



ACQUISITION  
AND SUSTAINMENT

## OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3000

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

SUBJECT: Department of Defense Policies and Procedures Governing Non-Appropriated Funds  
SmartPay® 3 Government-wide Commercial Purchase Card Use – SP3 Transition  
Memorandum #11

The Office of the Under Secretary of Defense for Acquisition and Sustainment, Defense Pricing and Contracting (DPC) oversees and establishes policy for all Government Purchase Card (GPC) SmartPay® 3 (SP3) programs within the Department of Defense (DoD). Most DoD GPC SP3 programs are funded with appropriated funds (APF), while a small percentage, primarily within the Department of the Army, are funded with Non-Appropriated Funds (NAF). All SP3 GPC card programs shall comply with and follow the policies, practices, and regulations in the *DoD Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs (DoD Charge Card Guidebook)*. The cognizant GPC Component Program Manager assumes the risk to the government for any cards not in compliance.

*DoD Charge Card Guidebook* policies require that all NAF GPC SP3 transactions comply with the same data mining business rules as APF funded GPC SP3 transactions, with multiple rules detecting non-compliance with Federal Acquisition Regulations and Defense Federal Acquisition Regulation Supplement from which NAF monies are otherwise exempt. Additionally, NAF GPC SP3 transactions must comply with source selection, small business, and green procurement policies and procedures as required by the *DoD Charge Card Guidebook*. As following GPC SP3 procedures for NAF accounts imparts these types of administrative and regulatory burdens, NAF instrumentality organizations must accept these burdens with this arrangement.

DPC has established a new internal control that will be applicable to all NAF GPC SP3 programs from the effective date of this memorandum in order to ensure NAF funded GPCs are

properly segregated for oversight. All NAF GPC SP3 Cardholder Accounts must be established under separate Managing Accounts (MA) (i.e., co-mingling of appropriated and non-appropriated funded cards under a single MA is strictly prohibited).

This guidance will be incorporated into the next update to the *DoD Charge Card Guidebook*. If you have any questions, my point of contact is Ms. Sheila McGlynn, DPC/CeB, 703-697-4402, sheila.a.mcglynn.civ@mail.mil.

Kim Herrington,  
Acting Principal Director,  
Defense Pricing and Contracting