

Department of the Navy

Government Purchase Card Program



Head of Activity (HA)

Desk Guide

DON Purchase Card Program
Major Changes to the Purchase Card Program Desk Guides, Version 4.0

The changes incorporated into the Purchase Card Program Desk Guides, Version 4.0, are relative to Citibank's recent CitiDirect System Release 3.3 and to the major policy changes effective in the EBUSOPSOFFINST 4200.1A Purchase Card Instruction.

Some individuals may notice their previous desk guides are marked Version 2.0. This September 2003 release is labeled 4.0 because some individual training CDs distributed since 14 March 2003 contained Desk Guides marked as Version 3.0.

Due to significant changes in CitiDirect Version 3.3, the CitiDirect procedural information previously found in the Desk Guides has been removed. The CitiDirect website, www.cards.citidirect.com, now includes tutorials for DON Cardholders, AOs and APCs. The audio tutorials provide extensive directions for CitiDirect procedures.

Listed below are the Desk Guides impacted by EBUSOPSOFFINST 4200.1A and the affected page numbers for each.

	Page
Head of Activity	
▪ Semi-Annual Major Claimant review requirement to document all disciplinary action taken	12
▪ Waivers may be granted to the 1:7 Approving Official (AO) to cardholder ratio	14
▪ Disciplinary guidelines established for Civilian Employees	20
APC CitiDirect	
▪ Waivers may be granted to the 1:7 Approving Official (AO) to cardholder ratio	20
▪ Semi-Annual Major Claimant review requirement to document all disciplinary action taken	27
▪ Disciplinary guidelines established for Civilian Employees	28
APC WinSALTS	
▪ Waivers may be granted to the 1:7 Approving Official (AO) to cardholder ratio	19
▪ Semi-Annual Major Claimant review requirement to document all disciplinary action taken	26
▪ Disciplinary guidelines established for Civilian Employees	28
AO CitiDirect	
▪ AO requirement to issue cardholders "Accountable Official" letter	2
▪ AOs are required to show physical validation when reviewing cardholder receipts	2
▪ Disciplinary guidelines established for Civilian Employees	11
AO WinSALTS	
▪ AO requirement to issue cardholders "Accountable Official" letter	2
▪ AOs are required to show physical validation when reviewing cardholder receipts	3
▪ Disciplinary guidelines established for Civilian Employees	32

**DON Purchase Card Program
Program Orientation Desk Guide**

Table of Contents

SECTION I: PROGRAM ORIENTATION	2
1. SEND US YOUR COMMENTS	2
2. OVERVIEW	3
A. Purpose	3
B. Benefits	3
C. Major Roles	3
3. HOW THE DON PURCHASE CARD PROGRAM WORKS	4
A. The Processes	4
B. Establishing a Program	5
C. Training Requirements	6
D. Approving Official (AO) Account Set-Up.....	8
E. Cardholder (CH) Account Set-Up.....	9
F. Purchase Workflow	10
G. Cardholder (CH) Account Reconciliation.....	12
H. Pay & Confirm Process	14
I. Dispute Process	15
J. Approving Official (AO) Account Reconciliation and Certification	17
K. EDI External Process	18
L. EDI External Obligation Process	19
M. EDI External Invoice Process	21
N. EDI Internal Process	23

Section I: Program Orientation

1. Send Us Your Comments

The Department of Navy eBusiness Operations Office welcomes your comments and suggestions on the quality and usefulness of this document. Your input is an important part of the information used for revision.

- Did you find any errors?
- Is the information clearly presented?
- Do you need more information? If so, where?
- Are the examples correct? Do you need more examples?
- What features did you like most?

If you find any errors or have suggestions for improvement, please indicate the document title, chapter, section, and page number (if available). You can send comments to us in the following ways:

- Electronic mail: [DNeBusTraining@navy.mil](mailto:DONeBusTraining@navy.mil)
- FAX: 717.605.9362 Attn: Purchase Card Training
- Postal service:
Department of the Navy
eBusiness Operations Office
Card Management Group, Purchase Card Training
5450 Carlisle Pike, P.O. Box 2050
Mechanicsburg, PA 17055-0791

If you would like a reply, please give your name, address, telephone number and electronic mail address.

DON Purchase Card Program Program Orientation Desk Guide

2. Overview

A. Purpose

The Department of Navy (DON) Purchase Card Program expedites the acquisition of mission essential materials and services through simplifying the purchases that are less than or equal to the \$2,500 micro-purchase threshold.

The Department of Defense (DOD) and DON made the Purchase Card Program available because it is a fast and efficient way to purchase materials and services and it reduces administrative efforts associated with micro-purchases.

B. Benefits

Cardholders/Activity Benefits: Cardholders (CHs) and activities directly benefit from the program by receiving required materials and services in the most timely and efficient manner. Administrative overhead is reduced substantially due to a decreased volume of paperwork.

DON Benefits: The DON benefits financially because the program's invoice and certification process is automated creating the fastest payments to the bank creditor. This results in reduced interest payments and increased cash rebates.

Vendor and Supplier Benefits: Merchants and vendors benefit by receiving virtually immediate payment for goods and services while reducing their billing and accounting overhead. This makes doing business with the government easy and attractive and leads to synergistic partnerships..

C. Major Roles

The Commanding Officer or Head of Activity (CO/HA) decides if the activity needs a purchase card program and initiates the process to create one.

Working with the activity's Financial Manager (FM) and others, the CO/HA selects an Agency Program Coordinator (APC) and delegates to the APC the authority to run the activity's program.

Each CH is assigned to an Approving Official (AO) who often is the CHs supervisor. The AO can have no more than seven (7) CH accounts under his/her purview and is required to review and approve all CH purchases.

CHs are the individuals who have purchasing authority to make mission essential acquisitions for their activity.

DON Purchase Card Program Program Orientation Desk Guide

3. How the DON Purchase Card Program Works

A. The Processes

The DON Purchase Card Program can be viewed as several processes that combined allow DON activities to establish, maintain and execute a monthly program cycle. The following ten sections of this guide explain the major program processes in general terms with basic flowcharts.

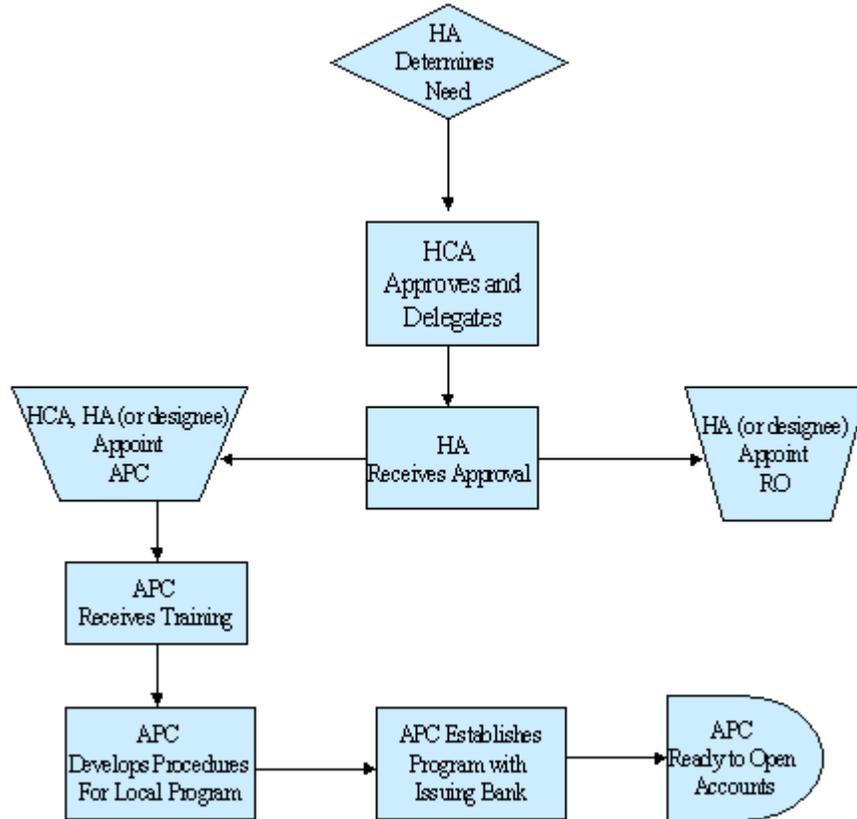
The details for the execution of these processes are included in the appropriate role guide – APC, AO or CH. The twelve major processes are:

- Establishing a Program
- Approving Official (AO) Account Set-Up
- Cardholder (CH) Account Set-Up
- Purchase Workflow
- Cardholder Account Reconciliation
- Pay & Confirm Process
- Disputes Process
- Approving Official (AO) Account Reconciliation and Certification
- EDI External Process
- EDI External Obligation Process
- EDI External Invoice Process
- EDI Internal Process

DON Purchase Card Program Program Orientation Desk Guide

B. Establishing a Program

The establishment of a government purchase card program begins with the Head of the Activity (HA) making a determination that a program is needed to support the mission of the organization.



When it is decided that a purchase card program is needed, the HA must request authority from the Head of the Contracting Agency (HCA) to establish the program.

After approval is received from the HCA, the HA must assure that a Review Official (RO) is appointed to perform pre and post certification reviews of certified invoices within the purchase card program.

The HA is also required to appoint an Agency Program Coordinator (APC) that will be responsible for the management of the activity's program.

The APC must complete the required training and become familiar with all guidance governing the organization's program. This may include, but is not limited to, Federal Acquisition Regulations (FAR), Defense Federal Acquisition

DON Purchase Card Program Program Orientation Desk Guide

Regulations (DFAR) and the EBUSOPSOFFINST 4200.1A. The APC is responsible for developing and promulgating any local policy and procedures (Internal Operating Procedure) that are mission specific to the activity.

The APC coordinates with Citibank under existing contracts and task orders to create a hierarchy level for their organization. Process details vary depending on the automated system used by the agency to communicate with the bank. The details of this process are explained in section 2.3 of the APC Desk Guide.

After Citibank has established a reporting hierarchy with all necessary information recorded in the bank's database, the APC is operational and can begin the Approving Official (AO) account set-up.

