monitor the CBA using reports.

If an A/OPC/Account Manager is to replace an existing official, a new account does not have to be opened for a transportation account. The CPM will ensure the account is updated with the new A/OPC/Account Manager information. A unit card issued to an individual must be canceled, and a new account established, upon transfer of the A/OPC/Account Manager.

ROs may serve as both AOs and ROs for transportation accounts. Unit card transactions may require the certification of two individuals: an AO and an RO.

ROs must be appointed by the issuance of a Letter of Appointment, but the signature card is required only if the RO is acting in the capacity of a Certifying Officer. The revised [DD Form 577](#) may be used.

Mandatory: When the A/OPC/Account Manager is transferred, the CPM must ensure unit card accounts are canceled when necessary. New accounts may be required upon the establishment of a new CTO contract.

Authority for Travel

Mandatory: Purchases made on CBAs must be supported by competent authority.

CBA Invoicing

The issuing bank forwards an invoice to the A/OPC/Account Manager, showing all of the charges billed to the CBA monthly. A record of all aspects of the invoicing process should be maintained to ensure prompt payment to the contractor and compliance with [Prompt Payment Act](#) guidelines. Key aspects of the invoicing process that should be tracked are listed below.

- ◆ The DBO maintains a log to show the:
 - CBA invoice date,
 - Received date of the paper copy of the invoice,
 - Received date of the electronic invoice file from the CTO,
 - Mailing date of the invoice payment package to the Designated Payment Office (DPO),
 - Disbursement date, and
 - Other events that could affect timely payment.
- ◆ In addition to the CBA invoice, the contractor may issue CBA billing statements to unit CHs who have been issued a transacting account under an A/OPC's/Account Manager's central account. Charges reported on a billing statement roll up to a CBA invoice under the central account number.

Reconciling the CBA Invoice

The list below depicts the key steps in reconciling a CBA invoice.

- ◆ The A/OPC/Account Manager receives the CBA invoice and:

-
- Matches each charge on the invoice to the applicable travel orders (or other authorization documentation) and to the receipt showing the item/service purchased.
 - Verifies the adequacy of the authorization documentation:
 - A signed copy of the travel order,
 - A legible ticket itinerary/receipt, and
 - The authority for premium travel.
 - Determines the disposition of unmatched charges.
 - Identifies and applies credits for unused airline tickets or over-billings back to the originally charged LOA.
 - Prepares the required disbursement voucher (i.e., Standard Form [SF] 1034, [“Public Voucher for Purchases and Services Other Than Personal”](#)).
 - Obtains the appropriate certifications per [DoDFMR Volume 5, Chapter 33](#).

The CPM will ensure local procedures are developed and followed for reconciling CBAs and will ensure special handling of CBA unit cards that involve multiple transaction accounts under one central account number.

The A/OPC/Account Manager should not wait until the end of the cycle to accomplish the reconciliation. The A/OPC/Account Manager may use his/her statements via the issuing bank’s EAS to facilitate reconciliation. Frequent review of the transactions by the A/OPC/Account Manager should help to eliminate disputes at the end of the cycle, as it will allow merchants time to apply credits for improper charges.

The AO or RO is responsible for a second-level review, ensuring all supporting documentation is maintained, and invoice approval.

Disputing a Charge

When an A/OPC/Account Manager is unable to resolve a disputed charge with a merchant, it is his/her responsibility to initiate a dispute with the issuing bank. Dispute procedures are described in the issuing bank’s guide. The following list depicts key actions of the process for disputing a charge.

- ◆ Initiate the dispute by submitting a dispute form to the issuing bank within 60 days of the statement date.

- ◆ Maintain a record of the dispute for tracking purposes.
- ◆ Respond to issuing bank requests for additional information.

Certifying

Mandatory: The RO will comply with the certification requirement outlined in [DoDFMR Volume 5, Chapter 33](#).

Mandatory: The AO, in conjunction with the A/OPC/Account Manager and the RO (if different from the AO), are responsible for ensuring that all transactions are legal, proper, and correct. When the AO is also the RO, he/she must certify invoices for payment. The key actions of the process for reconciling and certifying by the AO or RO are listed below.

- ◆ Review transactions to ensure they are legal, proper, and correct.
 - If so, sign the “certified for payment” block on the SF 1034.
 - If not, return to the A/OPC/Account Manager for corrective action.

Mandatory: When the AO is also the RO, he/she has pecuniary liability for an illegal, improper, or incorrect transaction.

Paying Issuing Bank Invoices

The payment offices will rely on the Certifying Officer to ensure the validity, legality, and accuracy of payment forwarded as certified. The DBO will ensure certified CBA invoice payment packages undergo pre-validation in accordance with DFAS operating procedures to ensure the availability of funding. The DPO also will ensure that a DD Form 577 [“Appointment/Termination Record—Authorized Signature”](#) is on file and verified for all certifiers. Payments will be made as specified by the Certifying Officer.

Records Retention

AOs or Certifying Officers in the DBO shall ensure that proper audit trails are built, documentation is available to support all charges and payment on a CBA, and that documentation is retained for the statutory period prescribed in [DoDFMR Volume 5, Chapter 21](#).

Mandatory: The following minimum documentation shall be retained for the statutory period of six years and three months:

- ◆ Travel orders or other authorization documents setting up the requirement for travel.

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- ◆ Ticket/itinerary or paper receipts describing the merchandise/service purchased.
 - ◆ Issuing bank invoices showing itemized charges paid by the issuing bank and annotated to show the charges that were matched and paid and the charges that were disputed (includes spreadsheet documents, which show such matching).
 - ◆ Dispute form(s) and other documentation that identifies actions taken to clear and/or follow up on a disputed charge.
 - ◆ Certification statements.
 - ◆ Any documentation that adds audit value to the transactions, such as spreadsheets used in the reconciliation process to identify charges that are verified proper for payment from those being disputed, justification for premium travel, one-time authorization for cash, etc.

Closing/Canceling Unit Card Accounts

Mandatory: When an A/OPC/Account Manager and/or CH separates from his/her organization, retires, or becomes deceased, his/her account must be closed.

Mandatory: The CBA A/OPC must notify the CPM, who updates his/her records system of component CBAs and notifies the issuing bank to close the account. Online closure of CBA central accounts is not available to DoD.

PROGRAM MANAGEMENT

The responsibility for the establishment of the CBAs rests with the CPMs of each Component. The CPMs are responsible for reducing/increasing CBA credit limits and managing the opening and closing of CBAs.

Required Management Controls

Mandatory: Management must maintain appropriate separation of duties between CBA travel card officials. For example, AOs will not be CHs within the same billing account; Property Book Officers or equivalents will not be CHs with authority to purchase accountable items; and Resource or Budget Managers will not be CHs or AOs with responsibility for executing their own funds.

PERSONNEL

Roles and Responsibilities

For travel card centrally billed unit cards, separating the roles of the CBA A/OPC or Account Manager and/or unit card CHs from the role of the AO or RO is an important management control.

The following roles and responsibilities are unique to travel card CBAs.

AGENCY PROGRAM COORDINATOR

The roles and responsibilities of the A/OPC are to:

- ◆ Manage the CH and AO profiles and close accounts using the issuing bank's automated tool.
- ◆ Maintain a current list of all CHs and AOs under the A/OPC's jurisdiction.

COMPONENT PROGRAM MANAGER

The roles and responsibilities of the CPM are to:

- ◆ Serve as the Service's/Agency's functional representative.
- ◆ Coordinate with the issuing bank on performance issues.

APPROVING OFFICIAL

The key roles and responsibilities of the AO or RO may include some or all of the following:

- ◆ Certify the issuing bank or CTO invoices and submit them through DFAS to ensure timely payment.
- ◆ Certify payments to be legal, proper, and correct.
- ◆ Complete initial and refresher training in accordance with DoD Component requirements.
- ◆ Ensure each CH fulfills his/her responsibilities.
- ◆ Review and approve CH statements.
- ◆ Ensure all transactions for CHs are legal, proper, correct, and mission essential in accordance with Government rules and regulations.
- ◆ Recommend dollar limits for CHs.

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- ◆ Ensure monthly billing account accuracy.
 - ◆ Retain copies of monthly invoices.
 - ◆ Maintain all original documentation during responsible personnel turnover.
 - ◆ Notify the A/OPC of the requirement to close accounts as necessary due to personnel turnover.
 - ◆ Ensure continuity of records when transitioning out of AO responsibilities.
 - ◆ Ensure CHs notify the issuing bank of lost or stolen cards.
 - ◆ Resolve questionable purchases with CHs.
 - ◆ Take corrective action upon discovery of improprieties, to include, as appropriate, involving Personnel and Readiness, Inspector General, and Legal representatives, as well as the A/OPC and HA.
 - ◆ Maintain official invoice documentation.
 - ◆ Notify the A/OPC of any suspicious transaction activity. (It is presumed that the AO is not equipped to determine whether an investigation should be initiated and/or disciplinary actions are needed.)
 - ◆ Ensure no duplicate payments are made.

REVIEWING OFFICIAL

The key roles and responsibilities of the RO may include some or all of the following:

- ◆ Complete initial and refresher training in accordance with DoD Component instruction.
- ◆ Ensure no duplicate payments are made.
- ◆ Ensure accurate payments, including the use of proper funds, accounting citation, and application of credits for unused airline tickets or overbillings, are made.
- ◆ Report suspected improper payments, including improper travel claims for airline tickets purchased by individual travelers.
- ◆ Take appropriate corrective, administrative, and disciplinary actions to address improper, fraudulent, or abusive use of cards.
- ◆ Address questionable purchases with program officials.

SPECIAL ISSUES

Automated Teller Machine Cash Withdrawals

Automated Teller Machine (ATM) cash withdrawals are not authorized except under extenuating circumstances. Individuals who require the use of ATM withdrawals to perform their missions shall provide written requests, explaining the need for such usage, through their command to the cognizant CPM.

MANAGEMENT TIPS FOR TRAVEL CARD CBAs

1. Ensure the CBA is approved by the CPM when established.
2. Ensure AOs and Certifying Officers are appointed in writing.
3. Follow up with the issuing bank if invoices (both paper and electronic invoice files) are not received in a timely manner, and report non-receipt to the CPM.
4. Reconcile charges on the statement to approved travel orders or other authorization documents and receipts showing the item/service purchased.
5. Dispute unmatched charges and track the resolution of disputes.
6. Limit unit cards to only group travel requirements.
7. Do not use cash on unit cards unless it has been approved by the CPM.
8. Ensure agency guidelines are developed for controlling cash when authorized on a unit card.
9. Review transactions for potential misuse.
10. Take appropriate administrative or disciplinary action when misuse is identified.

Appendix F

Unique Business Rules for Air Card® Programs

BACKGROUND INFORMATION

This chapter contains business rules unique to the Aviation Into-Plane Reimbursement (AIR) Card® program. *Please note: AIR Card® is a trademarked acronym reference owned by DLA Energy and therefore should always be capitalized, with the trademark ® symbol.* Until formal approval and publication as DoDM 4140.25-M, Volume 3, the current version of DoDM 4140.25, Volume II, Chapter 16, will be recognized in title as DLA Energy-I-5, Fuel Card Program. DLA Energy I-5, Fuel Card Program, is interim policy until the final approval and publication as DoDM 4140.25-M, Volume 3, and therefore remains mandatory and may be located at <https://us.army.mil/suite/page/656231>.

PROCESSES

The following sections present summary-level overviews of key processes unique to the AIR Card® program. All documentation, such as policies, procedures, training, or enrollment regarding the AIR Card® program, is now posted on the Defense Knowledge On-Line (DKO) Web site. Enrollment on the DKO Web site is required for secure access. Follow these steps to enroll:

- ◆ Go to <https://www.us.army.mil>.
- ◆ Click on “Register with a CAC.”
- ◆ When prompted, enter your PIN or select your certificate.

Note: You will need to have your CAC inserted into a CAC reader to register for an account. Also, you will be required to enter your SSN and date of birth (DOB) to validate your user information. If this information is not provided, AKO/DKO and Defense Manpower Data Center will not be able to validate credentials; therefore no account will be issued. DMDC is the authoritative database for non-Army, DoD military, and Government civilians. A working agreement with DMDC allows AKO/DKO to positively validate users before they are given a new DKO account.

Eligible Account Types in DKO are: Active Air Force, Air National Guard, Air Force Reserve, Air Force Civilian, Active Navy, Navy Reserve, Navy Civilian, Active Marine Corps, Marine Corps Reserve, Marine Corps Civilian, DoD Civilian, Active Coast Guard, Coast Guard Reserve, Coast Guard Civilian, and Public Health Service. Agencies not listed should contact their Account Manager at the

Government Fuel Card Program Management Office or their respective Component Program Manager for further information.

Establishing an Account

Accounts are established through the Service or Agency CPM. See “[Service Points of Contact](#)” for CPMs. For non-DoD customers, contact DLA Energy for the applicable points of contact. To establish an account, you will need to provide the following information:

- ◆ Unit/wing/squadron name
- ◆ Home station information
- ◆ Mailing address for unit/wing/squadron
- ◆ Mailing address for invoices
- ◆ Unit/wing/squadron point of contact
- ◆ Commercial phone and fax numbers, and e-mail address
- ◆ Billable DoDAAC
- ◆ Aircraft tail number/bureau number (BUNO)
- ◆ Type/model/series for each aircraft
- ◆ Fund code
- ◆ Signal code
- ◆ Accounting data required for Service legacy system obligations.

