

Department of Defense Purchase Card Program Management Office

1 MARCH 1999

REPLY TO
ATTN OF PC PMO

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Purchase Card Program – Cross Disbursements

The purpose of this memorandum is to request your assistance in ensuring purchase card billing accounts are established in such a way that cross disbursements do not occur.

On February 26, 1997, the Under Secretary of Defense (Comptroller) and the Under Secretary of Defense (Acquisition and Technology) forwarded to the Services and Defense Agencies a copy of the Joint Report of the Purchase Card Financial Management Team and the Purchase Card Integrated Product Team. The report highlighted 57 recommendations to streamline the Department's purchase card process. Recommendation IV – 1 established a reengineered business practice, which would preclude cross disbursements from occurring.

It is not uncommon for one DOD activity to be subordinate to, and funded by, one DOD Component (tenant) but be located on the installation of another DOD Component (host). In such cases, card accounts are usually established for the tenant activity through the host contracting office (i.e., through the use of Delegated Procurement Authority and/or Inter-Service Support Agreements (ISSAs)). When this occurs it is essential that the billing official be advised that he is to forward the certified invoice to his/her appropriate payment and accounting office, usually an Operating Location (OPLOC) of the Defense Finance and Accounting Service (DFAS). Billing Accounts will not be established in a way that payment of the resulting bank invoice creates a cross disbursement of a Component's funds. When a billing office (other than a contracting office) is procuring for customers which are supported by different payment offices, the billing official must establish a separate billing account for each, thereby ensuring invoices for card transactions are sent their proper payment office.

Although the majority of these occurrences were identified and corrected, we still find some invoices sent to a payment office, which include funds supported by a different payment office. It is requested that you have your Purchase Card Program Coordinators review existing billing accounts and take appropriate actions to re-align them to their proper payment and accounting offices as necessary.

//signed//

Bruce E. Sullivan
Program Manager

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