The activity will need enough AO accounts to ensure that the Cardholder-AO span of control ratio is held within the DoD prescribed upper limit of 7:1. It is the APC's responsibility to control this program parameter.

C. Training Requirements

All DON Government Commercial Purchase Card (GCPC) Program participants are required to complete two mandatory government purchase card courses. Some program participants are required to complete additional courses as explained below. The two mandatory courses are:

- a. The *DON eBusiness Purchase Card Training* course appropriate to the individual's role assignment within the program. These are role specific courses available for Cardholders, Approving Officials, Agency Program Coordinators and Heads Of Activity. The courses are also organized by electronic certification system – CitiDirect or WinSALTS. Each purchase card program participant is required to take the course appropriate as defined by his or her role within the program. This training is DON mandated for all DON GCPC participants.
- b. The Defense Acquisition University Continuous Learning Center (DAU CLC) *Government Purchase Card Tutorial* available at the DAU CLC website at <http://clc.dau.mil>. This course is DoD mandated training for all DoD GCPC participants.

These courses must be completed prior to appointment; the appropriate DON eBusiness Purchase Card Training course must be repeated as refresher training every two years. The DAU *Government Purchase Card Tutorial* is a "once and done" requirement and does not need to be repeated as refresher training.

Additional training is required for DON GCPC cardholders who are delegated use of the purchase card via SF 1402 (Certificate of Appointment). These individuals must complete the following course:

DON Purchase Card Program Program Orientation Desk Guide

- c. The *Simplified Acquisition Procedures (SAP)* course, CON 237, available on-line through the DAU website at www.dau.mil.

DON GCPC cardholders who have completed CON 101, Contracting Fundamentals, or CON 202, Intermediate Contracting since 1997 are exempt from the requirement to take CON 237.

Annual ethics training is required for the following DON GCPC participants:

- a. All Approving Officials (AO); these individuals are required to complete the Form OGE 450, Office of Government Ethics Confidential Financial Disclosure Report,
- b. All Cardholders (CH) who purchase in excess of \$100,000 (these individuals are required to complete the Form OGE 450).

DON GCPC participants required to take annual ethics training should check with their local Office of General Counsel for training availability.

All documentation of successful completion of the training listed in a.1, a.2 and a.3 must be retained by the individuals taking the training and their immediate Agency Program Coordinators for the duration of their appointment as a DON GCPC participant.

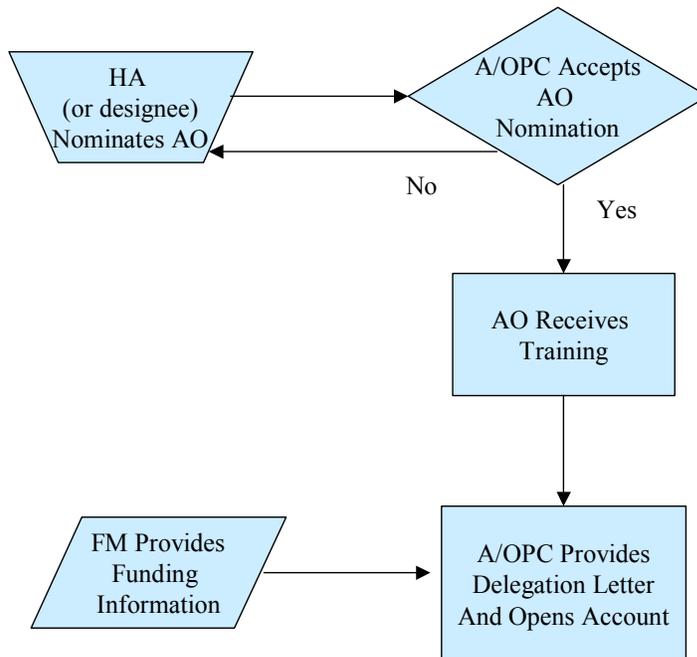
Refer to Appendix L of this desk guide for contact and availability information about these courses.

DON Purchase Card Program Program Orientation Desk Guide

D. Approving Official (AO) Account Set-Up

In order to issue a purchase card, an AO must be designated and an AO account opened before cardholders can be issued purchase cards.

The HA or his/her designee must nominate, in writing, an individual, either military or civilian, to perform the Approving Official role and functions and forwards it to the APC.



After the APC accepts the individual's nomination as an AO, the APC must schedule training for the AO. A list of training resources is included in Appendix L of this Desk Guide.

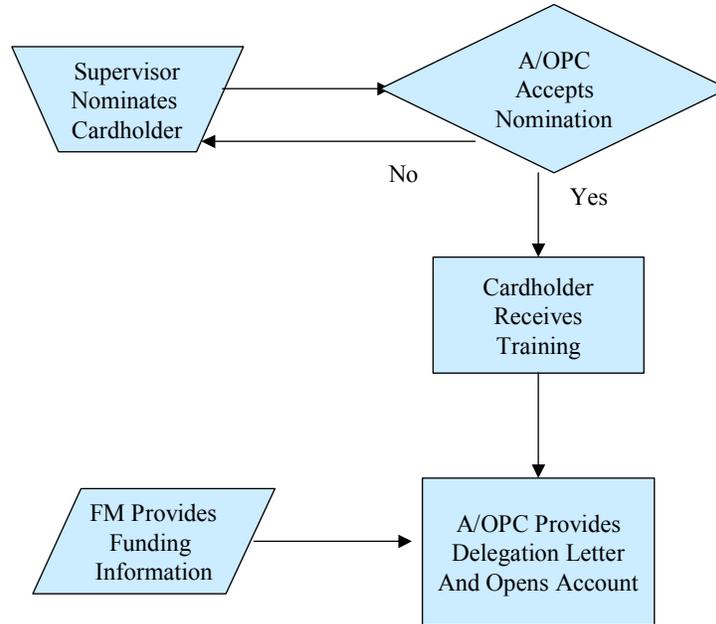
After the AO has received the required training, the APC obtains the necessary information to open an account with Citibank. Demographic and financial information for the individual is necessary to properly establish and affect payment of the account.

The APC then provides the AO with a written Letter of Delegation and opens the account with Citibank. The APC in conjunction with the HA, Financial Manager and Department Head establish the AO account's billing cycle limit and single purchase amount. These limits are the effective maximums for all cardholder accounts assigned to this AO account.

DON Purchase Card Program Program Orientation Desk Guide

E. Cardholder (CH) Account Set-Up

To establish a purchase card account, first an individual must be designated as the responsible account holder.



A CH must be nominated, in writing by their supervisor, to the APC. A sample of the nomination letter is included in Appendix E of this Desk Guide.

After accepting the nomination, the APC will schedule training for the CH.

After the CH has completed training, the APC will obtain all necessary information to establish the account including demographics, funding information and the AO responsible for review and oversight. Additionally, an individual responsible for certification and payment of this account is also identified (usually, the AO and the Certifying Official are the same individual).

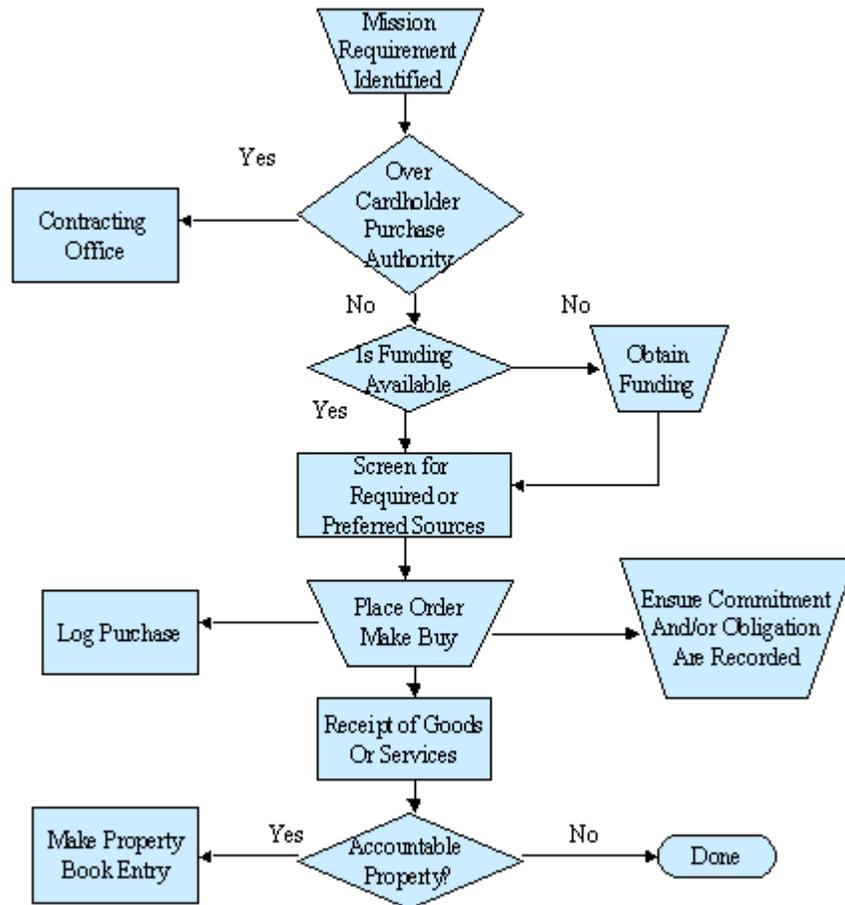
After all information is complete, the APC provides the CH with a Letter of Delegation and opens a purchase card account with Citibank. This same process is utilized when establishing a convenience check account. The APC in conjunction with the HA, Financial Manager, the AO and Department Head establish the CH billing cycle limit and single purchase amount.

DON Purchase Card Program Program Orientation Desk Guide

F. Purchase Workflow

The following diagram demonstrates the workflow process when a requirement is made to an activity.

After it has been determined that a mission requirement exists and that the purchase card will be used, the following process should be followed:



After a specific need has been identified, the CH must determine if he/she is authorized to make the requested purchase. The determination is made based on the dollar value of the purchase, in total, compared to the authority granted to the CH in the delegation letter. If the total request exceeds the CH's authority, the CH must refer the requirement to the contracting office for processing.