Additional information on establishing an account can be found at:

- ◆ DLA Energy main page, <http://www.energy.dla.mil/>
- ◆ GFCPMO main page, <https://www.us.army.mil/suite/page/655703>
- ◆ AIR Card® main page, <https://www.us.army.mil/suite/page/655719>.

Establishing a User Account

AOs must complete the AO Nomination/Enrollment form, [DD Form 577](#). Training requirements must be completed before a request can be processed. The AO Nomination form and the completed AO training certificate are to be faxed to 703-767-8746 or e-mailed to AIRCard@dla.mil. The required AO information may be found at <https://www.us.army.mil/suite/page/655719>.

The DLA Energy Account Manager will forward your information to the card contractor to setup an AIR Card® online account. The online system is where all card requests shall be completed.

Canceling an AIR Card®

To cancel an AIR Card®, contact your respective Service CPM and provide the following information:

- ◆ DoDAAC
- ◆ Aircraft tail number/bureau number
- ◆ Unit/wing/squadron
- ◆ AIR Card® account number.

After contacting your Service CPM, cut up and discard the canceled card.

Aircraft Transfers

The AIR Card® is assigned to specific aircraft (except for special “any aircraft” cards). Therefore, the card must stay with the aircraft. The transferring unit AO, as delegated by the CPM, is responsible for notifying the AIR Card® contractor to provide the gaining DoDAAC’s information (see “Establishing an Account” above). Invoices and subsequent Military Standard Billing System (MILSBILS) will continue to be sent to the transferring unit until the AIR Card® contractor is notified otherwise.

Split Billing Process

Split billing is utilized as a means of centrally billing the “fuel” portion of your invoice. Both DLA Energy contract and non-contract fuel purchases are separated from non-fuel ancillary ground services by the AIR Card® provider. Fuel invoices are then electronically forwarded to DFAS Columbus for payment out of the Defense Working Capital Fund. The remaining non-fuel purchases are “split” off and billed directly to the home station payment office by the card processor. The invoice is forwarded to the AO assigned to each unit to be certified and then for-

warded to the appropriate DFAS Payment Office (e.g., Operating Location—or OPLOC) for payment in accordance with the [Prompt Payment Act](#).

Fuels Automated System and the FAS Enterprise System

The Fuels Automated System (FAS), a component of Business Systems Modernization – Energy, is a vertically integrated, automated information system consisting of base-level components and enterprise-level systems providing visibility of bulk fuel assets and fuel transactions to the Services and DLA Energy. The FAS Enterprise Server (FES) is a closed-loop reporting system, providing a Web-based environment that collects, routes, and reports fuel transactions among bases, contractors, DLA Energy, DFAS, and other entities. These systems facilitate standard unit pricing and requirements analysis.

In the near future, BSM-E will be replaced by DLA Enterprise Business System (EBS) under the Energy Convergence (EC) Program. The current cut-over timeframe for all fuel card programs is early FY 2013. EBS will replace the functionality currently provided FES.

Challenge and Review Process

- ◆ **Discrepancy between Receipt and Invoice:** See Aviation Into-Plane Reimbursement (AIR) Card® Dispute Procedures, DLA Energy Policy, P-13 or <https://us.army.mil/suite/page/656231>.
- ◆ **No Invoice Received:** If an Activity receives a past-due notice but did not receive the original invoice in question, a copy of the invoice in question should be requested from the AIR Card® contractor for resolution.
- ◆ **Fraudulent Invoices:** See DLA Energy-I-5, <https://us.army.mil/suite/page/656231>. Suspected fraudulent activity also may be reported to DLA Energy by calling your Account Manager or 1-800-2-TOPOFF, menu #3 or 1-877-DLA-CALL (877-352-2255), menu Credit Cards.

PROGRAM MANAGEMENT

See DLA Energy-I-5, <https://us.army.mil/suite/page/656231>.

Management Controls

See DLA Energy-I-5, <https://us.army.mil/suite/page/656231>.

PERSONNEL

Roles and Responsibilities

Mandatory: Specific roles and responsibilities for all program levels (i.e., from DLA Energy to the CH) specific to the AIR Card® program may be found in DLA Energy-I-5, <https://us.army.mil/suite/page/656231>.

SERVICE POINTS OF CONTACT (COMPONENT PROGRAM MANAGER)

- ◆ **Navy:** Department of Navy (DON) Consolidated Card Program Management Division, <http://www.navsup.navy.mil/ccpmd>.
- ◆ **Marines:** DON Consolidated Card Program Management Division, www.navsup.navy.mil/ccpmd.
- ◆ **Army:** Army G-4, <https://www.us.army.mil/suite/page/1558740>.
- ◆ **Air Force:** AIR FORCE – AF/A3O/AOR, <http://www.afpa.af.mil>.

ACCOUNTABLE OFFICIAL

Mandatory: All AIR Card® AOs must complete required training prior to assuming this responsibility. This training can be found at <https://www.usarmy.mil/suite/page/655719>.

Training

AIR Card® A/OPCs should track the training (including refresher training) of all program participants in a system of records and ensure that the required training has been completed before issuing cards.

SPECIAL ISSUES

Use of AIR Cards®; Contract Purchases and Supplier Discounts; Misuse and Gratuities; Standard Pricing; Taxes (Exemptions, Refunds, and Filing); Alternatives to AIR Cards®: See DLA Energy-I-5, <https://us.army.mil/suite/page/656231>.

AIR CARD® MANAGEMENT TIPS

1. Ensure correct billing information (e.g., DoDAAC and LOA) is presented when establishing an account.
2. Ensure aircrews are aware of correct AIR Card® use procedures (e.g., see “[Special Issues](#)” section above).

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3. Utilize DLA Energy contract locations wherever available. These refueling contractors accept the AIR Card® worldwide and offer favorable negotiated prices and military-standard-quality fuel.
 4. Upon learning that an aircraft will be transferred to another unit, ensure the AIR Card® contractor is notified immediately to avoid incorrect billing.
 5. Check the “authorized products” list and train aircrew members on proper use of the AIR Card®. Inappropriate charges, such as hotel accommodations, car rentals, and catering, are not authorized AIR Card® purchases and should be paid for with a personal Government travel card.

Appendix G

Unique Business Rules for Fleet Card Programs

BACKGROUND INFORMATION

This chapter contains business rules unique to the DoD Fleet Card program. Until formal approval and publication as DoD 4140.25-M, Volume 3, the current version of DoDM 4140.25, Volume II, Chapter 16, will be recognized in title as DLA Energy-I-5, Fuel Card Program. DLA Energy-I-5, Fuel Card Program, is interim policy until the final approval and publication as DoDM 4140.25-M, Volume 3, and therefore remains mandatory and may be located at <https://us.army.mil/suite/page/656231>.

PROCESSES

The following sections present summary-level overviews of key processes unique to the DoD Fleet Card program. All documentation, such as policies, procedures, training, or enrollment regarding the Fleet Card program, is now posted on the Defense Knowledge On-Line (DKO) Web site. Enrollment on the DKO Web site is required for secure access. Follow these steps to enroll:

- ◆ Go to <https://www.us.army.mil>.
- ◆ Click on “Register with a CAC.”
- ◆ When prompted, enter your PIN or select your certificate.

Note: You will need to have your CAC inserted into a CAC reader to register for an account. Also, you will be required to enter your SSN and date of birth (DOB) to validate your user information. If this information is not provided, AKO/DKO and Defense Manpower Data Center will not be able to validate credentials; therefore no account will be issued. DMDC is the authoritative database for non-Army, DoD military, and Government civilians. A working agreement with DMDC allows AKO/DKO to positively validate users before they are given a new DKO account.

Eligible Account Types in DKO are: Active Air Force, Air National Guard, Air Force Reserve, Air Force Civilian, Active Navy, Navy Reserve, Navy Civilian, Active Marine Corps, Marine Corps Reserve, Marine Corps Civilian, DoD Civilian, Active Coast Guard, Coast Guard Reserve, Coast Guard Civilian, and Public Health Service. Agencies not listed should contact their Account Manager at the

Government Fuel Card Program Management Office or their respective Component Program Manager for further information.

Establishing an Account

Accounts are established through the DLA Energy Government Fuel Card Program Management Office by completing the Account Set Up forms located at <https://www.us.army.mil/suite/page/655703> and e-mailing them to DoDFleetCard@dla.mil or faxing them to 703-767-8746. Account setups will be coordinated with the applicable Service CPM. See “[Service Points of Contact \(CPMs\)](#)” for CPMs.

The Account Set Up form consists of three parts: Account Set Up, Vehicle/Card Set Up, and Driver PIN forms. All information is required in order for an account to be established.

- ◆ The Account Set Up form requests the account, embossing, card shipping, billing, and hierarchy information. It includes a customer agreement portion to be signed by the AO.
- ◆ The Vehicle/Card Set Up form requests card and card shipping information and gives the opportunity to establish the card profiles.
- ◆ The Driver PIN form requires the card information and provides the ability to create a six-character PIN.

To establish an account, you will need to provide the following information:

- ◆ Name of Service
- ◆ AO Point of Contact Name, commercial phone and fax numbers, and e-mail address
- ◆ Billable DoDAAC
- ◆ Accounting data required for Service legacy system obligations (ORG/UIC/APC)
- ◆ Signal code
- ◆ Fund code
- ◆ Certifying Officer name, commercial phone and fax number, and email address
- ◆ Agency/Activity hierarchy information

- HL2: Branch of Service/Agency Name
- HL3: Point of Contact for Major Command, Region/District, Reserve Component, Agency
- HL4: Intermediate Command/Base/Agency
- HL5: Installation/Org Level
- HL6: AO Unit.

Accountable Officials must complete the enrollment form, Nomination of Accountable Official, [DD Form 577](#), and required AO training before appointment may be made. The [DD Form 577](#) and completed training certificate are to be e-mailed to DoDFleetCard@dla.mil or faxed to 703-767-8746.

Additional information on establishing an account can be found at:

- ◆ DLA Energy main page, <http://www.energy.dla.mil/>
- ◆ GFCPMO main page, <https://www.us.army.mil/suite/page/655703>.
- ◆ DoD Fleet Card main page, <https://www.us.army.mil/suite/page/655720>.

Replacement DoD Fleet Cards

To obtain a replacement DoD Fleet Card due to a card being damaged, lost, or stolen, contact your respective Service CPM and provide the following information:

- ◆ POC
- ◆ DoDAAC
- ◆ DoD Fleet Card account/card number.

Cancelling a DoD Fleet Card

To cancel a DoD Fleet Card, contact your respective Service CPM and provide the following information:

- ◆ POC
- ◆ DoDAAC
- ◆ DoD Fleet Card account/card number.

After contacting your Service CPM, write a memorandum of destruction and cut up and discard the cancelled card.

Split Billing Process

Split billing is a means of centrally billing the “fuel” portion of your invoice. For the fuel portion, DLA Energy, San Antonio, is the certifying office, and DFAS Columbus is the paying office. For the non-fuel portion, each incurring unit is the certifying office, and the appropriate DFAS office for the unit is the paying office. Individual units should continue processing the non-fuel portion of their invoice from the DoD Fleet Card contractor through their established channels. All units are encouraged to enroll in the WAWF system for promptly paying non-fuel invoices.

Fuels Enterprise System (FES)/Business Systems Modernization – Energy (BSM-E)

The Fuels Enterprise System (FES), a component of Business Systems Modernization – Energy, is a verification system consisting of base-level components and enterprise-level systems providing visibility of bulk fuel assets and fuel transactions to the Services and DLA Energy. FES is a closed-loop reporting system, providing a Web-based environment that collects, routes, and reports fuel transactions among bases, contractors, DLA Energy, DFAS, and other entities. It acts as the DLA Energy data warehouse that stores fuel transactions purchased by the DoD Fleet Card. This system facilitates standard unit pricing, requirements analysis, and inter-fund billing. DoD Fleet Card fuel purchases are passed to FES by the DoD Fleet Card contractor. Transactions are rolled up by DoDAAC/sub-account, and a document number is assigned and standard price applied for inter-fund billing. The transaction information is passed to DFAS for payment and subsequently billed to the customer.

In the near future, BSM-E will be replaced by DLA Enterprise Business System (EBS) under the Energy Convergence (EC) Program. The current cut-over timeframe for all fuel card programs is early FY 2013. EBS will replace the functionality currently provided FES.

Challenge and Review Process

- ◆ **Discrepancy between Receipt and Invoice:** If a transaction is being disputed, the Activity should contact the DoD Fleet Card provider within 60 days of the billing/invoice date of the transaction. Copy of the receipt or affidavit of the disputed transaction should be provided to the DoD Fleet Card provider. The Activity is responsible to pay the amount not in dis-

pute. If the issue is not resolved between the Activity and the DoD Fleet Card provider, it should be raised to the Service CPM.

- ◆ **No Invoice Received:** If an Activity receives a past-due notice but did not receive the original invoice in question, a copy of the invoice in question should be requested from the DoD Fleet Card contractor for resolution. Note: All non-fuel invoices are electronic and obtainable from the DoD Fleet Card contractor's Web site at <https://go.wexonline.com/online/>. Invoices are posted to the DoD Fleet Card account on the first business day of each month.
- ◆ **Fraudulent Invoices:** If an Activity receives a bill for services not received, the DoD Fleet Card contractor should be contacted for confirmation of the invoice, and then the Unit's Service CPM should be contacted regarding potential fraudulent activity. Suspected fraudulent activity also may be directly reported to DLA Energy-K, the Government Fuel Card Program Management Office (e-mail: DoDFleetCard@dla.mil).
- ◆ **Lost/Stolen Cards:** Lost/stolen cards should be reported to DoD Fleet Card contractor's customer service desk immediately at 1-877-939-4872, to the Unit's Service CPM, or to DLA Energy-K, the Government Fuel Card Program Management Office.

PROGRAM MANAGEMENT

DLA Energy is the DoD-level Program Manager for DoD Fuel Card programs. See DLA Energy-I-5, <https://us.army.mil/suite/page/656231>, for DLA Energy program implementation and flow-down of required roles and responsibilities or for additional information.

Management Controls

- ◆ Purchase limits shall be reflective of mission need (e.g., anticipated driving requirements and size of equipment to be fueled).
- ◆ Merchant Category Codes shall be limited to authorized merchants. Restriction codes apply to the card. A card may be issued as fuel only.
- ◆ AOs shall be appointed in writing and must complete AO training as identified below. AOs shall not be card users.
- ◆ Service CPMs (or delegates) must approve all new card requests.
- ◆ Delinquency management controls shall be implemented. For DLA Energy, MILSBILS arrearages shall be monitored/managed.

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- ◆ Accounts will be managed for inactive cards. AOs will be notified when cards are inactive at 181 days, will receive suspension notification at 300 days, and automatic termination of inactive cards at 365 days, in order to mitigate potential contingent liabilities.

PERSONNEL

Roles and Responsibilities

Specific roles and responsibilities for all program levels (i.e., from DLA Energy to the CH) specific to DoD Fleet Card programs may be found at DoD Fleet Card <https://www.us.army.mil/suite/page/655720>.

SERVICE POINTS OF CONTACT (COMPONENT PROGRAM MANAGERS)

- ◆ Navy: Department of the Navy (DON) Consolidated Card Program Management Division, <http://www.navsup.navy.mil/ccpmd>; e-mail: Fleet_Card@navy.mil.
- ◆ Marines: DON Consolidated Card Program Management Division, <http://www.navsup.navy.mil/ccpmd>; e-mail: Fleet_Card@navy.mil.
- ◆ Army: Headquarters, Department of the Army, G4, <https://www.us.army.mil/suite/page/1558740>; e-mail: DA-FuelCard@hqda.army.mil.
- ◆ Air Force: Vehicle, Equipment, and Maintenance Support Office (VEMSO), <http://www.afpa.af.mil>; e-mail: afelm.vemso@langley.af.mil.

ACCOUNTABLE OFFICIAL

All DoD Fleet Card AOs must complete required training prior to assuming this responsibility. This training can be found at the DoD Fleet Card Web site, <https://www.us.army.mil/suite/page/655720>

Training

DoD Fleet Card A/OPCs should track the training (including refresher training, at a minimum, every three years) of all program participants in a system of records and ensure the required training has been completed before issuing cards. Monthly webinar training sessions are provided by the DoD Fleet Card contractor on the third Thursday of each month for training on their Web-based system. Information on the training schedule may be found at the DoD Fleet Card Web site, <https://www.us.army.mil/suite/page/655720>.

SPECIAL ISSUES

Use of DoD Fleet Cards

See DLA Energy-I-5, <https://us.army.mil/suite/page/656231>.

Contract Purchases and Supplier Discounts

DLA Energy does not have contracts with commercial service stations. However, DLA Energy has agreements with merchants to offer price discounts when the DoD Fleet Card is used with the applicable merchant. A list of these merchants is posted and periodically updated at <https://www.us.army.mil/suite/page/655703>. Note that these discounts apply to fuel charges only. DLA Energy will continue to engage merchants to expand the list of those that offer price and/or quantity discounts when a Government DoD Fleet Card is used.

Misuse and Gratuities

[Executive Order 12731](#) of 17 October 1990, titled “Principals of Ethical Conduct for Government Officers and Employees,” clearly identifies the standards of conduct expected of DoD Fleet Card users. Card users are considered Government procurement officials in that they order the fuel and other supplies and commit the Government to purchase those items. As such, they shall not misuse the card nor accept gratuities, and they must use the card as authorized for official use only. To report any suspected fraud, waste, or improprieties, call 1-877-DLA-CALL (352-2255). Further information may be obtained from DLA Energy-I-5, <https://us.army.mil/suite/page/656231>.

Standard Pricing

See DLA Energy-I-5, <https://us.army.mil/suite/page/656231>.

Taxes (Exemptions, Refunds, and Filing)

See DLA Energy-I-5, <https://us.army.mil/suite/page/656231>.

Alternatives to DoD Fleet Cards

See DLA Energy-I-5, <https://us.army.mil/suite/page/656231>.

DOD FLEET CARD MANAGEMENT TIPS

1. Ensure correct billing information (e.g., DoDAAC and LOA) is presented when establishing an account.
2. Ensure DoD Fleet Card users understand proper procedures (e.g., see the [“Misuse and Gratuities”](#) section above).
3. Ensure the DoD Fleet Card contractor is notified immediately upon learning that a card is lost or no longer required.
4. Do not share the PIN number associated with each individual DoD Fleet Card.
5. Monitor accounts for inactive cards. Cancel inactive accounts.
6. Monitor delinquencies to avoid account suspension.

Appendix H

Unique Business Rules for Swipe SEA Card®

BACKGROUND INFORMATION

This chapter contains business rules unique to the DoD Swipe SEA Card® program. Until formal approval and publication as DoDM 4140.25-M, Volume 3, the current version of DoDM 4140.25, Volume II, Chapter 16, will be recognized in title as DLA Energy-I-5, Fuel Card Program. DLA Energy-I-5, Fuel Card Program, is interim policy until the final approval and publication as DoDM 4140.25-M, Volume 3, and therefore remains mandatory and may be located at <https://us.army.mil/suite/page/656231>. *Please note: SEA Card® is a trademarked acronym reference owned by DLA Energy and therefore should always be capitalized, with the trademark ® symbol.*

There are two unique SEA Card® programs. The original SEA Card® program began as the Ships' Bunkers Easy Acquisition (SEA Card®) Order Management System, known as DoD-SCOMS®, which is an electronic order, receipt, and invoice system that allows Military Services, U.S. Coast Guard, and authorized Federal Agency vessels to purchase fuel from commercial ship refueling merchants at more than 2,700 ports worldwide. Fuel orders can be directly placed to DLA Energy bunker contract suppliers, or if a port does not have a bunker contract in place, the vessel can place an order through a competitive-quote, open-market "spot buy" process. Open market orders are awarded to the lowest price, technically acceptable offer based on quotes received from registered merchants. Delivery receipt data and fuel invoices are reviewed and approved by Accountable Officials in real time. DoD-SCOMS® is not a charge card program and therefore not covered in this charge card guidance.

The second SEA Card® program, referred to as Swipe SEA Card® is a task order under the GSA SmartPay2® charge card program that enables small vessels to "gas and go" at smaller ports and marinas in accordance with [DFARS 213.306](#). The Swipe SEA Card® is a "fuel only" charge card and is *not* authorized for maintenance, supplies or services. DLA Energy is conducting a pilot, beginning late 2011, with the Army, Navy, and Coast Guard as a proof of concept. A full roll-out of the program is expected by mid-2012, with additional Federal Agencies participating. This appendix addresses only the Swipe SEA Card®.

PROCESSES

The following sections present summary-level overviews of key processes unique to the Swipe SEA Card® program. All documentation, such as policies, procedures, training, or enrollment regarding the Swipe SEA Card® program, is now posted on the Defense Knowledge On-Line (DKO) Web site. Enrollment on the DKO Web site is required for secure access. Follow these steps to enroll:

- ◆ Go to <https://www.us.army.mil>.
- ◆ Click on “Register with a CAC.”
- ◆ When prompted, enter your PIN or select your certificate.

Note: You will need to have your CAC inserted into a CAC reader to register for an account. Also, you will be required to enter your SSN and date of birth (DOB) to validate your user information. If this information is not provided, AKO/DKO and Defense Manpower Data Center will not be able to validate credentials; therefore no account will be issued. DMDC is the authoritative database for non-Army, DoD military, and Government civilians. A working agreement with DMDC allows AKO/DKO to positively validate users before they are given a new DKO account.

Eligible Account Types in DKO are: Active Air Force, Air National Guard, Air Force Reserve, Air Force Civilian, Active Navy, Navy Reserve, Navy Civilian, Active Marine Corps, Marine Corps Reserve, Marine Corps Civilian, DoD Civilian, Active Coast Guard, Coast Guard Reserve, Coast Guard Civilian, and Public Health Service. Agencies not listed should contact their Account Manager at the Government Fuel Card Program Management Office or their respective Component Program Manager for further information.

Establishing an Account

Accounts are established through the Service or Agency CPM. See DLA Energy-I-5, <https://us.army.mil/suite/page/656231>.

Canceling a Swipe SEA Card®

To cancel a Swipe SEA Card®, contact your respective CPM and provide the following information:

- ◆ POC information
- ◆ DoDAAC
- ◆ Card number.

After contacting your CPM, cut up and discard the canceled card.

Billing Process

All invoices are processed by DFAS Columbus as the paying office. The Swipe SEA Card® is authorized for ***fuel only***; non-fuel purchases are prohibited. If a non-fuel purchase occurs, CHs and respective units will be reprimanded. Repeat occurrences will result in card/account suspension. Also see DLA Energy-I-5, <https://us.army.mil/suite/page/656231>.

Fuels Automated System and the FAS Enterprise System

The Fuels Automated System (FAS), a component of Business Systems Modernization – Energy, is a vertically integrated, automated information system consisting of base-level components and enterprise-level systems providing visibility of bulk fuel assets and fuel transactions to the Services and DLA Energy. The FAS Enterprise Server (FES) is a Web-based environment that collects, routes, and reports fuel transactions among bases, contractors, DLA Energy, DFAS, and other entities. It acts as the DLA Energy data warehouse that stores fuel transactions purchased with the Swipe SEA Card®. These systems facilitate standard unit pricing, requirements analysis, and inter-fund billing. Swipe SEA Card® fuel purchases are passed to FES by the card contractor. Transactions are then processed individually, a document number is assigned, and standard price applied for inter-fund billing. This information is passed to DFAS for invoice payment and billing.

In the near future, BSM-E will be replaced by DLA Enterprise Business System (EBS) under the Energy Convergence (EC) Program. The current cut-over timeframe for all fuel card programs is early FY 2013. EBS will replace the functionality currently provided FES.

Challenge and Review Process

- ◆ Disputes shall be initiated by contacting the card contractor Customer Service desk by email or by calling the phone number on the back of the charge card that is designated for account questions.
- ◆ Disputes include suspected duplicate transactions, suspected fraud, and questionable transaction activity (not including incorrect product code or billing diversion). Disputes are ***not*** allowed based on a signature for transactions with MCC 5542, as this represents an automated fuel dispenser where no signature is taken.
- ◆ The individual initiating the dispute must be able to identify him/herself correctly or shall be directed by the Customer Service department to contact their CPM or DLA Energy Account Manager. The Accountable Official must supply all pertinent information in regards to the disputed

transaction (DoDAAC, vessel name, hull number, unit, location, and card number).

- ◆ Common dispute types include the following:
 - **Duplicate Charge:** The Contractor reviews both charges to verify a duplicate transaction has occurred. The Contractor shall request the Card Merchant to provide ticket receipts whenever a duplicate charge is not obvious.
 - **Suspected Fraud:** The AO shall immediately notify the Contractor, DLA Energy, and the CPM to cancel a Swipe SEA Card® whenever a loss, theft and /or unauthorized card use is detected.
 - **Questionable or Unknown Charge:** The Contractor shall examine the challenged transaction to determine if the purchase record is either manual or electronic. Electronic purchases at island card readers are not disputable unless the card has been reported lost or stolen, or fraudulent activity occurring prior to the sale has been reported.
- ◆ The AO shall notify the Contractor, DLA Energy, and the CPM when a valid purchase is incorrectly coded for non-fuel. For the Swipe SEA Card® this applies to all Level III transactions. A Transaction Dispute Report shall be initiated only for the purposes of correcting product code assignments associated with the transaction to facilitate correct billing.
- ◆ **Fraudulent Invoices:** If an activity receives a bill for services not received, the card contractor should be contacted for confirmation of the invoice, and then the unit's Service CPM should be contacted regarding potential fraudulent activity. Suspected fraudulent activity also may be reported to DLA Energy by calling: 1-800-2-TOPOFF, menu #3; or 1-877-DLA-CALL (877-352-2255), menu item, Credit Card purchases.
- ◆ **Lost/Stolen Cards:** Lost/stolen cards should be reported to the bank's Client Services help desk.

PROGRAM MANAGEMENT

DLA Energy is the DoD-level Program Manager for DoD fuel card programs. The applicable CPM offices assign the hierarchy levels down to the card user. See DLA Energy-I-5, <https://us.army.mil/suite/page/656231>.

Management Controls

- ◆ Annual program review
- ◆ Merchant Category Codes

- ◆ Random sampling
- ◆ Convenience checks and ATM withdrawals prohibited
- ◆ Training materials for AOs and card users
- ◆ Annual policy review with CPMs.