If it is determined that the total purchase is within the CH's authority, the item(s) must then be reviewed in accordance with mandatory sources of supply, such as JWOD (Jay-Wagner-O'Day Act) and NIB/NISH (National Industries of the

DON Purchase Card Program Program Orientation Desk Guide

Blind/National Institute of Severely Handicap) as specified in the FAR, DFAR and local governing instructions. Organizations may also designate preferred sources, such as Indefinite Delivery, Indefinite Quantity (IDIQ) type contracts, existing Blanket Purchase Agreements (BPAs), etc that are to be used in purchasing items for that organization. The requested item must not be prohibited by law or regulation or require special approvals. Funding must be available to cover the purchase.

If the item is prohibited or funding is not available, the CH should notify the requestor of the situation. Under no circumstances shall the CH proceed with purchases that are not funded or are unauthorized. If the requestor persists, matters should be reported to the AO, APC and FM.

If special approval is required, it must be obtained before placing an order or making a purchase.

After the CH has placed the order or made the purchase, he/she must make an entry in the purchase log. A list of the data items required to be entered into the log for use in reconciliation of the cardholder statement is included in section 2.9 of the Cardholder Desk Guide.

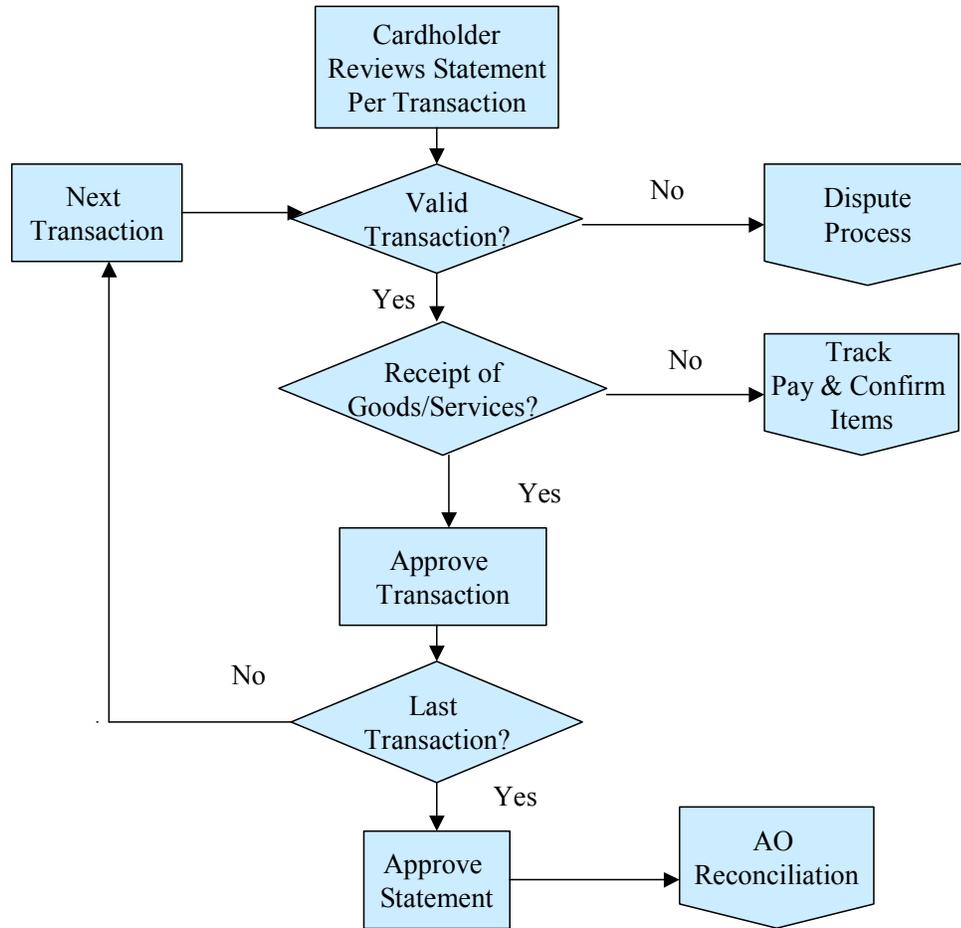
Once the CH is in receipt of the goods, the CH will make a record of receipt in accordance with local procedures.

The CH must determine if any item purchased is classified as accountable property in accordance with the Accountable Property instructions for the organization. If the item is classified as Accountable Property it must be reported to the Property Book Officer, logged and processed accordingly.

**DON Purchase Card Program
Program Orientation Desk Guide**

G. Cardholder (CH) Account Reconciliation

CHs are responsible for reconciling their purchase card statement for accuracy.



The CH must review each transaction and match it to the previously made purchase log entry and documentation to determine validity. Cardholders should ensure that all transactions have receipts.

If the transaction is invalid, the CH must immediately initiate a dispute with Citibank except for taxes and transportation charges. The dispute must be filed in accordance with the procedures outlined by Citibank. The details of the dispute process are included in section 2.16 of the Cardholder Desk Guide.

If the transaction differs, the CH must contact the vendor to resolve the issue. If not resolved within 30 days, the CH must file a dispute. If the transaction is valid it must be approved.

DON Purchase Card Program Program Orientation Desk Guide

If the transaction is a valid purchase but goods and/or services have not been received, the CH will approve the transaction for payment. Receipt of the goods and/or services should then be closely tracked by the CH to assure receipt by the next billing statement.

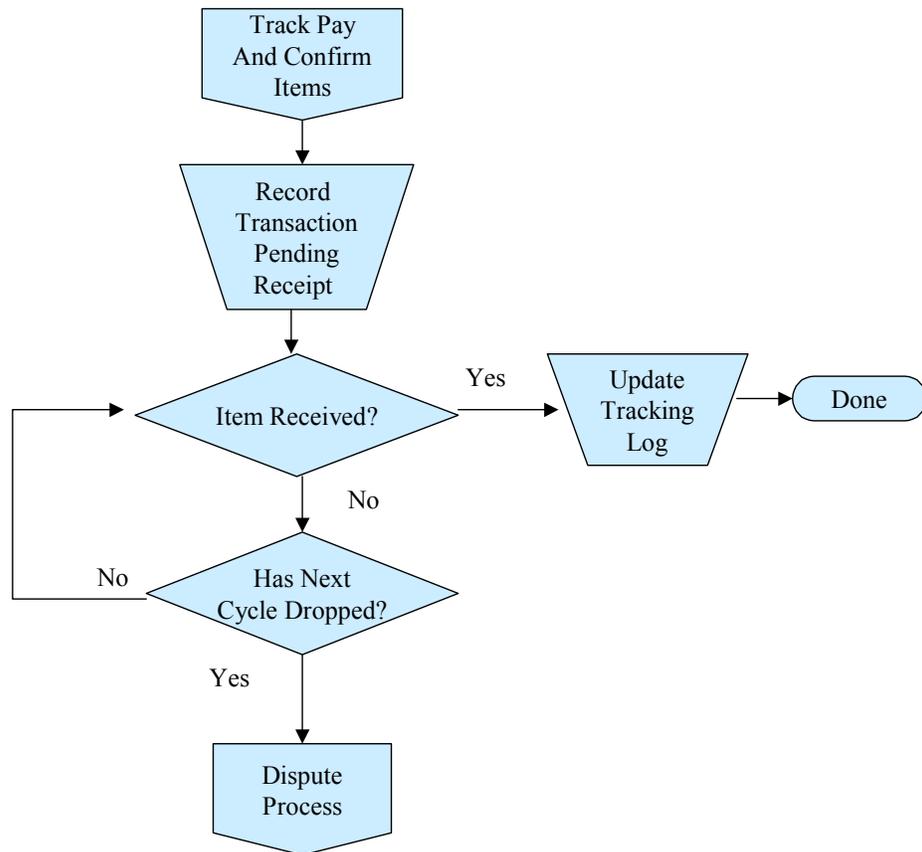
After all transactions are reconciled, i.e. approved or disputed, the CH acknowledges transaction validity, as specified in current DOD guidance, with personal signature or electronic acceptance.

After acceptance, the CH must approve the statement. The AO is then responsible for second level review and approval in accordance with the process detailed in section 2.5 of the AO Desk Guide.

DON Purchase Card Program Program Orientation Desk Guide

H. Pay & Confirm Process

The pay and confirm process allows Citibank to be paid for items that have been shipped by the vendor but not received by the organization. It is the responsibility of the cardholder to monitor receipt of approved purchases of which goods or services have not been received to assure delivery. (A tracking list should be created for this purpose.) In order to determine delivery status, the CH must communicate with the vendor.

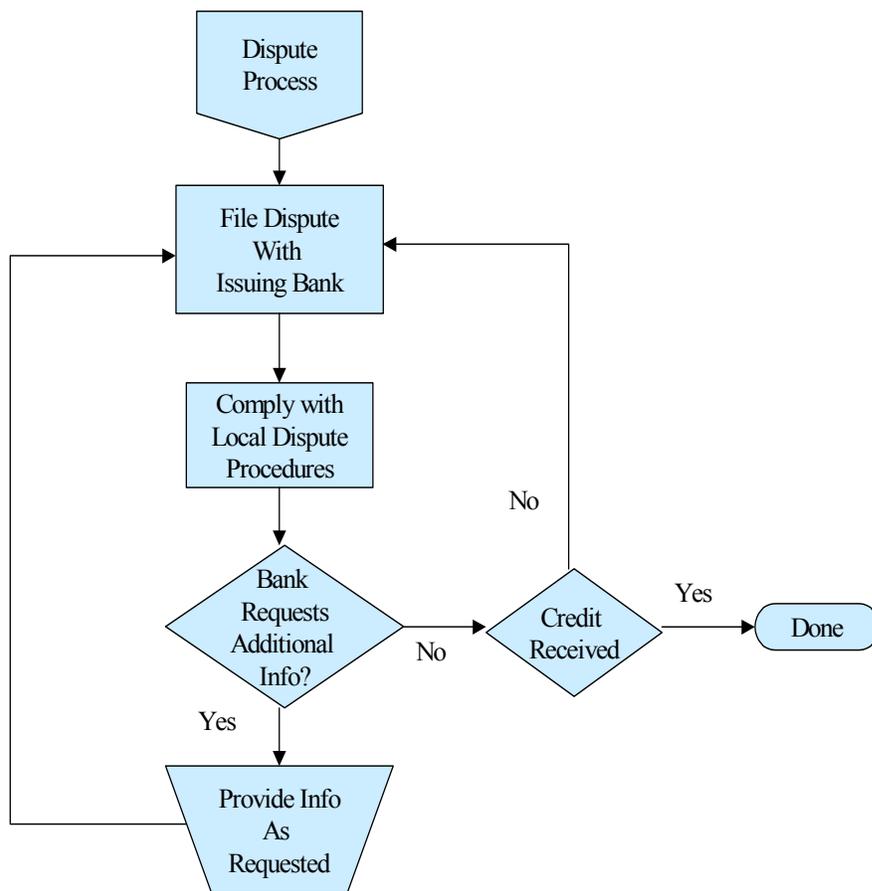


If the next statement cycle has occurred and the organization is still not in receipt of the goods and/or services, the CH must file a dispute. Detailed instructions for the dispute process are included in section 2.16 of the Cardholder Desk Guide.