PERSONNEL

Roles and Responsibilities

Specific roles and responsibilities for all program levels can be found at DLA Energy-I-5, <https://us.army.mil/suite/page/656231>.

Service Points of Contact (Component Program Managers)

- ◆ **Navy:** Department of the Navy (DON) Consolidated Card Program Management Division, <http://www.navsup.navy.mil/ccpmd>.
- ◆ **Coast Guard:** USCG Finance Center, <http://www.cgportal.uscg.mil>.
- ◆ **Army:** Army G-4, <https://www.us.army.mil/suite/page/1558740>.

Accountable Official

Mandatory: All AOs must complete required training prior to assuming this responsibility. This training can be found at:

- ◆ DLA Energy main page, <https://www.us.army.mil/suite/page/646830>
- ◆ GFCPMO main page, <https://www.us.army.mil/suite/page/655703>
- ◆ Swipe SEA Card® main page, <https://www.us.army.mil/suite/page/658510>.

Training

Swipe SEA Card® A/OPCs should track the training (including refresher training) of all program participants in a system of records and ensure that the required training has been completed before issuing cards. Citibank is responsible for training the units on its Web system.

SPECIAL ISSUES

Use of Swipe SEA Card®

The Swipe SEA Card® may only be used to purchase fuel. Purchases of non-fuel items are prohibited and card users will be reprimanded if this policy is not followed. The Swipe SEA Card® can be used worldwide; however, the card shall *not* be used at a bunker contract port, unless the quantity lifted is less than the minimum quantity on the contract or if there is insufficient lead time available to order fuel.

Misuse and Gratuities; Taxes (Exemptions, Refunds, and Filing)

See DLA Energy-I-5, <https://us.army.mil/suite/page/656231>.

Standard Pricing

Standard prices will be assigned by type of transaction. Level I and II transactions will be billed a standard price, which will differ from transactions citing Level III data. Level III transactions will be priced by type of fuel purchased.

SWIPE SEA CARD® MANAGEMENT TIPS

1. Ensure correct billing information (e.g., DoDAAC and LOA) is presented when establishing an account.
2. Ensure Swipe SEA Card® users understand proper procedures (e.g., see the “[Misuse and Gratuities](#)” section above).
3. Ensure the card contractor is notified immediately upon learning that a card is lost, stolen, or no longer required.
4. Monitor accounts for inactive cards. Cancel inactive accounts.
5. AOs will perform annual program reviews in accordance with standard operating procedures posted on DLA Energy’s Web site.

Appendix I

Definitions and Abbreviations

Abuse: Use of a Government charge card to buy authorized items, but at terms (e.g., price, quantity) that are excessive, for a questionable Government need, or both. Examples of such transaction would include purchase of items such as a day planner costing \$300 rather than one costing \$45; allowable refreshments at an excessive cost; and, year-end or other bulk purchases of computer and electronic equipment for a questionable Government need.

Accountable Official (AO): A member of DoD military or civilian personnel, designated in writing and not otherwise accountable under applicable law, who provides source information, data, or service (such as an RO, a CH, or an Automated Information System Administrator) to a Reviewing or Disbursing Official in support of the payment process. The AO has pecuniary liability for erroneous payments resulting from his/her negligent actions.

Accountable Property: Property recorded in a formal property management or accounting system. Accountable property is defined by a dollar threshold and/or the type of item (e.g., sensitive or pilferable). Accountable property includes all property purchased, leased (capital leases), or otherwise obtained, having a unit acquisition cost of \$5,000 or more (land, regardless of cost); and items that are sensitive, including but not limited to pilferable items.

Sensitive items require a high degree of protection and control. They may include items that are governed by statutory requirements or regulations, such as narcotics and drug abuse items; precious metals; items that are of a high value, highly technical, or a hazardous nature; and small arms, ammunition, explosives, and demolition or classified material (See [Volume 10, Table 61 of DoD 4100.39-M, Reference \(k\)](#)). Additional and/or separate records or other record-keeping instruments shall be established for management purposes, or when otherwise required by law, policy, regulation, or agency direction.

Pilferable items have a ready resale value or application to personal possession and are therefore especially subject to theft.

Agency/Organization Program Coordinator (A/OPC): An individual designated in writing by the ordering agency/organization to perform task order contract administration within the limits of delegated authority and to manage the card program for the agency/organization. This individual shall have overall responsibility for the card program(s) within their agency/organization. Multiple levels of program coordinators exist within different hierarchies or at different hierarchical levels within the program for each agency/organization. ([OMB Circular A-123, Appendix B](#))

Anti-Deficiency Act: See [Title 31, Chapter 13, Section 1341 of the U.S.C.](#)

Approving/Billing Official (A/BO): A/BOs are local charge card officials who are responsible for the review and approval for payment of all card billing statements under their cognizance. The review process shall include a review of all card transactions within the statement to ensure that each transaction made with the card was legal, proper, mission essential, and correct.

Availability of Funds: See [DoDFMR Volume 3](#).

Billing Cycle Purchase Limit: An authorization control that limits an account's cumulative spending for purchases in a given billing cycle. This limit, or the billing office limit, shall be used to ensure CHs do not exceed reserved funding (positive funds control). Any purchase limit may be assigned, in increments of \$100 up to \$9,999,900. This limit may be adjusted as ordering DoD activities deem appropriate and shall be established for each CH account. It should reflect normal usage by the particular CH and must not default to the maximum available limit.

Billing Date: The billing date is the date on which the invoice is received by the Agency/Organization DBO in accordance with the [Prompt Payment Act](#). Also in accordance with Prompt Payment Act procedures, in the absence of a date annotated by the A/BO on receipt, the payment office shall use the statement date to determine the applicability of Prompt Payment interest penalties.

Billing Invoice: The official monthly invoice for payment purposes that is provided to the A/BO by the issuing bank. The billing invoice identifies all of the charge card transactions of the A/BO's CHs during a billing cycle. The invoice can be paper based or presented through the EAS of the issuing bank.

A purchase card billing statement shall contain the details of a purchase card transaction, and it shall be received directly from the issuing bank. Invoice information should be unalterable. (See ["Internal Controls for the Purchase Card Program,"](#) dated 11/27/02.)

Blanket Purchase Agreement (BPA): A simplified method of filling anticipated repetitive needs for supplies or services by establishing "charge accounts" with qualified sources of supply. BPAs can be used if there is a wide variety of items in a broad class of supplies or services (e.g., hardware) that are generally purchased but the exact items, quantities, and delivery requirements are not known in advance and may vary considerably. BPAs are designed to accomplish simplified acquisitions by eliminating the need for numerous individual purchase orders. ([FAR Subpart 13.303](#)).

Cardholder (CH): The legal agent using the charge card to buy goods and services in support of official Government business. The CH holds the primary responsibility for the card's proper use.

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

Centrally Billed Account (CBA): A travel charge card account established for an agency and paid by the agency.

Certifying Officer: The individual responsible for certifying payments for GPC invoices. Because of his/her fiduciary obligation to ensure proper use of, and expenditures under, the GPC, the A/BO will also be the Certifying Officer (with the exception of the Air Force).

Contingency Operation: A military operation that:

- ◆ Is designated by the Secretary of Defense as an operation in which members of the armed forces are or may become involved in military actions, operations, or hostilities against an enemy of the United States or against an opposing military force; or
- ◆ Results in the call or order to, or retention on, active duty of members of the uniformed services under Section [688](#), [12301\(a\)](#), [12302](#), [12304](#), [12305](#), or [12406](#) of this title, [Chapter 15](#) of this title, or any other provision of law during a war or during a national emergency declared by the President or Congress.

[\(10 U.S.C. 101\(a\)\(13\).\)](#)

Customer: An individual or organization that requires supplies or services.

Data Mining: An automated review of GPC transactions using sophisticated intelligent/learning software to identify correlations, patterns, and trends in GPC buying actions.

Declined Transactions: Transactions where authorization has been refused by the issuing bank's transaction authorization system.

Defense Finance and Accounting Service (DFAS): The DoD Component responsible for the payment of charge card invoices and some travel vouchers.

Defense Transportation System: That portion of the Nation's transportation infrastructure that supports Department of Defense common-user transportation needs across the range of military operations.

Defense Travel System: The Defense Travel System is a fully integrated, automated, end-to-end travel management system that enables DoD travelers to create authorizations (temporary duty, or TDY, travel orders), prepare reservations, receive approvals, generate travel vouchers, and receive a split reimbursement between their bank accounts and the Government Travel Charge Card vendor.

Delegation of Procurement Authority: A document, issued by authorized agency personnel, that establishes an individual as an authorized CH. This delegation of procurement authority shall specify spending and usage limitations unique to the CH. Each DoD activity, in its internal procedures, must designate who shall be responsible for the issuance of these delegations. This delegation must come from the Head of the Activity.

Designated Payment Office (DPO): The office that is responsible to effect payment of purchase card invoices to the issuing bank.

Dispute: A disagreement between a CH and a merchant regarding items appearing on the CH's monthly statement of account, which is presented to the issuing bank for resolution.

DoD Component: Includes the Office of the Secretary of Defense; the Chairman, Joint Chiefs of Staff and the Joint Staff; the Inspector General of the Department of Defense; the Military Departments, including the Coast Guard when assigned to the Department of the Navy; the Defense Agencies; the DoD Field Activities; the Combatant Commands; the Uniformed Services University of the Health Sciences; and all non-appropriated fund instrumentalities.

Electronic Access System (EAS): A Web-based computer system required by the task order with the issuing bank for account set-up, maintenance, reporting, and electronic bill presentment and certification. U.S. Bank's EAS is Access Online; Citibank's is CitiDirect.

Electronic Commerce (EC): Electronic techniques for accomplishing business transactions, including electronic mail or messaging, World Wide Web technology, electronic bulletin boards, purchase cards, electronic funds transfer, and electronic data interchange. ([FAR Subpart 2.101](#))

Electronic Data Interchange (EDI): The automated process for receiving electronic obligation and invoice records directly from an issuing bank into a DoD accounting system.

Electronic Funds Transfer (EFT): Any transfer of funds, other than a transaction originated by cash, check, or similar paper instrument, that is initiated through an electronic terminal, telephone, computer, or magnetic tape, for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account. The term includes Automated Clearing House (ACH) transfers, Fedwire transfers, and transfers made at ATMs and point-of-sale terminals. For purposes of compliance with [31 U.S.C., Section 3332](#) and implementing regulations at [31 CFR, Part 208](#), *electronic funds transfer* includes a purchase card transaction. ([FAR 2.101](#))

Federal Procurement Data System – Next Generation (FPDS-NG): An automated system used to collect and report on federal procurement spending.

File Turn: The average number of calendar days between the time a charge (purchase) is posted and payment is received by the issuing bank.

Fleet Card: Part of the fuel card program. The charge card authorized to buy fuel and emergency roadside assistance in support of official Government business under the GSA SmartPay® contract. The Defense Energy Support Center manages the DoD Fleet Card Program for DoD-owned vehicles, as the Executive Agency for Bulk Petroleum. The GSA Fleet Office manages the GSA Fleet Card Program.

Fraud: Any felonious act of corruption or attempt to cheat the Government or corrupt the Government's agents. For the purposes of this Guide, use of Government charge cards 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. The 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 his home, a supplier's intentional charges for services not provided, and the unauthorized use by a third party of a CH's compromised or stolen account for personal gain.

Freedom of Information Act (FOIA): The Freedom of Information Act ([5 U.S.C. Section 552](#)) was enacted by Congress in 1966 to give the American public greater access to the Federal Government's records.

Frustrated Freight: Materiel entering the DoD organic distribution system is often insufficiently marked and labeled, and becomes "frustrated" as a result. Frustrated materiel has hindered consolidation and containerization point and aerial port operations in all recent contingency operations. To address the problem, a set of business rules was developed that covers the labeling and packaging of such items.

Government Travel Card: The GSA SmartPay® contractor-issued charge card used for the purpose of procuring transportation and other authorized travel-related services.

Government Purchase Card (GPC): The charge card account established with the issuing bank that enables properly authorized Government personnel to buy and pay for supplies and services in support of official Government business.

Head of the Activity (HA): The military officer in command or the civilian executive in charge of the mission of a command or activity. The HA has overall responsibility for managing the delegation and use of the charge card program. This individual has disciplinary authority over CHs and AOs.

Hierarchy: The way in which charge card accounts are structured within the organization responsible for issuing the card.

Humanitarian or Peacekeeping Operation: A military operation in support of the provision of humanitarian or foreign disaster assistance or in support of a peacekeeping operation under chapter VI or VII of the [Charter of the United Nations](#). The term does not include routine training, force rotation, or stationing ([10 U.S.C. 2302\(8\)](#)).

Improper Purchases: An improper purchase is any purchase that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. Incorrect amounts include overcharges and undercharges. An improper purchase can be one of two types: (1) unauthorized or (2) incorrect.

Unauthorized purchases consist of items that are intentionally purchased and are outside of the CH's purchasing authority. For instance, using a GPC to purchase a tennis racket is an unauthorized purchase.

Incorrect purchases are mistakes that are the result of an unintentional error during the purchase process. For example, when a CH is asked to buy one filing cabinet but purchases three cabinets, this is an incorrect purchase. A series of seemingly incorrect purchases may require investigation to determine whether these purchases are actually unauthorized purchases.