DON Purchase Card Program Program Orientation Desk Guide

I. Dispute Process

All CHs have the right and responsibility to process disputes when they have been unable to resolve any issue with the vendor, such as receiving credit for returned items, excessive charges, invalid charges, etc. (*Note: While the federal government is tax exempt in most cases, sales tax is not a disputable item. If sales tax should not have been charged then the CH must obtain a credit from the vendor.)



Upon determination that a dispute is required, the CH must initiate a dispute with Citibank in accordance with the bank's procedures.

Should the bank request additional information in order to properly adjudicate the dispute, the CH is obligated to comply with the request. Failure to comply will result in the loss of disputing rights.

DON Purchase Card Program Program Orientation Desk Guide

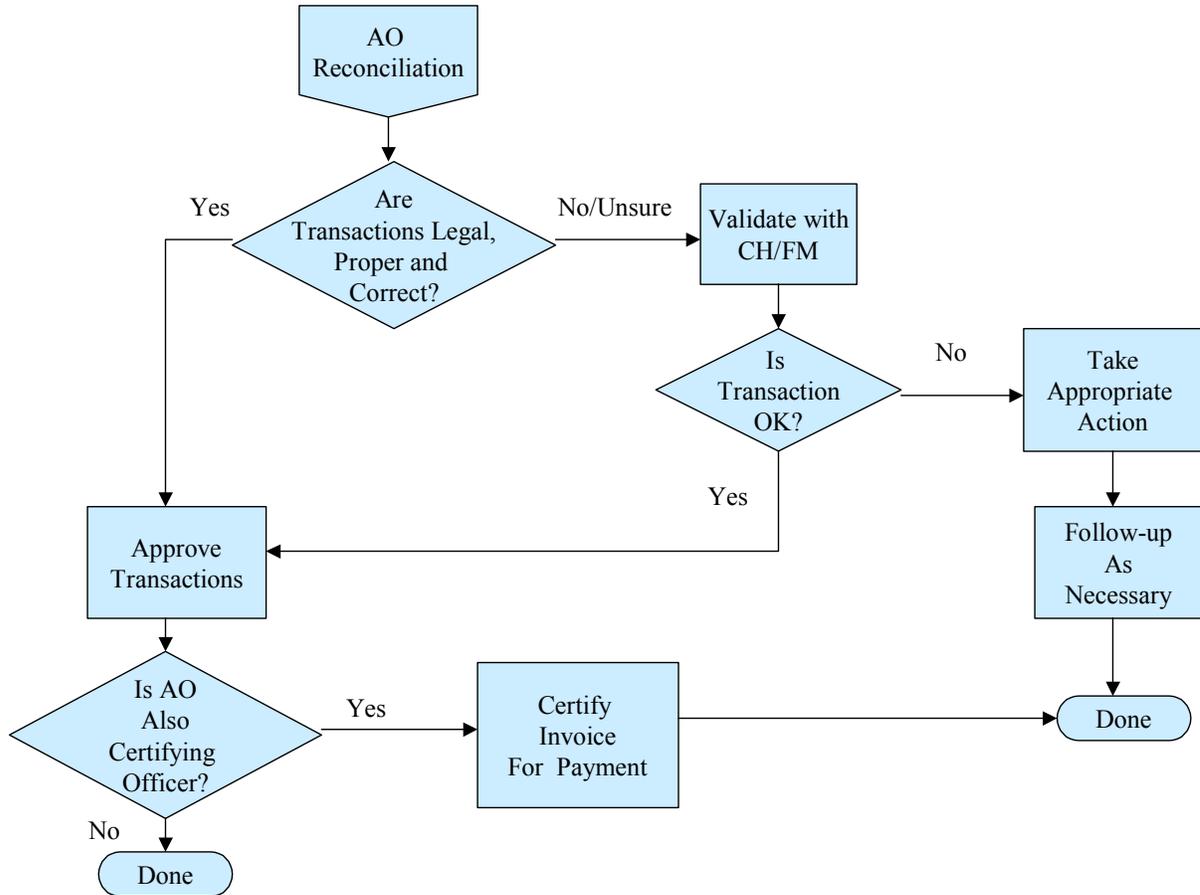
Upon acceptance of the dispute, Citibank will provide a provisional credit to the CH account. If the dispute is resolved in favor of the CH no further action is necessary. If the dispute is found in favor of the merchant, the transaction will be re-billed to the CH. The CH must then approve the transaction for payment through the certifying officer (AO).

The status of disputes can be obtained using the CitiDirect Inquiry function and selecting "Pending Disputes".

DON Purchase Card Program Program Orientation Desk Guide

J. Approving Official (AO) Account Reconciliation and Certification

The AO is responsible for approving all transactions for his/her assigned CHs. It is, therefore, preferable that the AO be the CHs supervisor and/or co-located. This structure is critical for management controls of the purchase card.



The AO must assure all transactions for all assigned CHs are legal, proper and correct in accordance with governing rules and regulations. The EBUSOPSOFFINST 4200.1A includes a list of these rules and regulations.

If the AO finds questionable transactions, the AO must contact the CH to review supporting documentation and/or consult with the FM, as appropriate.

If it is determined the transactions are legal, proper and correct, the AO should approve the statement and/or invoice. If transactions are not legal, proper and correct, a decision must be made as to the liability associated with them. If the transactions are for invalid and/or improper purchases, the AO must resolve this with the CH and/or vendor. Ideally, these items should be returned and a credit

DON Purchase Card Program Program Orientation Desk Guide

(never cash) received. In some cases the CH must file a dispute to receive credit.

If it is determined that the CH was negligent, appropriate administrative or disciplinary action must be taken in accordance with either the DOD disciplinary policies for purchase card misuse and abuse or the organization's governing personnel policies and procedures. In addition, military members are subject to the Uniform Code of Military Justice.

If a transaction was processed in accordance with the controls established by the organization but was found to be inappropriate, Citibank has fulfilled its responsibilities under the contract and the government is obligated to make payment to the bank. The government must seek restitution from the responsible employee(s) for any losses incurred as a result of their improper purchases.

By definition, the CH and the AO are the accountable and responsible officials. Additionally, when the AO appointed as the Certifying Officer, pecuniary liability for an illegal, improper or incorrect payment is automatically assigned.

When an AO is appointed as a Certifying Officer, he/she must certify the Citibank invoice, acknowledging approval of all transactions as legal, proper and correct, and forward the document to the appropriate payment office for payment.

If the Citibank invoice is electronically certified, the payment will process in accordance with EDI External and Internal Processes explained in the next section of this guide. The details of this process vary depending on whether the activity uses CitiDirect or SALTS as its automated system.

It is the responsibility of the AO to assure the CH accounts are kept current. If at any time a delinquency notice is received from the Citibank, the AO must resolve the delinquency. Assistance may be obtained from the APC and/or payment office.

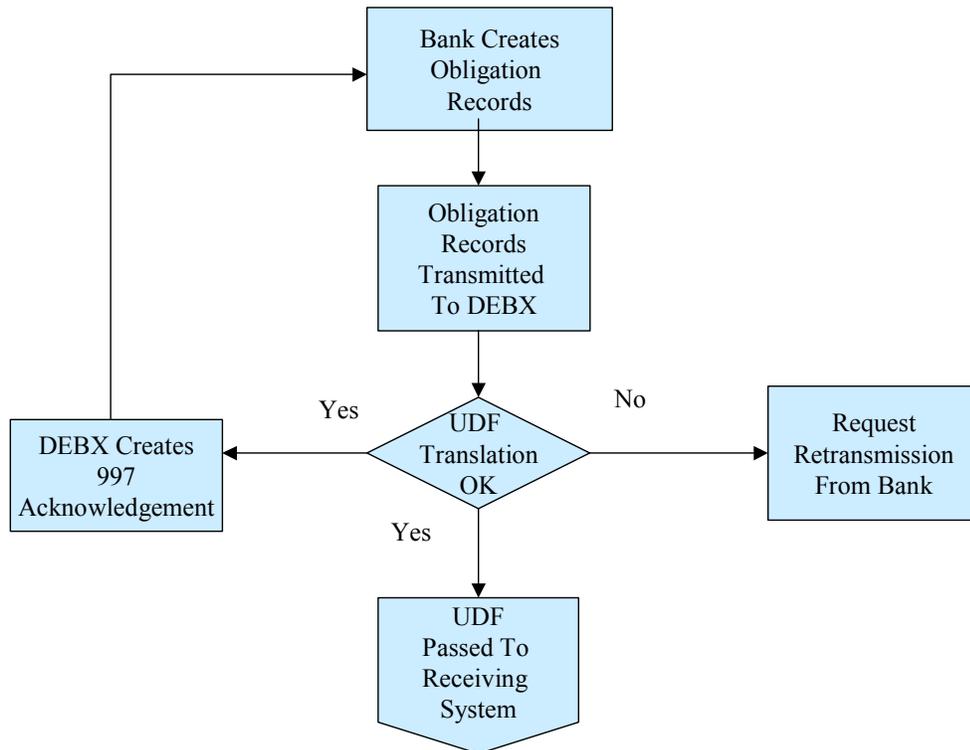
K. EDI External Process

The Government Purchase Card Electronic Data Interchange (EDI) occurs both internally and externally to the government. EDI is the mechanism used to communicate fund obligations and certify invoices between Citibank and the DON. Citibank's key role in this process is described in the next sub-sections of this guide.