Individually Billed Account (IBA): A travel charge card account issued to an individual and used to make individual travel mission charges. The individual receives reimbursement for authorized purchases made using the IBA, including hotel room, airline tickets, meals, etc.

International Merchant Purchase Authorization Card (IMPAC): A registered trademark provided by U.S. Bank, a Government charge card contractor, to identify its Government VISA charge card. Formerly, IMPAC was a generic term for GPCs.

Invoice Delinquency:

Invoice Integrity: An electronic certification process to ensure the official (i.e., original, unaltered) electronic invoice is traceable from the vendor (e.g., bank) through the certification and entitlement processes and retained in a Government record.

Issuing Bank: A financial institution responsible for issuing DoD's charge card as a result of a task order against the GSA SmartPay® Master Contract.

Level 1 Data: Standard commercial transaction data that include the total purchase amount, the date of purchase, the merchant's name and city/state, the debit/credit indicator, the date on which the charge/credit was processed by the contractor, the contractor processing/transaction reference number for each

charge/credit, and other data elements as defined by the card associations or similar entities.

Level 2 Data: Adds additional data to Level 1 data about each purchase, including MCC, sales tax amount, accounting code, merchant Taxpayer Identification Number, minority/women-owned business codes, 1099 status, merchant ZIP Code, and other data elements as defined by the card associations or similar entities.

Level 3 Data: Full, line-item detail in addition to the data in Level 2, including unit cost, quantities, unit of measure, product codes, product descriptions, ship to/from ZIP Codes, freight amount, duty amount, order date, discount amount, order number, and other data elements as defined by the card associations or similar entities.

Manual Bank Invoice: A FAR-compliant invoice presented in paper format.

Merchant Category Code (MCC): A code used by the issuing bank to categorize each merchant according to the type of business in which the merchant is engaged and the kinds of supplies or services provided. These codes are used as authorized transaction codes on a card/account to identify the types of businesses that provide authorized supplies or services. The DoD PCPMO maintains the list of DoD-wide blocked codes. It is the responsibility of the Component-level A/OPCs to administer and record any waiver requests to these blocks (not an option for travel card APCs). Note that a CH's account limitations should reflect the normal usage by that CH rather than defaulting to the maximum available.

Micro-Purchase: An acquisition of supplies or services, the aggregate amount of which does not exceed \$3,000 (except construction subject to the Davis-Bacon Act, which is limited to \$2,000, and services subject to the Service Contract Act, which is limited to \$2,500). ([FAR 2.101](#))

Misuse: Use of a Government charge card for other than the official Government purposes for which it is intended.

Ordering Official: A CH or operator granted the authority to place orders against existing Government contracts or an open-market local purchase. Personnel making fuel purchases for aircraft, vessels, or DoD-owned vehicles are considered Ordering Officials, although the fuel card is assigned to a specific apparatus.

Positive Funds Control: A method to preclude CHs from exceeding reserved funds. Typically, maintaining positive funds control is accomplished by setting CH or AO limits at the reserved amount. ([DoDFMR Volume 3, Chapter 8](#))

Pre-Purchase Approval: When required and identified by local procedures, documentation showing approvals for special-use items (hazardous material, information technology, etc.) before they are purchased.

Profile: A record containing all information relative to a particular account. It includes demographic information, accounting information, authorization controls, billing information, etc.

Prompt Payment Act: Public Law 97-177 (96 Stat 85, U.S.C. Title 31, Section 1801) requires prompt payment of invoices (billing statements) within 30 days of receipt ([FAR Subpart 52.232-25, Prompt Payment](#)). An automatic interest penalty is required if payment is not timely.

Purchase Card Log: A manual or automated log in which the CH documents his/her individual orders or purchases and screening for mandatory sources when using the purchase card and/or convenience checks. Entries in the purchase log may be supported by internal agency documentation (e.g., request for procurement document or e-mail request). The purchase card documentation should provide an audit trail supporting the decision to use the card and any required special approvals that were obtained. At a minimum, the log will contain the date on which the item or service was ordered, the merchant's name, the dollar amount of the transaction, a description of the item or service ordered, and an indication of whether the item was received.

Purchase Card Online System (PCOLS): PCOLS is a DoD-wide suite of electronic systems that GPC officials use to improve the management and accountability within their GPC Program organizations.

Reactivation: The activation of purchase/travel card privileges after suspension.

Reconciliation: The process by which the CH and the AO review the monthly statements, reconcile against available supplier receipts and purchase card logs, and authorize payment of those charges provided on the monthly invoice. Reconciliation applies to purchase card accounts and CBAs only.

Required or Mandatory Sources of Supply: Sources of supply for specific categories of supply/service that are mandated by federal law and regulation. The priority of sources is dictated by [FAR Part 8, Required Sources of Supplies and Services](#), and [Subpart 8.002, Priorities for Use of Government Supply Sources](#); and [Defense Federal Acquisition Regulation Supplement Part 208](#). Mandatory sources must be considered before an open-market purchase can be made.

Requirement: The description of the Government's needs that leads to an acquisition.

Reservation of Funds: A commitment or obligation of funds within the appropriated financial system based upon the CH's or AO's projected needs during a specified time period (usually monthly or quarterly). ([DoD FMR, Volume 3 Chapter 8](#))

Reviewing Official (RO): ROs are local officials who perform pre- and/or post-payment reviews of charge card payment vouchers to ensure that the transactions selected for review are legal, proper, and correct. Payment Reviewing Officials are not subject to any form of pecuniary liability in the performance of their duties.

Salary Offset: The collection of a debt from the current salary of a debtor under the authority of [Title 5, Section 5514 of the U.S.C.](#)

Separation of Duties: A mandatory management control to prevent key functions from being done by the same person. Important duties, such as making purchases, authorizing payments, certifying funding and reviewing/auditing will be assigned to different individuals to minimize the risk of loss to the government to the greatest possible extent. ([OMB Circular A-123, Appendix B](#))

Ships' Easy Acquisition (SEA) Card: Part of the fuel card program. The charge card authorized to buy ships' bunker fuel in support of official Government business under a Defense Energy Support Center support contract, as the Executive Agency for Bulk Petroleum.

Single Purchase Limit: The dollar limit imposed on each purchase assigned to each CH account by the issuing DoD activity. A CH's account limitations should reflect the normal usage by that CH and must not default to the maximum available.

SmartPay®: A GSA program that provides users with card-based tools to simplify procuring needs in three operational areas. The Fleet Card allows users to efficiently fuel and maintain vehicles, boats, planes, or equipment. The travel card allows users to purchase common carrier transportation, car rentals, lodging, and meals for official travel and travel-related expenses. The purchase card enables users to make day-to-day purchases of supplies and services to satisfy official business needs.

Split Disbursement: A payment option whereby the traveler can designate that a specified amount of his/her travel entitlement be sent directly to the GSA SmartPay® travel card contractor to pay down his/her account, with the remainder of the entitlement sent to his/her direct-deposit account.

Split Purchase: Separating a requirement that exceeds a CH's single purchase limit or threshold into two or more buys as a means of getting around the CH's purchase limit. No Government purchase CH may fragment/split purchases that exceed the CH's limit or threshold, as means to use the purchase card. To do so is a violation of federal procurement law.

Strategic Sourcing: The process of continually evaluating purchases over a specified period of time to determine if the procuring activity/agency would benefit from establishing an agreement/contract with the merchant/vendor to obtain lower cost, better delivery timeframes, or other advantageous cost-saving factors.

Suspension: Temporarily disabling an account to prevent purchases from being made with the account.

Tax Exemption: The elimination of state and local taxes from Federal purchases in accordance with state and Federal law. The phrase “U.S. Government Tax Exempt” is printed on the front of each purchase card. Note that tax exemption does not apply at the point of sale for any fuel purchases.

Third-Party Payment: Third-party payments represent a special type of payments made by DoD Components to vendors for GPC buys. Third-party payment processors use an account with a financial institution (merchant account) under their business name to process DoD-related GPC payments to DoD vendors that either cannot get approved for a merchant account or cannot afford the high fees required under a merchant account. Third-party payments are considered high risk in that they mask what was bought and thereby circumvent MCCs from blocking an effective internal control.

Travel Orders: A written or electronic instrument issued or approved by person(s) to whom authority has been delegated, that directs an individual or group of individuals to travel.

Appendix J

Regulatory/Policy Resources

GENERAL RESOURCES

Common

- ◆ Management Initiative Decision No. 904, Department of Defense Charge Card Management, December 18, 2002.
- ◆ [OMB Circular A-123, Appendix B, “Improving the Management of Government Charge Card Programs.”](#)
- ◆ Policy Memorandum: [“Use of Charge Card Rebates to Fund Government-Wide Initiatives—Revised DoD Contribution,”](#) 4/11/00.
- ◆ Policy Memorandum: [“Use of Charge Card Rebates to Fund Government-Wide Initiatives,”](#) 2/22/00.

Travel Card

- ◆ [DoDFMR Volume 9, Chapter 3.](#)
- ◆ [DoD Travel Regulations.](#)

Purchase Card

- ◆ [Defense Federal Acquisition Regulation Supplement Part 13.](#)
- ◆ [Defense Transportation Regulation.](#)
- ◆ [Federal Acquisition Regulation \(FAR\) Part 13.](#)
- ◆ [U.S. Department of the Treasury Financial Manual.](#)

OSD RESOURCES

Common

- ◆ [DD Form 1387, Military Shipment Label.](#)
- ◆ [DoD Charge Card Task Force Final Report of June 27, 2002.](#)

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- ◆ Policy Memorandum: “[Appointment of Certifying Officers in Overseas Contingency Operations for Micro-purchases,](#)” dated 6/23/10.
 - ◆ Policy Memorandum: “[Department of Defense \(DoD\) Charge Card Programs,](#)” dated 06/21/02.
 - ◆ Policy Memorandum: “[Disciplinary Guidelines for Misuse of Government Charge Cards by Military Personnel](#)” dated 06/10/03.
 - ◆ Policy Memorandum: “[Enhancements to Defense Civilian Personnel Data System \(DCPDS\) for Actions Related to Government Charge Cards,](#)” dated 07/18/03.
 - ◆ Policy Memorandum: “[Government Charge Card Disciplinary Guide for Civilian Employees,](#)” dated 12/29/03.
 - ◆ Policy Memorandum: “[Government Purchase Card \(GPC\) Certifying Officer and Departmental Accountable Official Responsibilities,](#)” dated 11/07/08.
 - ◆ Policy Memorandum: “[Guidance for the Investigation of Fraud, Waste, and Abuse Involving the Use of Purchase Cards and Travel Cards,](#)” dated 09/25/02 ((included as attachment within the linked document)).
 - ◆ Policy Memorandum: “[Inclusion on Personnel Departure Checklists of the Requirement to Turn in Government Charge Cards,](#)” dated 06/23/03.
 - ◆ Policy Memorandum: “[Linking Financial Data to Contract Documents,](#)” dated 3/18/09.
 - ◆ Policy Memorandum: “[Suspension of Access to Classified Information Due to Abuse or Misuse of Government Charge Cards,](#)” dated 11/04/02. (Also included as attachment to disciplinary guidance memos.)
 - ◆ Policy Memorandum: “[Track Four Efficiency Initiatives Decisions,](#)” dated 3/14/11.
 - ◆ Policy Memorandum: “[Withholding of Information That Personally Identifies DoD Personnel,](#)” dated 9/1/05.

Purchase Card

- ◆ [Department of Defense Purchase Card Data Management Plan,](#) dated October 2010, Version 1.1.
- ◆ Policy Memorandum: “[13th Annual GSA SmartPay Training Conference – Mandatory for DoD A/OPCs,](#)” dated 3/29/11.

- ◆ Policy Memorandum: [“Acquisition of Gift Certificates through Use of the DoD Purchase Card,”](#) dated 3/31/03.
- ◆ Policy Memorandum: [“Acquisition Policy on Facilitating Vendor Shipments in the DoD Organic Distribution System,”](#) dated 07/23/03.
- ◆ Policy Memorandum: [“Appointing Certifying Officers,”](#) dated 8/31/00.
- ◆ Policy Memorandum: [“Blocking of Merchant Category Codes,”](#) dated 10/05/01.
- ◆ Policy Memorandum: [“Cash Management of Commercial Bank Program Billings,”](#) dated 5/8/01.
- ◆ Policy Memorandum: [“Certification of Purchase Card Payment Invoices,”](#) dated 8/1/00.
- ◆ Policy Memorandum: [“Continuous Learning Points for General Services Administration \(GSA\) SmartPay Conference,”](#) 8/10/00.
- ◆ Policy Memorandum: [“Convenience Check Screening,”](#) 3/17/06.
- ◆ Policy Memorandum: [“Convenience Checks,”](#) dated 09/21/04.
- ◆ Policy Memorandum: [“Department of Defense \(DoD\) Charge Card Management,”](#) dated 3/9/98.
- ◆ Policy Memorandum: [“Department of Defense \(DoD\) Deployment of Purchase Card On-Line System \(PCOLS\) Capability,”](#) dated 11/19/08.
- ◆ Policy Memorandum: [“Department of Defense Purchase Card Data Strategy,”](#) dated 09/03/09.
- ◆ Policy Memorandum: [“Department of Defense \(DoD\) Deployment of Purchase Card On-Line System \(PCOLS\) Capability,”](#) dated 3/3/10.
- ◆ Policy Memorandum: [“FOIA Policy on Release of Credit Card Data,”](#) dated 6/29/06.
- ◆ Policy Memorandum: [“Government Purchase Card Internal Controls,”](#) dated 8/13/01.
- ◆ Policy Memorandum: [“Government Purchase Card \(GPC\) Certifying Officer and Departmental Accountable Official Responsibilities,”](#) dated 11/07/08.
- ◆ Policy Memorandum: [“Inclusion on Personnel Departure Checklists of the Requirement to Turn in Government Charge Cards,”](#) dated 06/23/03.

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- ◆ Policy Memorandum: [“Internal and Management Controls—DoD Purchase Card Program,”](#) dated 07/05/01.
 - ◆ Policy Memorandum: [“Internal Controls for the Purchase Card Program,”](#) dated 12/8/05.
 - ◆ Policy Memorandum: [“Internal Controls for the Purchase Card Program,”](#) dated 12/19/05.
 - ◆ Policy Memorandum: [“Internal Controls for the Purchase Card Program,”](#) dated 11/27/02.
 - ◆ Policy Memorandum: [“Mandatory Purchase Card Refresher Training,”](#) dated 08/22/06.
 - ◆ Policy Memorandum: [“Micro-Purchase Approval Authority,”](#) dated 9/26/97.
 - ◆ Policy Memorandum: [“Micro-Purchase and Section 508 Disability Accessibility Requirement,”](#) dated 09/27/04.
 - ◆ Policy Memorandum, [“Micro-Purchases,”](#) dated 3/20/97.
 - ◆ Policy Memorandum: [“Operation Mongoose Fraud Protection Program,”](#) dated 10/05/01.
 - ◆ Policy Memorandum: [“Property Accountability Threshold,”](#) dated 5/28/96.
 - ◆ Policy Memorandum: [“Purchase Card Delinquencies,”](#) dated 2/5/99.
 - ◆ Policy Memorandum: [“Purchase Card Delinquency Policies,”](#) dated 9/17/99.
 - ◆ Policy Memorandum: [“Purchase Card Program—Cross Disbursements,”](#) dated 3/1/99.
 - ◆ Policy Memorandum: [“Purchase Card Program Electronic Data Interchange Response Cell,”](#) dated 07/13/01.
 - ◆ Policy Memorandum: [“Purchase Card Reengineering Implementation Memorandum #1, Certifying Officer Guidance, Change 1,”](#) dated 11/20/98.
 - ◆ Policy Memorandum: [“Purchase Card Reengineering Implementation Memorandum #2: Conversion of DoD Purchase Cards to New Contractor-Offered Platform,”](#) dated 11/12/96.
 - ◆ Policy Memorandum: [“Purchase Card Reengineering Implementation Memorandum #3: Streamlined Financial Management Procedures,”](#) dated 3/27/97.

- ◆ Policy Memorandum: [“Purchase Card Reengineering Implementation Memorandum #4: Use of the I.M.P.A.C. Card for Transactions with the Defense Automated Printing Service,”](#) dated 5/5/97.
- ◆ Policy Memorandum: [“Purchase Card Program Reengineering Implementation Memorandum #6: Streamlined Payment Practices,”](#) dated 7/20/98.
- ◆ Policy Memorandum: [“Purchase Card Task Order Transition and Payment Delinquencies,”](#) dated 09/24/98.
- ◆ Policy Memorandum: [“Release of Purchase Card Data to the Public Domain,”](#) dated 6/15/05.
- ◆ Policy Memorandum: [“Revised Purchase Card Internal Controls,”](#) dated 10/17/07.
- ◆ Policy Memorandum: [“Streamlined Payment Practices for Awards/Orders Valued at or below the Micro-Purchase Threshold,”](#) dated 10/02/98.
- ◆ Policy Memorandum: [“Use of Charge Card Rebates to Fund Government-Wide Initiatives,”](#) dated 2/22/00.
- ◆ Policy Memorandum: [“Use of Charge Card Rebates to Fund Government-Wide Initiatives—Revised Department of Defense Contribution,”](#) dated 8/11/00.
- ◆ Policy Memorandum: [“Use of the Government Purchase Card \(GPC\) in Support of Hurricane Katrina Rescue and Relief Operations,”](#) dated 09/21/05.
- ◆ Policy Memorandum: [“Use of Government-Wide Purchase Cards,”](#) dated 9/25/98.
- ◆ Policy Memorandum: [“Use of Third Party Payments – Policy Change,”](#) dated 10/17/07.
- ◆ Policy Memorandum: [“Using the Purchase Card for Micro-Purchases,”](#) dated 3/20/97.

Travel Card

- ◆ [DoD–Bank of America Travel Card Task Order](#) and [Contract Modification from 2001](#).
- ◆ Policy Memorandum: [“Definition of Frequent Traveler Subject to Mandatory Use of the Government Travel Charge Card,”](#) dated 06/20/03.

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- ◆ Policy Memorandum: [“Exemption from Mandatory Use of Government Travel Charge Card Program for Travel En Route to Deployments,”](#) dated 04/14/03.
 - ◆ Policy Memorandum: [“Implementation of Changes to the Department of Defense \(DoD\) Travel Card Policies to Reduce Delinquency Rates,”](#) dated 06/14/01.
 - ◆ Policy Memorandum: [“Implementation of Changes to Policy in the Department of Defense Financial Management Regulation \(DoDFMR\) Related to Mission Critical Travelers,”](#) dated 05/07/02.
 - ◆ Policy Memorandum: [“Implementation of Legislative Changes to the Department of Defense \(DoD\) Travel Charge Card Program,”](#) dated 04/23/03.

SERVICE/DEFENSE AGENCIES RESOURCES

Common

- ◆ Dept. of Army Policy Memorandum: [“Army Charge Card Programs,”](#) dated 01/28/03.

Fuel Card

- ◆ [Accountable Official Training.](#)
- ◆ [Air Card® \(Aviation Into-Plane Reimbursement Card\) Desk Guide,](#) dated March 2003 and its [appendices.](#)
- ◆ [“Government Fuel Card \(GFC\) Program Dispute Processes,”](#) DESC-P-13, May 27, 2010.
- ◆ DoD Directive 7400.aa (currently being staffed).
- ◆ [DoD Fleet Card Program Web site.](#)
- ◆ [DoD 4140.25-M, Volume II, Chapter 16](#)
- ◆ [Fuel-Card-specific training](#)

Purchase Card

- ◆ Air Force Instruction 64-117, [Air Force Government-Wide Purchase Card \(GPC\) Program.](#)
- ◆ [“Applicability of the Javits-Wagner-O’Day Program for Micropurchases,”](#) OFPP Memorandum dated 2/16/99.

- ◆ [“Appointing Certifying Officers,”](#) Memorandum for Commanders and Activity Directors, Department of the Army Office of the Assistant Secretary, Financial Management and Comptroller, dated 08/31/00.
- ◆ [Army Standard Operating Procedures.](#)
- ◆ [“Cash Management of Commercial Bank Program Billings,”](#) Memorandum for Directors, DFAS Field Organizations, dated 5/8/01.
- ◆ [“Changes to the FPDS Reporting Manual on Purchase Card Transactions,”](#) OFPP Memorandum dated 5/18/99.
- ◆ Defense Contracting Command–Washington FY04 User’s Guide for CHs and Billing Officials.
- ◆ [Dept. of Navy eBusiness Operations Office Instruction 4200.1A, Department of Navy Policies and Procedures for the Operation and Management of the Government Commercial Purchase Card Program.](#)
- ◆ Dept. of Navy Government Purchase Card Program: [Agency Program Coordinator \(A/OPC\) CitiDirect Desk Guide,](#) version 4.0.
- ◆ Dept. of Navy Government Purchase Card Program: [Approving Official \(AO\) CitiDirect Desk Guide,](#) version 4.0.
- ◆ Dept. of Navy Government Purchase Card Program: [Agency Program Coordinator \(A/OPC\) WinSALTS Desk Guide,](#) version 4.0.
- ◆ Dept. of Navy Government Purchase Card Program: [Approving Official \(AO\) WinSALTS Desk Guide,](#) version 4.0.
- ◆ Dept. of Navy Government Purchase Card Program: [Cardholder \(CH\) CitiDirect Desk Guide,](#) version 4.0.
- ◆ Dept. of Navy Government Purchase Card Program: [Cardholder \(CH\) WinSALTS Desk Guide,](#) version 4.0.
- ◆ Dept. of Navy Government Purchase Card Program: [Head of Activity \(HA\) Desk Guide,](#) version 4.0.
- ◆ [GSA SmartPay® Purchase Card Program.](#)
- ◆ Self-Assessment Tool: [“eBusiness Monthly APC Review Tool \(MART\) \(Formerly Semi-Annual Review\) for Purchase Card Program, Release 1.0, Application Definition Document.”](#)

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- ◆ [“Use of Commercial Purchase Card for Electronic Catalog \(ECAT\) Contracts,”](#) Defense Supply Center Philadelphia (DSCP) Memorandum for DoD Medical Treatment Facilities (MTFs), 3/23/99.

Travel Card

- ◆ Department of Army Policy Memorandum: [“Management Control Evaluation Checklist for the Army Travel Charge Card Program,”](#) dated 07/30/03.
- ◆ Dept. of Army Policy Memorandum: [“Policies, Procedures, and Responsibilities for the Army Travel Charge Card Program,”](#) dated 02/21/03.
- ◆ [Dept. of Navy eBusiness Operations Office Instruction 4650.1A, Policies and Procedures for the Administration and Use of the Government Travel Charge Card.](#)

ISSUING BANK RESOURCES

[Reserved]

GSA RESOURCES

Travel Card

- ◆ GSA Travel Card Master Contract.

Purchase Card

- ◆ GSA Purchase Card Master Contracts.
- ◆ [“Conference Planning,”](#) OFPP Memorandum dated 5/15/00.

Appendix K

Concept of Operations for DoD Purchase Card System EDI Process

1. ESTABLISHMENT OF CARD. The DoD Components have the capability to establish spending limits and Master LOA at the Approving/Billing Official (A/BO) or at the Cardholder (CH) level.

a. Cardholder Profile/Setup. Before a card is issued to a Cardholder (CH), a profile is established as a part of the initial CH setup with the Bank. This is done by way of the Purchase Card Online System (where deployed) or a New Account Set up Form completed by the Agency/Organization Program Coordinator (A/OPC), on behalf of each designated CH. This process identifies, among other things, the first, middle and last name to be embossed on the card; the single purchase limit; the thirty day (billing cycle) dollar amount of purchases the CH can make; the Master LOA, which will appear on the CH statements and the invoices and will serve as the Default LOA; the distribution LOAs the CH is authorized to use, which will be maintained in a data warehouse as a pull down menu (pick file), if applicable; a Merchant Category Code Setup which provides the organization the opportunity to determine which type(s) of merchants that are to be blocked from using the purchase card issued to an individual, the A/BO's name; a code (or edit within the Bank's data warehouse) that will identify whether it will be a bulk funded (one 821) or incrementally funded (821 per purchase) card; and a company account number which identifies the billing group a CH is be assigned, identifies the billing address for submitting a hard copy certified invoice (when automated interface is not operable into the finance and accounting systems). NOTE: Bank will automatically validate all transactions against CH and A/BO profiles.

b. Approving/Billing Official Profile/Setup. The Purchase Card Online System (where deployed) or the Billing Official Set Up Form is used to create a new billing account for an A/BO and is used to link and group CH's to a specific A/BO. This process identifies among other things, the first middle and last name of the A/BO; the A/BO's complete mailing address and phone number; the A/BO's 30-day spending limit for all CH's grouped under the A/BO which is the maximum dollar amount authorized for the A/BO's group during the billing cycle; a Master Accounting Code which is optional at the A/BO level (if used, this code will become Master LOA for all CHs under the A/BO); and the reporting levels for the A/BO's account.

c. Master Line of Accounting (LOA). The Master LOA will be the default LOA identified during the CH and A/BO setup. The CH or A/BO's 30-day dollar limit may be used to establish the initial monthly obligation against this LOA in the accounting records. The Master Accounting Code requires a min-

imum of 26 discrete data fields (150 characters) and is based upon the FA2 reflected in attachment 1. This code will print on CH statements and A/BO's billing statements (invoices). *This field will be a mandatory entry for all cards issued.* The Master Accounting Code will be established as identified in Table K-1. Table K-2 identifies descriptions. They are to be used by Resource Managers, A/OPCs, CHs and A/BOs when establishing or changing a Master LOA or distribution LOA within the pick file. Budget and Accounting Classification Codes (BACC) data elements must be used.

d. EC/EDI. All electronic transmissions between the Bank and the supporting accounting and payment offices will be in an ANSI X12 version 4010 or higher. As applicable, the card issuing bank electronic access system shall meet the requirements of the Federal Manager's Financial Integrity Act.