DON Purchase Card Program Program Orientation Desk Guide

L. EDI External Obligation Process

A DON activity needs to obligate funds within the appropriate DON accounting system before the purchase card can be used. Citibank generates obligation records for transmission to DON activity's official accounting records based on business rules established in the EDI Concept of Operations.



The bank generates “821” type records based upon the DON Implementation Convention standards for obligations. The timing of the record generation is dependent upon the two possible funding methods- -i.e., Bulk or Transactional.

When a file is created by Citibank, it is transmitted to the government via the Defense Electronic Business Exchange (DEBX) network. This network receives the transaction and translates the EDI record into a format that can be processed by the receiving accounting system. The translation results in a User Defined File (UDF) that is transmitted to and processed by the government accounting system of record (i.e. STARS-FL, STARS-HQ, STANFINS, SOMARDS, DBMS, etc.). The translation is performed based on mapping requirements provided by the receiving systems' managers.

During the translation process, the EDI records are validated. If the file cannot be translated due to invalid data or it does not contain all of the required information, processing requirements are not met and the DEBX will request the

DON Purchase Card Program Program Orientation Desk Guide

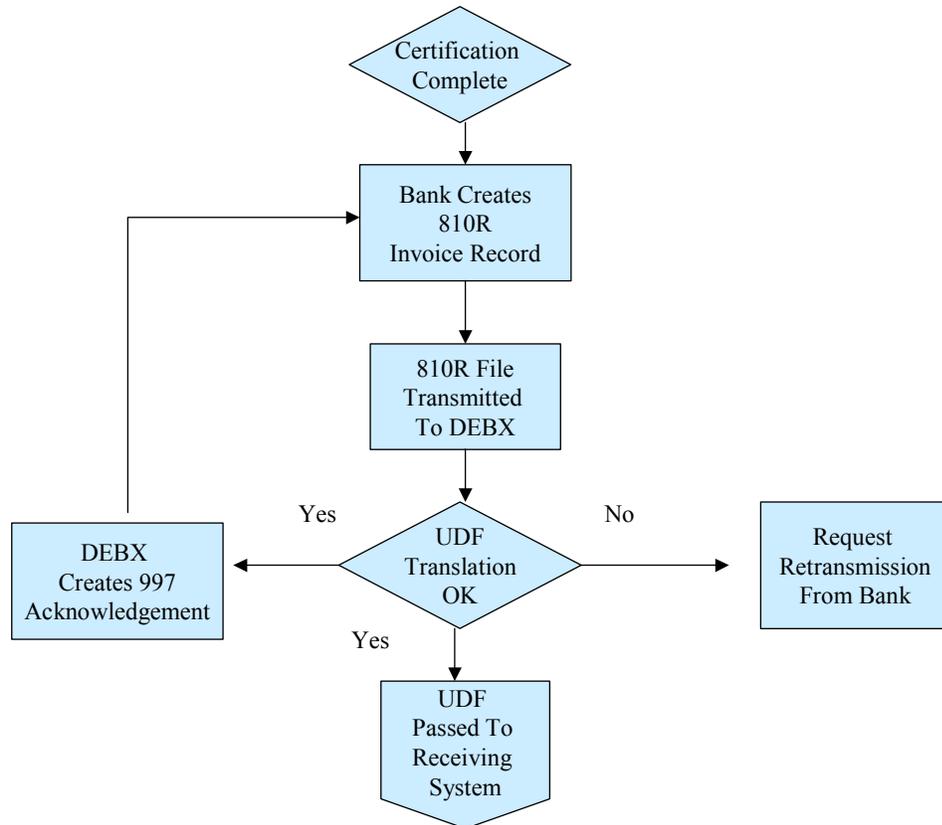
bank to retransmit the file. If the file processes according to the specifications, the DEBX generates a "997" type acknowledgement and sends it back to Citibank. This "997" type record indicates to the bank that the file has been accepted by the government for processing.

The UDF is then transmitted to the official accounting system for processing. Each receiving system has provided the DEBX with process procedure documentation.

DON Purchase Card Program Program Orientation Desk Guide

M. EDI External Invoice Process

Citibank generates invoice records for transmission to the DON activity's accounting system based on business rules established in the EDI Concept of Operations.



Citibank generates "810R" type records based upon the DOD Implementation Convention standards for certified invoices. The timing of the generation is based on the business rules selected by the DON from the EDI Concept of Operations (see appendix). Regardless of the business rule selected, however, the trigger for "810R" invoice generation is certification of the official invoice presented by Citibank.

When the "810R" type file is created by Citibank, it is transmitted to the government via the Defense Electronic Business Exchange (DEBX) network. This network receives the EDI transactions and translates the records into a format that can be processed by the receiving accounting system. This translation results in a User Defined File (UDF) that is transmitted to and processed by the government cash disbursements payment system (i.e. STARS-

DON Purchase Card Program Program Orientation Desk Guide

OP, CAPS-W, CAPS-C, IAPS etc.). The translation is performed based on mapping requirements provided by the receiving systems' managers.

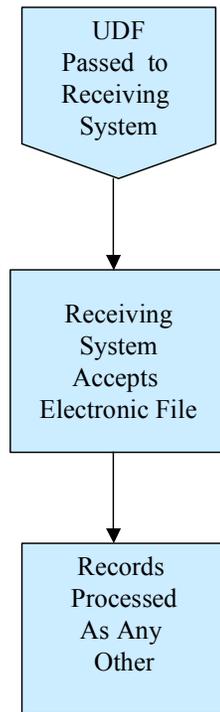
During the translation process, the EDI records are validated. If the file cannot be translated due to invalid data or it does not contain all the required information, processing requirements are not met and the DEBX will request the bank to retransmit the file. If the file processes according to the specifications, the DEBX generates a "997" type record acknowledgement and sends it back to Citibank. This "997" indicates to the bank that the file has been accepted by the government for processing.

The UDF is then transmitted to the official accounting system for processing. Each receiving system has provided the DEBX with documentation as to the procedure to process it's file.

DON Purchase Card Program Program Orientation Desk Guide

N. EDI Internal Process

Whether it's an obligation file or an invoice file, after a file has been transmitted from Citibank to the DEBX and the 997 has been transmitted to the bank, the government has accepted responsibility for the processing of that file. The creation of the User Defined File (UDF) facilitates the processing of the records by the receiving system.



After the UDF is generated, the DEBX transmits the UDF to the receiving system. This is done through an intermediary source or directly to the system for processing.

The receiving system accepts the UDF for processing. The UDF is taken into the receiving system electronically without modification. After the UDF records are taken into the system they are processed as any other accounting and invoice records.

DON Purchase Card Program HA Desk Guide

Table of Contents

Section II: Functions and Responsibilities - HA	2
1. Determine Need to establish Purchase Card Program and make request to HCA to establish	2
2. Assure Procedures and Appointment of Local APC.....	3
3. Can Approve Nomination of AO and CH (or designate this responsibility).8	
4. Assure reviews are conducted IAW DON policy	12
5. Ensure effective internal management controls are in place	13
6. Responsible for overall management of the purchase card program	15
7. Responsible to ensure performance standards include purchase card responsibilities.....	17
8. Appoint a knowledgeable and independent Review Official IAW FMR Vol 5, Chap 33 Section 330802.....	17
9. When a misuse charge is made, the HA must convene or order an investigation in accordance with Volume 5, Chapter 6 and Appendix C of the Financial Management Regulation	18
10. Forward reports of investigation through the appropriate channels to DFAS	19
11. Take all appropriate actions as a result of investigation	20

DON Purchase Card Program HA Desk Guide

Section II: Functions and Responsibilities - HA

1. Determine Need to establish Purchase Card Program and make request to HCA to establish

The Head of Activity (HA), military officer or civilian executive in charge, has overall responsibility for managing the contracting authority granted by the cognizant Head of Contracting Activity (HCA).

The HCA is an official at one of the 23 Department of Navy (DON) components who has overall responsibility for managing contracting authority within his/her contracting chain of command. HCAs are responsible for the delegation, re-delegation and use of contracting authority, including use of the purchase card by DON commands, activities and personnel under their contracting cognizance.

When the HA makes a determination that the purchase card program is needed to support the organization's mission, he/she must request authority from the HCA to establish his/her local program. Activities that determine a valid mission requirement for a local Purchase Card program shall coordinate their request through their Level III APC. The Level III APC will endorse and submit the request to the DON PCPMO (Level II APC) for review/approval.

The HA must receive initial training on purchase card policy and refresher training every two years. Chapter 3, paragraph 9 of the EBUOPSOFFINST 4200.1A delineates specific training requirements. Training documentation needs to be retained for the duration the employee serves in this capacity and for three years beyond.

If the HCA accepts the HAs request, the HCA must provide delegation acknowledgement in written form to the HA and describe any limitations associated with the established local purchase card program.

DON Purchase Card Program HA Desk Guide

2. Assure Procedures and Appointment of Local APC

The **HA is required** to assure the appointment of an Agency Program Coordinator (APC) who will be responsible for management of the program on behalf of the HA. The APC **MUST** complete the required training in advance of appointment. A sample APC appointment letter is included on the next page. The APC is responsible for developing and promulgating the local Internal Operating Procedures (IOP) and any local policy and procedures that are mission specific.

The role of the APC is vital to the success of any purchase card program. The responsibilities of the position demand that this be the individual's primary responsibility. As such, the following guidelines are strongly recommended for selecting the individual that will be responsible for the day to day operation of this vital procurement function, APC.

There are three elements to the APC position that are important to consider:

- a. The span of control, i.e., the number of purchase card accounts and/or transactions that will be involved in the program;
- b. The grade and job series associated with the position; and,
- c. The knowledge and skills required for the individual to be successful in carrying out the duties and responsibilities associated with being an APC.

As a general rule, it is recommended that for every 300 accounts [CHs and approving officials (AOs) combined], one APC should be appointed. The volume of transactions at the organization should also be considered when making this determination. For an activity with a large transaction volume, 300 may prove to be too high for the individual to have time to properly perform the required tasks.

Given the responsibilities associated with this position it is recommended that it be staffed, at a minimum, at the level of a GS-11 or military equivalent. If more than one APC is necessary to perform the duties for the organization, a GS-9 or military equivalent would be adequate as an additional APC with the primary APC being team leader. A range of GS-9 to GS-13 is an appropriate APC selection scale, commensurate with the size of the program and the number of personnel involved.

However, foreign nationals may not be appointed and perform the duties of an Agency Program Coordinator unless they are direct hires via U.S. Government personnel rules and regulations and are subject to operational control and day-to-day supervision by U.S. Civilian and Military personnel.

While a particular job series is not mandated for the APC position, there are a number of skills that are necessary to manage a successful purchase card program. These skills are:

DON Purchase Card Program HA Desk Guide

- a. Knowledge of contracting policy and procedures, including the Federal Acquisition Regulation (FAR) and supplements
- b. Knowledge of financial policy and procedures, including the Department of Defense (DOD) Financial Management Regulation (FMR)
- c. Strong verbal communication skills with ability to resolve conflict
- d. Ability to provide classroom training for initial and refresher training of account holders
- e. Strong written communication skills to issue policy and guidance
- f. Strong analytical skills
- g. Strong computer skills to electronically manage the program, generate reports and provide upper management with information as required
- h. Ability to understand commercial purchase card practices to accomplish program goals (i.e. internal controls, streamlined processes, reviews, etc.)
- i. Ability to organize and work independently
- j. Ability to interact with a wide variety of personnel, including issuing bank, commanders, managers, AOs and CHs of varying grades/ranks and business acumen
- k. Ability to analyze and resolve complex issues
- l. For programs that require additional resources, strong leadership skills for the Team Leader role

In addition, since the role of APC in an activity's purchase card program is a vital part of the day-to-day operations, it is strongly recommended that an alternate APC be appointed for programs that have only one APC assigned. This is important at each level of the program, whether local or major command or component level.

APCs of activities managing DON Purchase card programs are responsible for the following program elements:

- a. Establish and ensure execution of the local program in accordance with DOD and DON policies and procedures.
- b. Ensure program personnel, APCs, AOs and CHs are properly appointed, trained and are capable of performing their respective duties. In addition, ensure that only personnel who require purchase cards for mission requirements are issued purchase cards.

DON Purchase Card Program HA Desk Guide

- c. Ensure AO and CH profiles are appropriate for the local mission. This includes ensuring that the AO “span of control” is within required limits (7 card accounts to 1 AO).
- d. Perform regularly scheduled maintenance, no less than quarterly, on command AO and purchase card accounts to ensure that account profile information is current and accurate. Examine frequency of purchase card use to ensure inactive cards are deactivated.
- e. Where local reviews reveal non-compliance, misuse and/or abuse ensure that appropriate action is taken.
- f. Utilize reports available through the ad-hoc reporting tool within the bank system to proactively monitor the program.

DON Purchase Card Program HA Desk Guide

SAMPLE APC APPOINTMENT LETTER

Date:

From: Commanding Officer

To:

Subj: APPOINTMENT AS AGENCY PROGRAM COORDINATOR

Ref: (a) EBUSOPSOFFINST 4200.1A

(b) CitiDirect System User Guide

(c) Command Internal Operating Procedures

1. You are hereby appointed as the Agency Program Coordinator (APC) for the Government-wide Commercial Purchase Card Program at this command. As APC, you will be responsible for the establishment and management of the day-to-day operation of the Program. You will be the focal point for all Approving Officials, Cardholders, the Navy Program Office and Citibank. You are directed to thoroughly familiarize yourself with the contents and procedures contained in reference (a) through (c). Your responsibilities include but are not limited to:

- Acting as primary liaison with Citibank
- Developing and maintaining local Internal Operating Procedures (IOP)
- Ensuring training is provided on IOP and DoN policies/procedures
- Establishing, approving and maintaining card/program accounts
- Ensuring internal semi-annual reviews are conducted
- Complying with HCA (NAVSUP) review requirements (APC Desk Review)

2. In addition to the responsibilities provided in references (a) and (b), you are hereby designated as the Appointing Official and delegated the authority to appoint and delegate contracting authority to cardholders. You are further authorized to appoint and designate Approving Officials/Certifying Officers.

3. Your APC responsibilities may not be re-delegated.

4. This appointment remains in effect until cancelled or revoked.

DON Purchase Card Program HA Desk Guide

I. B. WATCHING, CAPT USN

ACKNOWLEDGEMENT

By signature hereon, I acknowledge my appointment as the Agency Program Coordinator (APC) for the Government-wide Commercial Purchase Card Program at this command. I have read and understand my responsibilities. I further understand that this appointment will remain in effect until revoked in writing by you or your successor.

APC Signature

Date

DON Purchase Card Program HA Desk Guide

3. Can Approve Nomination of AO and CH (or designate this responsibility)

The HA shall personally delegate contracting authority to each potential CH, or shall delegate to one individual within the activity (e.g. the APC) the right to re-delegate contracting authority to CHs within the Activity.

All delegated CHs shall receive a delegation document, the "Letter of Delegation". In addition, CHs must be issued a Certificate of Appointment (SF 1402) under these circumstances:

- a. Orders will be issued against Letters of Agreement (LOAs), Blanket Purchase Agreements (BPAs) or government contracts above the micro-purchase threshold; or,
- b. "Outside Of The United States" CHs who have been delegated contracting/purchase authority to use the purchase card up to \$25,000; or,
- c. Contingency contracting officers who have been delegated the authority to use the purchase card up to the simplified acquisition threshold.

CHs **limited** to using their purchase cards as payment method for training requests (D.D. Form 1556), DAPS (Printing requests) or payment for traditional contracting methods issued by a contracting officer require **only** a letter of delegation.

Each Letter of Delegation or SF 1402 shall specify the single purchase limit (for open market and government sources of supply), billing cycle purchase limit, transaction type, and method of payment limits, if any. In addition, activities should establish local procedures for nominating and appointing APCs and AOs. AOs must complete [DD Form 577](#) and submit it to the appropriate Defense Finance and Accounting Service (DFAS) office. **At a minimum**, the procedures should include furnishing each APC and AO with a letter of delegation outlining the duties and responsibilities of each position.

A sample "Letter of Delegation" and SF1402 follow below.

DON Purchase Card Program HA Desk Guide

Letter of Delegation

From: Commanding Officer/APC
To: John Doe

Subj: DELEGATION OF AUTHORITY TO USE PURCHASE CARD

Ref: (a) Federal Acquisition Regulation (FAR) 1.6
(b) Defense Federal Acquisition Regulation (DFAR) 201.6
(c) EBUSOPSOFFINST 4200.1A

1. In accordance with references (a) through (c), you are hereby appointed a contracting officer for the United States of America, limited to the use of the Government Purchase Card. The specific limits of your authority are established below. You may use your card as a 'stand-alone procurement method' or as a 'method of payment' in accordance with reference (c), up to your single purchase limit. You are reminded that you are personally accountable for strict adherence to DON Purchase Card policies and procedures when using the card.

- a. Dollar Thresholds:
 - \$2,500 single purchase limit
 - \$XXX monthly purchase limit
- b. Authorized purchases are:
 - Stand-alone procurement method
 - Method of payment against contract documents issued by a contracting officer
 - Oral orders against Government contracts, such as IDIQs, GSA, Schedules/GSA Advantage, JWOD, etc.
 - DAPS
 - Blanket Purchase Agreement / Letter of Agreement
 - Purchase of Training (DD1556)
- c. Purchase restrictions (if any): (i.e., CH cannot use purchase card over the Internet or over the counter)
- d. Merchant Category Code Blocks (if any).

DON Purchase Card Program HA Desk Guide

2. The purchase card shall only be used for authorized US Government purchases. Intentional use of the purchase card for other than official government business will be considered an attempt to commit fraud against the US Government and may result in immediate cancellation of an individuals purchase card and further disciplinary action. The cardholder will be held personally liable to the Government for the amount of any non-government transactions. Under 18 U.S.C. 287, misuse of the purchase card could result in a fine of not more than \$10,000 or imprisonment for not more than five years or both. Military members that misuse the purchase card may be subject to court martial under 10 U.S.C. 932, UCMJ Article 132.
3. Questions concerning your delegation of authority or purchase card account should be directed to the Command Agency Program Coordinator, Mr/Mrs/Ms John/Jane Smith, who can be reached at 888.555.1212.

Signed by Commanding Officer

DON Purchase Card Program HA Desk Guide

4. Assure reviews are conducted IAW DON policy

The HCA is responsible for providing oversight of activities they delegate contracting authority to, including those activities under their cognizance managing and operating local purchase card programs. HAs operating and managing local purchase card programs are responsible for performing oversight of their local programs in accordance with (IAW) the guidance provided below.

Navy Acquisition Procedures Supplement (NAPS) 5201.691-2(f)(2) requires that by 30 December of each year, each HCA must report to the Assistant Secretary of the Navy, Research Development and Acquisition [ASN(RD&A)] Deputy for Acquisition and Business Management (ABM). Here, the HCA must submit a summary of relevant findings from the results of the previous fiscal year's Procurement Management Assessment Program (PPMAP).

The DON eBusiness Operations Office (DON EBUSOPSOFF) requires semi-annual reports to be submitted on the status of the purchase card programs from each major claimant. Major claimants shall report the information semi-annually to DON EBUSOPSOFF by 30 May and 30 November of each year.

The reporting period for the semi-annual review due 30 May of each year shall encompass the months of October through March. The reporting period for the semi-annual review due 30 November of each year will encompass the month of April through September.

The DON eBusiness Operations Office Purchase Card Program Instruction, EBUSOPSOFFINST 4200.1A, Chapter 4: Purchase Card Program Review, contains complete details regarding these reporting requirements.