2. RECORDING OF OBLIGATIONS. Card purchases may be bulk funded prior to each billing cycle in the form of a commitment or an obligation. The method to be used to obligate funds in the accounting records will be determined by the Component and conveyed to the Bank. There will typically be only one method selected by each Component (at the level two/three for Defense Agencies). Exceptions may be granted at the Level two/three for Defense agencies. Obligations are posted as a result of the transmission and acceptance of the ANSI X12 821 (4010 version or higher). Card purchases may be obligated under three obligation methods. The three obligation methods are :

a. Post-Cycle Bulk Obligating. Obligations post after the close of the billing cycle. This is the method where the posting of the obligation(s) occur(s) at the end of the billing cycle. For activities using this method, the bank will submit an 821 obligation transaction to the supporting accounting office. The 821 will be transmitted via DISA or another VAN. Transmission will occur under either two methods: (1) upon certification of the billing statement after the end of the billing cycle or (2) immediately at the end of the billing cycle – even without invoice certification. The 821 will contain the summary of card transactions by LOA. The bank will withhold submission of the invoice (810) until at least two business days following submission of the 821. Pay and confirm activities will confirm that the 821 was posted into the accounting system successfully prior to certifying the 810.

b. Pre-Cycle Bulk Obligating. This is the method where the posting of the obligation(s) occur(s) at the beginning of the billing cycle. The amount obligated will either be the 30 day cardholder or office limit. The Bank will submit an 821 obligation transaction to the supporting accounting office on the first business day of each new billing cycle. The obligation will be posted against the master LOA. The 821 obligation transaction will contain a unique Standard Document Number (SDN) within the LOA traceable to only that specific transaction.

c. Transaction-Based Obligating. This is the method where the posting of the obligation occurs immediately following the time the transaction is posted to the Bank's electronic access system (typically within two days of the purchase). The obligations will be posted in an amount equal to each purchase

transaction as they occur throughout the billing cycle. The Master LOA will be assigned to each purchase at the time it is posted at the Bank.

d. Standard Document Number (SDN) Creation. The SDN will be a maximum of 15 digits: (1) Bank Assigned SDN: The bank will populate the LOA (FA2) with the SDN. Positions 1-6 will be the UIC contained in the FA2 LOA; digits 7-8 will be the last two digits of the appropriation beginning FY; digits 9-10 will be the billing cycle month, i.e. 01 for Oct (Navy & USMC will use CC in place of billing cycle); digits 11-15 will be the transaction sequence number assigned by the Bank's system. For those payment/accounting systems that will only accept a 14-digit standard document number, the first digit of the UIC will be dropped when posted in the payment/accounting system. Every LOA transmitted in an 821 will carry an SDN. The 821-00 is designated the original obligation. The 821CT-04 is designated as a change to the original obligation. The SDN will be created and maintained by the bank throughout a billing cycle. The method of assignment of SDNs to 821 and 810 transactions will vary depending upon the obligating method.

(1) Pre-cycle obligating. At the beginning of the billing cycle, and as part of the construction of the 821-00, the bank will assign a unique SDN to each discrete LOA within a billing account. Upon completion of the billing cycle, the bank will transmit 821CT-04s to adjust the obligation amounts contained in the original 821-00. The original obligation amount will be adjusted to equal the final and actual purchase amount. Each adjustment to a previously used LOA will carry the SDN used in the original 821-00. A new SDN may only be used if new and discrete LOAs are transmitted at the end of the billing cycle.

(2) Post-cycle bulk obligating. After cycle close, the bank will summarize like LOAs within a billing account to create discrete LOAs within that account. This will have the effect of eliminating duplicate LOAs within the 821-00. A unique SDN will be assigned to all discrete LOAs within the 82100.

(3) Transaction-based obligating. Each LOA transmitted in an original 821-00 will contain a unique SDN. The unique SDN contained in the 821-00 (original) will be used in all subsequent 821CT-04 (change or re-allocation) transactions that are generated to adjust the original 821-00. Assigning SDNs in this manner will allow the Service to net all debits and credits against a LOA within the accounting system. This will also allow the bank to transmit the netted LOA within the 810 invoice.

e. **Accrual.** The expense is considered to occur when the purchase transaction is authorized and credit is extended by the card issuing bank to the Merchant's acquiring bank for the purchase. The accrual will be recorded by the accounting system as soon as possible *after* the occurrence of the following two events:

(1) the card issuing bank authorizes the purchase and credit is extended to the authorized cardholder for the purchase and

(2) the 821 obligation or 821CT has been transmitted from the card issuing bank to the applicable accounting system

3. ADJUSTMENT TO MASTER LINE OF ACCOUNTING WHEN DISTRIBUTION LINES OF ACCOUNTING HAVE BEEN ESTABLISHED (REALLOCATION).

a. The Bank must provide the CH with the ability to reallocate purchases to different LOAs (distribution LOAs) if needed. This will be done by way of a pull down menu (pick file) based on distribution LOAs provided to the Bank at the time of establishment of a new CH. Reallocations will be transmitted as 821CT-04 transactions when reallocations are performed after the transmission of the original 821-00.

b. If an activity selected the Bulk-Pre or Transactional method of obligation, the following is accomplished by the Bank: After the CH has reallocated LOAs using distribution LOAs, the Bank must transmit an 821CT-adjustment transaction to the appropriate accounting system. The 821CT will deobligate from the original LOA the amount of funds associated with the selected transaction and then obligate the funds to the distribution LOA. The deobligation from the original LOA must carry the original unique document number and each new LOA created for re-obligation with the 821CT adjustment transactions may contain a separate unique document number. Multiple reallocations to the same alternate LOAs can contain the same SDN as the first reallocation SDN. The Bank must submit 821CT transactions on a daily basis.

c. If an activity selected the Post cycle method of obligation, the following is accomplished by the Bank:

Reallocation prior to certification. The bank shall change the default LOA on the transaction selected by the cardholder to the new alternate LOA.

Reallocation after certification (Air Force only). For each transaction reallocated after certification, the bank will generate ANSI x12.821CTs summarized at LOA. A unique SDN will be generated for the first alternate LOA used. Subsequent reallocations to the same alternate LOA will contain the same SDN as the first reallocation to that LOA.

4. CERTIFICATIONS.

a. Cardholder Approval. The Bank will post cardholder transactions in their data warehouse. The billing statement will be generated from transaction data in the warehouse for each cardholder in the billing account. The CH will review the billing statement to ensure the items were purchased and the LOA is valid. This is done in conjunction with the procurement certification and Accountable Officials and Certifying Officers requirements identified in [DoDFMR Volume 5, Chapter 33](#). Upon receipt of the cardholder monthly statement, the CH may approve "as-is", dispute transactions, and/or reallocate LOAs.

(1) Security Controls. The Bank must ensure that adequate controls are in place to ensure the security of transaction data within their electronic access system. Only the cardholder or A/BO can approve, dispute, or reallocate purchase card transactions

(2) Approval by Cardholder. After the CH completes the reconciliation of all purchases for the month and has made any desired changes to the LOA(s), the CH will approve the data in the Bank's data warehouse as being purchased or disputed and that LOA(s) being used, is/are authorized for use by the CH. At this point the Bank will deactivate CH ability to make changes in the Bank's data warehouse for that billing cycle. The Bank must ensure that CH retains view only access. NOTE: The Bank must post (debit/credit) to the account of the appropriate CH, using the document number of any previously disputed item(s). Submission of CardHolder Statement: The Bank will provide access to the CH statement within the Bank's data warehouse to the appropriate A/BO. A/BOs are reminded of the provisions contained in Purchase Card Reengineering Implementation Memo # 3 dated Mar 27, 1997 which state in part that: "Should the certifying officer fail to receive the Statement of Account (SOA) reconciliation's from subordinate cardholders in sufficient time to allow for the billing statement to be paid timely, the billing statement shall be certified in full and forwarded to the disbursing office for payment...."

b. Approving/Billing Official Certification.

(1) Monthly Bill. The Contractor shall send a single itemized official invoice to the designated billing office and A/BO for each centrally billed account promptly after the end of each billing cycle. The invoice shall include all transactions, debits and charges posted to the account during the billing cycle. The Bank will identify to the A/BO that the monthly bill has been reconciled by the CHs. The A/BO will have the ability to approve "AS IS" or make changes. Changes will be documented in the system with before and after data, and identification of person making the changes.

(2) Security Controls. The Bank must ensure that adequate controls are in place within their data warehouse to preclude anyone other than the A/BO or alternate A/BO from accessing, making changes and certifying the monthly bill.

(3) Certification by Approving/Billing Official. (1) For Components other than the Air Force, after the CH reconciles billed items, the A/BO accesses

the record and certifies the statement for payment. After this certification the Bank will deactivate the A/BO's ability to make any changes within the Bank's data warehouse for billing cycle just certified. The Bank must ensure that A/BO retains view only access. (2) For the Air Force, billing statements will remain open for reallocation/adjustments purposes until all CH and A/BO statements have been reviewed and approved. The activity must reconcile the billing statements within 60 days. The bank will provide DoD with a report of activities with managing accounts not reconciled within 60 days. When an automated capability is available, s will automatically suspend accounts which have not been reconciled between cardholders and A/BOs within the 60 day window.

(4) Submission of Certified Invoice. The Bank will provide the A/BO's certified monthly invoice in an 810-transaction format to the designated payment office/system through DISA or the appropriate VAN. The bank will submit one invoice per A/BO per billing cycle. The Bank will submit all 821s and 821CTs occurring within the billing cycle before submitting the corresponding 810. The bank will submit a certified 810 to the designated payment office/system through DISA or the appropriate VAN according to the following obligation methods used: (1) for Components (other than the Air Force) using the post cycle obligation method, the card issuing bank will submit a certified 810 to the designated payment office two business days after a successful transmission of the corresponding 821, or (2) for the Air Force (post cycle obligation) the bank will submit the invoice as soon as possible after invoice certification but not sooner than two business after successful transmission of the 821 obligation, or (3) for Components using the per transaction obligation method the submission of the 810 invoice will occur immediately after invoice certification provided that all applicable 821s and 821CTs have been successfully transmitted.

(a) Disputes. Transactions officially disputed in the bank's electronic access system prior to certification shall not be included in the official invoice.

5. ADJUSTMENTS TO OBLIGATION. The bulk obligated value will be adjusted down to the value of the purchases when the monthly cycle is billed. The Bank will submit an 821CT-adjustment transaction that will create a deobligation to the initial monthly obligation amount. The amount of the adjustment will be the difference between obligation and amount certified for payment by the A/BO on certified 810 transaction, plus any disputed items. Disputed items must stay obligated until resolved at which time a disbursement must be done to pay for the previously disputed item or a 821CT adjustment is done to reduce the obligation to match previous disbursement if the dispute is upheld.

6. YEAR-END PROCESSING. During Fiscal Year End processing for DoD, the Bank will conduct an additional sweep of the data warehouse through the next-to-the-last-business day of the fiscal year. The purchase fiscal year and the posting fiscal year are not equal. The A/BO must ensure that fiscal year of the LOA matches the fiscal year in which the purchase was made.

a. Bulk-Obligated Cards. The sweep will include CH's log and transaction reg-

ister and will result in an 821 CT adjustment to deobligate the difference between all CH purchases for the billing cycle and the initial 821 obligation for the billing cycle. On 1 October the Bank will generate an 821 obligation in the amount of the previous 821CT to reestablish the CH's bulk obligation for the remainder of the billing cycle.

b. Per-Purchase Obligated Cards. The sweep will be of the CH log only and will create an 821 obligation for all purchases posted to the CH log when a corresponding merchant transaction is not posted to the CH's transaction register in the Bank's data warehouse. The obligation will be created using the master LOA.

c. End-of-Cycle Obligation Cards. The sweep will be of the CH log only and will create an 821 obligation for all purchases posted to the CH log when a corresponding merchant transaction is not posted to the CH's transaction register in the Bank's data warehouse. The obligation will be created using the master LOA.

d. Prior-Year Transactions. When a merchant transaction is posted to Bank's data warehouse in the new fiscal year, the Bank must ensure that correct LOA and fiscal year is assigned to the transaction for reconciliation by the CH and subsequent certification by the A/BO.

7. LOA FOR INTEREST PENALTIES. Services/activities must provide the designated payment office and accounting office with a LOA for the posting of any interest penalties associated with this program. If, at the time a certified 810 is received at the designated payment office, a LOA for interest penalties has not been provided, the designated payment office will charge interest to the Master LOA.

8. CHANGES TO MASTER LOA AND/OR DISTRIBUTION LOA(s). The Master LOA and/or distribution LOA may be changed at the discretion of the Service.

a. Current-Year Changes. Services must ensure that CH/BOs through their respective A/OPC, update the appropriate profile to reflect these changes. Changes must be made timely and correctly to ensure that proper and valid LOAs are available to the CH for distribution of expenses. The supporting accounting agency must ensure that LOAs received are valid within their respective payment/disbursement and accounting systems. Invalid/incorrect LOAs received will result in the return of the transaction(s) through the appropriate A/OPC to the CH for correction.

b. Year-End Changes. On the first business day of the next fiscal year the Bank will rollover the previous years Master LOA and automatically increment the fiscal year by one year. After the updates are complete, the A/BO must validate the LOAs prior to new purchases.

9. CHANGES TO CH/BO MONTHLY SPENDING LIMIT. The monthly spending limit used to establish the bulk obligation or reservation of funds in the Bank's data warehouse can only be increased during a billing cycle. This will ensure that a CH/BO can not become over obligated during a billing cycle. Decreases to monthly spending limits, submitted during a billing cycle, will take effect when the 821 bulk obligation transaction is submitted (first day of the next billing cycle) or the

reservation of funds in the Bank's data warehouse is accomplished for per purchase obligation CHs. Changes to monthly spending limits that require year-end processing procedures are still to be defined.