Internal Revenue Service (IRS) 1099M Reporting Requirement for Convenience Check Holders

In addition to the above reporting requirements, all personnel who hold convenience check (previously referred to as accommodation check) accounts within the DON Purchase Card Program need to be aware of the following issue:

Law requires DoD to report to the Internal Revenue Service (IRS) payments made to contractors/merchants. An automated procedure is in place to report, on a routine basis, all card transactions without assistance from the DON. However, the procedure does not apply to convenience check payments. All payments for services made via convenience check must be reported.

DFAS Columbus currently provides 1099M tax reporting on all convenience check payments via a stand-alone software program available to all convenience check account holders. Should account holders choose not to use this service they are liable for issuance of the 1099M to the vendor and the electronic filing to the IRS in

DON Purchase Card Program HA Desk Guide

the proper format. If this is not done, the command is responsible for any tax fees levied by the IRS for failure to report. This fine can be \$50 per required 1099M form. The information required includes the payee's name, address and tax identification number, transaction check number, check amount and date.

If the data is not received at DFAS Columbus on schedule, then the activity is responsible for issuing the 1099Ms. Convenience check account holders can contact cco.checks@dfas.mil for more information.

5. Ensure effective internal management controls are in place

The HA is responsible for the establishment of effective internal management controls for the purchase card program. Together, the HA and APC shall establish internal management controls by which to manage, operate and provide oversight of the local activity's program. **At a minimum, these controls shall be executed to maintain program integrity:**

- a. **Separation of Duties.** HAs and APCs shall ensure that the roles and responsibilities of individuals within their programs are not in conflict and that adequate checks and balances of the local program are in place.
 - 1) **APCs should not be AOs or CHs.** In cases where commands have a limited number of personnel and an APC must be an AO, the HA shall ensure that a Command department, independent of the local purchase card program office, performs the semi-annual reviews.
 - 2) **Individuals designated as AOs shall not be assigned as CHs.** If personnel considerations require an AO to be a CH, **under no circumstances shall any CH be his/her own AO.** In addition, **AOs should be**, to the greatest extent practicable, the **supervisor of the CH** or be in the direct line of authority of the CH.
- b. **Separation of Function.** In order to protect the integrity of the procurement process there must be, at a **minimum**, a **two-way separation of functions** for all purchase card transactions. This is defined as one person making a purchase card purchase and another person receiving, inspecting and accepting the purchase.
 - 1) In cases where the CH is picking up the material at the vendor's location, the end user or other designated receiving personnel shall sign for final receipt.
 - 2) In the event the CH is the end user, the CH may sign the contractor/store receipt. However, the CH **must** obtain the co-signature of **another** Government employee within the command.

DON Purchase Card Program HA Desk Guide

- a. **Span of Control.** Local purchase card programs **shall** be set-up to ensure that the **ratio of purchase card accounts to AOs does not exceed 7:1**. In addition, consideration should be given to the number of transactions per CH that an AO is required to review. As a benchmark, if the AO averages more than 150 transactions from all of his/her purchase card accounts within a monthly period the APC should evaluate the timeliness and effectiveness of the invoice review and certification process. **The APC to card accounts ratio shall not exceed 1:300.**

If your command wishes to exceed the DOD guideline of more than seven card accounts assigned to an AO, you will need to send the DON eBusiness office a notice in writing from your major claimant Officer in Charge. This letter must include reasons as to why your command is requesting exception to the Navy standard. Once the DON eBusiness Operations Office receives the request, they will forward it to the DON Deputy Assistant Secretary of the Navy (DASN) for acquisition (ACQ) for potential approval of the waiver.

DON Purchase Card Program HA Desk Guide

6. Responsible for overall management of the purchase card program

The HA is responsible for the overall management of the program and **must ensure that the management controls are working**. This list identifies the “Top Ten Purchase Card Management Tips”.

Commanding Officers Top Ten Purchase Card Management Tips

- a. **Appoint an APC of appropriate grade/rank, motivation and people skills.** Assign the APC as a **full time duty** where warranted, considering the number of accounts and the span of control under his/her purview. **Know your APC!** Get a monthly briefing from your APC on your purchase card program status with emphasis on delinquent accounts.
- b. **Ensure that the number of purchase cards and billing accounts reflects the government's minimum need.** An activity should have sufficient card accounts to procure necessary micropurchase supplies and services in a timely manner to support the activity's mission. However, **care must be exercised** to limit card accounts to the **minimum number needed**. Unnecessary and/or inactive card accounts can lead to misuse, abuse, fraud and loss of program control. The EBUSOPSOFF will assist an activity in determining an appropriate group profile and minimum-need card count. Review card usage on a quarterly basis. The CitiDirect dynamic reporting feature can be used for this review process.
- c. **Review specific credit limits and spending history of accounts to ensure consistency with mission requirements.** Monthly credit limits should be consistent with the activity's budget and historical monthly expenditures. The CitiDirect dynamic reporting feature can be used to research this aspect. An AO can create an ad-hoc report listing card accounts and associated transactions for a particular time period. AOs can review card account spending patterns and reduce credit limits accordingly. **Card account single transaction limits should be consistent with historical buying needs.** The EBUSOPSOFF will assist an activity in determining appropriate cardholder limits.
- d. **Take appropriate administrative and disciplinary action when fraudulent, improper, and/or abusive purchase card transactions are found.** Immediate suspension or cancellation of accounts involved in these infractions is an appropriate initial response. Pending further investigation, results of internal reviews should be **sufficiently documented and require corrective actions**. Implemented corrective actions should be monitored to ensure adherence and effectiveness. Disciplinary action is the responsibility of the HA.

DON Purchase Card Program HA Desk Guide

- e. **Ensure that the span of control for each AO is 7 or less purchase cardholder accounts.** Span of control is a measure of an AOs purchase card related workload. It is a function of both the number of card accounts and the average number of monthly transactions made against those card accounts. Card accounts with a high average number of monthly transactions may require a span of control of less than 7 card accounts.
- f. **Review existing weekly delinquency reports with your APC.** A delinquency report showing 30+ and 60+ days delinquency will be posted to our website at www.don-ebusiness.navsup.navy.mil approximately 3-5 days after the monthly closing date. A PCPN will be sent out listing the commands with a 30+ days delinquency rate over 2%.
- g. **Ensure that:**
 - 1) **ALL** CHs, AOs, and APCs have received the required training in accordance with DOD/DON policy and procedures;
 - 2) the training is properly documented and the training certificates are maintained on file; and,
 - 3) **ANY CH or AO who has not completed the required basic or biennial refresher training, with the exception of those individuals deployed at sea, shall have his/her account immediately suspended.** Proper controls must be in place to ensure that these accounts **are not reinstated until** the next two higher levels of management have verified that the required training has been completed.
- h. **Enforce the requirement for proper separation of the purchasing, receipt, and acceptance functions and maintain documented evidence.** See EBUSOPSOFFINST 4200.1A.
- i. **Maintain documented evidence** of proper certification of monthly purchase card statements by CHs and AOs, including purchase card logs, purchase receipt information, and copies of monthly CH statements and certification statements.
- j. **Make effective use of available tools**, e.g., ad-hoc reporting, to identify all potentially fraudulent, improper, and/or abusive purchase card transactions.

The APC is the HAs primary source of information regarding the status of the Government Commercial Purchase Card (GCPC) program and should keep the HA regularly apprised of the overall health of the program. The HA should examine the findings of the semi-annual program review as required by the DON purchase card instruction, EBUSOPSOFFINST 4200.1A.

DON Purchase Card Program HA Desk Guide

7. Responsible to ensure performance standards include purchase card responsibilities

All participants in the DON Purchase Card Program have specific performance requirements to be met in their purchase card roles. The purchase card program participants' performance must be evaluated against its various roles and responsibilities requirements.

It is the responsibility of the HA to ensure this happens throughout the program with CHs, AOs and APCs alike.

8. Appoint a knowledgeable and independent Review Official IAW FMR Vol 5, Chap 33 Section 330802

A Review Official is an individual, appointed by the HA (or his/her designee), who is responsible for pre and post payment reviews of purchase card payments certified by the AO. The reviewing official shall not concurrently serve as an accountable, certifying or disbursing official, AO or APC.

The DOD Financial Management Regulation (DOD 7000.14-R) is available online at <http://www.dtic.mil/comptroller/fmr/>. The Section 330802 referenced above is presented here.

**DOD Financial Management Regulation
Volume 5, Chapter 33, Section 330802
August 1998**

The review official appointed to perform pre- and post-payment reviews shall perform such reviews in accordance with guidance issued by the Under Secretary of Defense (Comptroller) memorandum dated October 31, 1996 (Revision to Travel Reengineering Implementation Memorandum #8).

When the review official identifies a certified proposed payment, or an actual payment, as being of questionable legality, propriety or correctness, the review official shall issue an inquiry to the certifying officer. Such an inquiry shall direct the certifying officer to provide an explanation as to why payment was certified.

A copy of the inquiry shall be provided to the applicable accountable official(s) and disbursing officer. If requested, the accountable official(s) and disbursing officer shall assist the certifying officer in providing the required explanation.

DON Purchase Card Program HA Desk Guide

9. When a misuse charge is made, the HA must convene or order an investigation in accordance with Volume 5, Chapter 6 and Appendix C of the Financial Management Regulation

The DOD Financial Management Regulation (DOD 7000.14-R) is available online at <http://www.dtic.mil/comptroller/fmr/>. Chapter 6, which is referenced here, addresses the topic of irregularities in disbursing officer accounts and how they must be handled.

The first paragraph of this regulation is provides general guidance to the overall documents contents and follows here:

**DOD Financial Management Regulation Volume 5, Chapter 6
IRREGULARITIES IN DISBURSING OFFICER ACCOUNTS**

0601 IRREGULARITIES

060101. General. Irregularities are categorized as physical losses of funds; illegal, incorrect, or improper payments; or overages of funds. Physical losses of funds are segregated further by major losses and minor losses. A major physical loss of funds is a loss of \$750 or more, or any physical loss where there is evidence of fraud within the accountable function, regardless of dollar amount. A minor physical loss of funds is a loss of less than \$750 without any evidence of fraud internal to the accountable function.