10. PREVALIDATION. The requirement to prevalidate all payments against recorded obligations prior to payment being made will apply to Purchase Card Invoices.

11. TRANSMISSION SECURITY. Electronic transmissions between the Bank(s) and DISA and/or between DISA and the payment/accounting office will be encrypted to ensure security of Government data.

12. INCORRECT LINES OF ACCOUNTING AND PROCESSING REJECTS. Incorrect obligation LOAs received by the payment or accounting office will be rejected and not processed until corrected by the appropriate service individual.

a. Accounting Rejects under a Manual Process. 821 Accounting rejects will be handled two ways depending upon the supporting accounting system.

(1) For those systems where the Service/Agency Resource Managers do not input obligations directly into the accounting system and do not work daily processing reports: Upon receipt of an incorrect 821 LOA the accounting office will immediately reject only the incorrect LOA. The correct LOAs within the 821 will be processed. In rejecting the incorrect LOA, the accounting office personnel will contact the appropriate A/OPC or FSO within 24 hours to identify the reject. Upon notification from the accounting office, the A/OPC or FSO must correct the current defective transactions and correct the root cause in the bank system within 24 hours.

(2) For those systems where the Service/Agency Resource Managers do input obligations directly into the accounting system and work daily processing reports (such as SOMARDS & SIFS): Upon receipt of an incorrect 821 LOA the accounting system will reject only the incorrect LOA. The correct LOAs within the 821 will be processed. In rejecting the incorrect LOA, Resource Management personnel will manually correct the defective transaction, correct the root cause in the bank system and provide corrective information to the A/BO in anticipation of the 810 reject. The RM will also copy the A/OPC. The correction must be made within 24 hours.

b. Payment Rejects under a Manual Process. A payment (810) reject forces the process to revert to a manual, paper based action. Upon receipt of an incorrect 810 the payment office will immediately reject the complete 810 invoice. Payment Office personnel will contact the installation, agency or activity A/OPC or FSO and notify that individual of the invoice reject. The notification will include evident information about the reject. The notification will occur within 24 hours. Upon Payment Office notification, the A/OPC/FSO/RM shall correct the LOA in the bank electronic access system and notify the appropriate A/BO. The A/BO will immediately submit a certified paper invoice for payment. The resubmission of the certified paper invoice will occur within 24 hours of notification to the A/BO. Until an automated reject process is developed, the A/BO must certify the paper invoice and submit to the payment office for payment to be made.

c. Bank. The Bank must ensure that all changes to an LOA for obligation purposes are identical for payment purposes and vice versa. Upon receipt of a corrected LOA(s) from the certifying A/BO, the Bank will validate the LOA(s) changed are the same for obligation purposes as they are for invoice purposes. The Bank will make any necessary changes in a corresponding transaction file and then will transmit a corrected 810 or 821 to the payment or accounting office. Submissions of the corrected transaction must be included in the Bank's daily cycle for transmission to the payment of accounting office. Failure on the part of the Bank to submit corrected transactions in the next daily cycle may delay payments.

d. Reject E-Mail Format. The communiqué or e-mail notifying the A/OPC or FSO of a reject will contain the following information:

TO: E-Mail address of appropriate A/OPC or FSO

CC: E-Mail address of appropriate Bank from 12a or b above

SUBJECT: REJECTED TRANSACTION

The following _____ (enter 810 for invoice, 821 for obligation or 821CT for obligation adjustment) transaction is being rejected for enter reason. (ex: invalid LOA; obligated amt does not equal certified invoice amt; obligation LOA(s) not the same as payment LOA(s), etc.)

Transaction SDN: Enter Standard Document Number assigned to LOA.

Billing Cycle Date:

Transaction Monetary Amt: Enter dollar amount of rejected LOA(s).

CH/BO's Activity Address: Enter CH/BO's FSN, ADSN, AAA contained in LOA(s) being rejected.

PAYMENT OR ACCOUNTING OFFICE POC: Enter name and comm. phone # of site POC.

e. ANSI X12, 824 Reject Notification. Procedures contained in paragraph 12a through 12d will remain in effect until the Bank can accommodate the 824-reject transaction for rejects. Once the 824 process has been implemented, the CONOPS will be amended with the revised procedures. In the future this may also include using the 824 as an acceptance transaction (indicating that the obligation posted

correctly) to trigger the release of the 810.

13. Rebates/Credits. Rebates are based on satisfying certain early payment conditions and related reasons identified in the basic GSA contract for purchases made using the purchase card. Credits are as a result of returns, overpayments, settlement of disputed claims, etc.

a. Processing Rebates/Credits. Rebates will be posted as credits against billing statements and applied at the billing statement level unless specified otherwise at the level 2 (level 3 for Defense Agencies). The credit will automatically be applied to the default LOA. A/BOs should reallocate the rebates/credits across various LOAs (of the same appropriation) to the extent that no single LOA has a credit balance.

b. Processing Credits. Credit transactions will be posted as credits against billing statements, applied at the billing statement level. The credit will be applied against the LOA. Credit balances will be consolidated (across the entire level 4) on a fiscal quarter basis and the bank shall transmit the consolidated credit balance via check to the supporting accounting and finance organization. This will occur until an automated credit and rebate process is developed. In the case when a closed account carries a credit balance the amount shall be sent via check to an installation account predetermined by the A/OPC. The check will be addressed to US Government or US Treasury. The A/OPC shall work with his/her Resource/Financial Manager in identifying an account and in determining how the rebate will be distributed within the installation. The A/BO will send the check and LOA to the supporting accounting office with a request to deposit.

14. FA2 FILE. The FA2 is the file layout of the LOAs used in the DoD EDI process. The data elements contained in the FA2 are detailed in attachment 1 below. Requests for changes to attachment 1 must be approved by the Purchase Card-Program Management Office (PC-PMO). Any request for additions or change to approved data elements must be forwarded through DFAS-HQ/F to the PC-PMO for approval and coordination with the Bank. Any request for addition must address as a minimum, why the requested data element is needed. Any requests for change or addition that exceed minimum elements needed to establish or match and obligation will be returned without action.

15. USE OF THE CARD AS A PAYMENT VEHICLE. These business rules are to be applied when the card is used as a method of payment for delivery orders against requirements contracts, orders against Federal Supply schedule contracts and blanket purchase agreements. In these instances the default or distribution LOA associated with the card account are tied to the purchase card transaction and are the basis for the posting of the required obligation in the requisite accounting system. These rules cannot be applied to instances where a contract has been let and an obligation has been previously posted into the pertinent accounting system.

Table K-1. Master Accounting Code: FA2 Data Elements

Code	Name	Description
A1 2	DEPARTMENT DEPT INDICATOR	This field is used to indicate a 2 digit Department Code - Commercial Purchase Card - 21 for Army 57 for Air Force, 97 for Columbus or DoD funds used by services (i.e.) Working Capital, Medical. etc. ABBR: Air Force -DEPT , Army -DEPT , Navy -GA , USMC DEPT & CO -DEPT
A3 8	FISCAL YEAR FY INDICATOR	This 8 digit field is used to indicate the first year funds are available and last year funds are available, (i.e.) One (1) year funds would cite 1998, two (2) year funds would cite 19981999 ABBR: Air Force -FY , Army -FY , Navy -BFY/EFY , USMC -FY , & CO -FY
A4 4	BASIC SYMBOL BS NUMBER	This field is used to indicate the 4 digit numeric code assigned by Treasury to indicate the type of fund or appropriation and its major purpose. (i.e.) Army O&M is 2020, DoD O&M is 0100, AF O&M is 3400, etc. ABBR: Air Force -ASN , Army -BSN , Navy -APPR , USMC BASIC SYM , & CO -BSN
A5 4	LIMIT/SUB-HEAD SCL	This field is used to indicate the 4 digit numeric suffix to the BS. It identifies a subdivision of the funds that restricts the amount or use of funds for a certain purpose such as contingency funds (i.e. .0012) ABBR: Air Force -LIMIT , Army -LIMIT , Navy -SUBHEAD , USMC SUBHEAD , & CO -LIMIT
A6 2	FUND CODE/MCC FC	This field is used to indicate a 2 digit Fund Code or Material Category Code ABBR: Air Force -FC , Army -NOT USED , Navy -MCC , USMC -FC , & CO -NOT USED
B1 2	OPERATING AGENCY OAC CODE	This field is used to indicate the 2 digit code that identifies the organization issuing the funds; or under whose jurisdiction the installation or activity operates. (i.e.) a MACOM or MAJCOM or equivalent. ABBR: Air Force -OAC , Army -OA , Navy -NOT USED , USMC -FA , & CO -OA
B2 5	ALLOTMENT SERIAL ASN NUMBER	This 4/5 digit code is used identify a particular distribution of funds. ABBR: Air Force -OBAN , Army -ASN , Navy -BCN , USMC -BCN , & CO ASN
B3 6	ACTIVITY ADDRESS UIC CODE/UIC	This 6 digit field is used to indicate the Unit Identification Code or Activity Address cardholder making the purchase. ABBR: Air Force -BPAC , Army -UIC , Navy -UIC , USMC UIC , & CO -NOT USED
C1 12	PROGRAM ELEMENT PEC CODE	This field is used to establish a code that is not to exceed 12 digits that interrelate programming budgeting, accounting and manpower control through a standard classification. ABBR: Air Force -PEC , Army -AMSCO , Navy -COST CODE , USMC -COST CODE , & CO -COST C2 8 PROJECT TASK ORG This 8 digit field is used to identify the Organizational Code. ABBR: Air Force, Army, Navy, USMC -NOT USED , & CO -ORG
D1 2	ALLOCATION RECIPIENT MFP	This 2 digit field is used to identify Defense Agency Allocation Recipients. ABBR: Air Force -MFP , USMC -BESA , Army, Navy & CO -NOT USED

D4 7	JOB ORDER/WORK ORDER JO	This maximum of 7 digit field is used to indicate a Job Order or Work Order Number for assigning costs to a specific project. ABBR: Air Force - JON , Army - JON , Navy - PAA , USMC - PAA , & CO - JO
D6 1	SUB-ALLOTMENT SAR RECIPIENT	This 1 digit field is used to identify the sub-allotment recipient. ABBR: Air Force, Army & CO - NOT USED , Navy - SUB-ALLOT , USMC SUB-ALLOT
D7 6	WORK CENTER WCR RECIPIENT	This 6 digit field is used to identify the work center recipient. ABBR: Air Force - RC/CC , USMC - MAC , Army – Cost Center Code , Navy & CO - NOT USED
E1 1	MAJOR REIMB SOURCE RBC CODE	This 1 digit field is used to identify the major reimbursement source code. ABBR: Air Force, Army & Navy - NOT USED , USMC - RBC , CO RD
E2 3	REIMBURSEMENT RSC SOURCE	This 3 digit field is used to identify the source from which a reimbursement is to be received. ABBR: Air Force - ARSC , Army - RSC , Navy - NOT USED , USMC - RON , & CO - RSC
E3 6	CUSTOMER IDENTIFIER CI	This 6 digit field is used to identify a specific customer who has requested goods or services. ABBR: Air Force - MPC , Army - CN , Navy - NOT USED , USMC - CI , & CO NOT USED F1 5 OBJECT CLASS/EOR/EOE OC This 4/5 digit field is used to identify the general purpose and nature of the product or service. ABBR: Air Force - EEIC , Army - EOR , Navy - OC , USMC - OC/OSC , & CO OCC
F3 1	GOVT/PUBLIC SECTOR GPS IDENT	This field is use to identify the source providing the goods or service. ABBR: Air Force - TYPE VENDOR , Army - ODC , & CO - W/O , Navy & USMC - NOT USED
G2 2	SPECIAL SIPC INTEREST/PROGRAM	This 2 digit field is use to identify any special or emergency program costs, (i.e.) Desert Storm/Shield. ABBR: Air Force - ESPC , USMC - BRC , Army, Navy & CO - NOT USED
I1 6	DoD BACC SHORTHAND DBSH	This maximum 6 digit field is use to identify the specific elements of the accounting classification and may be used as a short cut of entering elements into the accounting system for each transaction. ABBR: Air Force - MAC , Army - A/OPC , Navy - NOT USED , USMC - CAC , & CO - A/OPC
J1 15	DOCUMENT REFERENCE SDN NBR	This 14/15 digit field is use by accounting to track the obligation record through all accounting phases. ABBR: Air Force - SDN , Army - SDN , Navy - SDN , USMC - SDN , & CO - SDN
L1 6	ACCOUNTING AI INSTALLATION	This 6 digit field is use to identify the accounting activity responsible for providing accounting services to a specific installation or activity. ABBR: Air Force - ADSN , Army - FSN , Navy - AAA , USMC - AAA , & CO FSN
N1 3	TRANSACTION TYPE TT	This 2/3 digit field is use to identify the transaction type code. ABBR: Air Force - BAAN , Army – TT , AMC Only , Navy - TTC , USMC - TTC , & CO NOT USED

O1 6	SHIP-TO ADDRESS CODE SRAN	This 6 digit field is use to identify the receiving address code. ABBR: Air Force - SRAN , Army, Navy, USMC & CO NOT USED
P5 12	FMS CASE COUNTRY & FMS LINE	This 12 digit field is use to indicate the FMS Case Number, Country Code and FMS Line Number. ABBR: Air Force - FMS , Army - FMS , Navy, USMC, & CO - NOT USED