Any person who believes that an individual entrusted with public funds is misusing those funds shall notify the commander having jurisdiction over the alleged offender of the alleged misuse. Action then shall be taken as prescribed in this chapter.

In addition, when a Defense Criminal Investigative Organization or Department of Defense organizational element responsible for investigating misconduct involving the travel or purchase card initiates an investigation into allegations of fraud, misuse, or abuse of authority regarding a purchase card or travel card, the cardholder's commander or second-line supervisor, as appropriate, and security manager shall be notified.

DON Purchase Card Program HA Desk Guide

10. Forward reports of investigation through the appropriate channels to DFAS

The DOD Financial Management Regulation (DOD 7000.14-R) is available online at <http://www.dtic.mil/comptroller/fmr/> and includes direction for the distribution of reports from an investigation of irregularities in disbursements.

The relevant section of the FMR is listed below. More detail is included in the original FMR section.

DOD Financial Management Regulation Volume 5, Chapter 6 Review and Disposition of Report November 2000

- a. The reviewing authority shall be the commander (i.e., appointing authority). This may be delegated to the deputy commander, chief of staff, or comptroller. The reviewing authority may make such additional findings and recommendations as deemed pertinent to the investigation. In the event the reviewing authority recommends that relief from liability for the loss be denied and the individual has not been given the opportunity to make a rebuttal, the reviewing authority shall set forth the reasons for his or her action.
- b. Also, the individuals adversely affected by his or her decision shall be afforded the right to rebuttal. The time period allowed for rebuttal shall not exceed 30 days. Upon return of the report to the reviewing authority, he or she shall reconsider his or her actions if a rebuttal has been submitted, to affirm or reverse his or her position.
- c. The original and one copy of the report, including complete copies of all testimony and other exhibits, shall be forwarded through the reviewing authority's chain of command to the DCMO (Code DBD) within 90 calendar days after the loss has been discovered. When there is evidence of fraudulent or wrongful conduct and the matter is under investigation by the military police, DOD Component investigative service, and/or the FBI, the report should be held until the investigation is completed.
- d. Copies of the investigative reports should be added as exhibits before forwarding the report through the chain of command to the DCMO (Code DBD). If it appears that the 3-year statute of limitations will expire prior to the completion of the DOD Component investigative service or FBI investigation, the report immediately shall be forwarded to the DCMO (Code DBD). In all cases, the 90-calendar day suspense shall be met or an extension requested from the DCMO (Code DBD).
- e. The reviewing authority shall furnish through the chain of command to the DCMO (Code DBD), any information that becomes available after the report of investigation has been forwarded.

DON Purchase Card Program HA Desk Guide

- f. The DCMO shall review the report. In all cases, the report shall be forwarded by the DCMO to the DFAS-Kansas City Center, Office of General Counsel, for review and concurrence (or nonconcurrence) of the recommendation. If the report lacks sufficient information (or in the absence of compliance with the provisions for the findings and recommendations), then the report shall be returned for further investigation and fulfillment of the provisions listed above. If the DCMO returns the report directly to the individual for review and to file a written rebuttal, the period allowed for response shall not exceed 30 days.

If the report is complete and concurrence has been received by the Office of General Counsel, then it shall be forwarded to the DFAS Director for Finance with a recommendation to grant or deny relief. The DFAS Director of Finance shall make a final determination relevant to the question of relief from pecuniary liability of the DO and/or individuals involved in the loss. If the DFAS Director for Finance determines that the DO and/or any other individual should be denied relief from pecuniary liability for a loss, then the Director for Finance shall determine whether there was compliance with the right of rebuttal provisions cited above. Otherwise, the report shall be returned to DCMO to forward to the individuals concerned, setting forth the reason for the adverse determination.

The time period allowed for filing rebuttals shall not exceed 30 days. Upon receipt of the report with such additional information as may be submitted, DCMO and DFAS-Kansas City Center, Office of General Counsel, shall review the report again. It then shall be forwarded to the DFAS Director for Finance by the DCMO.

11. Take all appropriate actions as a result of investigation

The DOD Financial Management Regulation (DOD 7000.14-R) is available online at <http://www.dtic.mil/comptroller/fmr/>. Chapter 6 is referenced here and addresses the topic of irregularities in disbursing officer accounts and how they must be handled. The entire regulation can be accessed through the listed hyperlink.

Based the DOD FMR and the EBUSOPSOFFINST 4200.1A instruction, the HA shall take all appropriate actions as a result of any investigations into fraud, misuse and/or abuse of the DON Purchase Card Program. Chapter 5 of the EBUSOPSOFFINST 4200.1A which is titled, *DISCIPLINARY GUIDELINES*, provides guidance as to what disciplinary actions are appropriate in response to misuse, abuse or fraudulent use of a GCPC.

**DON Purchase Card Program
Appendices Desk Guide**

Table of Contents

Section III: Appendices	2
A. Definitions	2
B. Commanding Officers Top Ten Purchase Card Management Tips	7
C. Exceptions To Use Of The Purchase Card (DFARS 213.270).....	8
D. DOD/DON Standard MCC Code Blocks	9
E. Sample Letter of Delegation.....	11
F. Criteria For Selecting APCs, AOs and CHs	12
G. Training Requirements.....	13
H. List of Prohibited & Special Attention Items	15
I. Acronyms	24
J. Business Case Analysis (BCA) Requirements.....	25
K. Transportation Considerations	26
L. Training Resources	33
M. WinSALTS NPC Desk Guide	40
N. Citibank Forms	41

Section III: Appendices

A. Definitions

Accountable Official: DOD military members and civilian personnel, who are designated in writing and are not otherwise accountable under applicable law, who provided source information, data or service (such as a receiving official, a cardholder, and an automated information system administrator) to a certifying or disbursing officer in support of the payment process. They have pecuniary liability for erroneous payments resulting from their negligent actions.

Accountable Property: A term used to identify property recorded in a formal property management or accounting system. 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, or classified. 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, including, but not limited to pilferable items (Items that have a ready resale value or application to personal possession and which are, therefore, especially subject to theft).

Agency Program Coordinator (APC): An individual designated 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, and may determine who participates in the card program(s). Multiple levels of program coordinators exist within different hierarchies or at different hierarchical levels within the program for each agency/organization.

Approving Official (AO): The individual responsible for reviewing and verifying the monthly purchase card statements of the card accounts under his/her purview. The AO must verify that all purchases were necessary and for official government purposes in accordance with applicable directives. Unless otherwise specified, the AO must also be the Certifying Officer for his/her cardholder(s) and in that capacity must certify the monthly billing statement and forward it to the appropriate office for payment. The certifying officer is responsible for: a) the accuracy of information stated in a voucher, supporting documents and records; b) computation of a certified voucher under sections 3528 and 3325 of title 31, United States Code; c) legality of proposed payment under the appropriation or fund involved; d) providing advice to accountable officials; e) seeking advance fiscal decisions from legal counsel; and f) repaying a payment that is determined 1) illegal, improper, or incorrect because of an inaccurate or misleading certificate; 2) to be prohibited by law; 3) does not represent a legal obligation under the appropriation or fund involved.

Billing Cycle: The billing cycle consists of approximately a 30-day billing period. Each monthly bill will be comprised of transactions (debits and credits) that post to the banks' system during this period. For DON the billing cycle begins on the 22nd of the month and ends on the 21st of the subsequent month. Cycle ends only occur on a business day (i.e. Monday through Friday) and as

DON Purchase Card Program Appendices Desk Guide

a result may adjust accordingly. The cycle end date will occur on the last business day of the normal cycle.

Billing Cycle Office (Credit) Limit: An authorization control assigned to each approving official, as determined by the ordering DON activity, which limits the cumulative spending amount of all card accounts assigned to that Approving Official during a given billing cycle. Any office limit may be assigned in increments of \$100 up to \$9,999,900. The office limit primarily is used for budgetary control purposes and may be adjusted up or down at any time. It encompasses all outstanding charges within a billing period.

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 cardholders 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 DON activities deem appropriate and shall be established for each cardholder account. It should reflect normal usage by that cardholder and must not default to the maximum available limit.

Bulk Funding: An advance reservation of funds where a commitment or obligation is recorded in the aggregate rather than by individual transactions.

Cardholder (CH): An individual designated by an agency to be issued a card. The card bears the individual's name and can be used by that individual to pay for official purchases in compliance with agency internal procedures. Also applies to convenience check account holders.

Cardholder Statement: The statement of charges provided to a cardholder detailing all of the transactions posted to their account during a billing cycle.

Commercial Items (Supplies): Any item, other than real property, that is of a type customarily used for nongovernmental purposes and that:

- a. Has been sold, leased or licensed to the general public; or
- b. Has been offered for sale, lease or license to the general public. (A full definition can be found at FAR 2.101)

Contracting Officer: Government employees who have the authority to bind the Government to the extent of their delegated purchasing authority. Purchase cardholders are provided that authority by their commanding officer or APC in writing by the issuance of a Letter of Delegation or SF 1402 Contracting Officer's Warrant.

Convenience Checks: Third party drafts issued using government purchase card account. Third party drafts may be used to acquire and to pay for supplies or services. Policies and regulations concerning the establishment of and accounting third party drafts, including the responsibilities of designated cashiers and alternates, are contained in Part IV of the Treasury Financial Manual for Guidance of Departments and Agencies, Title 7 of the General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies, and the agency implementing regulations. FAR 13.305 applies and the Department of Defense guidance is contained in the DOD Financial Management Regulation, Volume 5, Chapter 2, paragraph 0210.

DON Purchase Card Program Appendices Desk Guide

Critical Application Item (CAI): An item that is identified by the military services as essential to weapon system performance or operation, or the preservation of life or safety of operating personnel.

Critical Safety Item (CSI): A part, assembly, installation or production system with one or more critical or critical safety characteristics, that, if missing or not conforming to the design data, quality requirements or overhaul and maintenance documentation, would result in an unsafe condition that could cause loss or serious damage to the end item or major components, loss of control, uncommanded engine shutdown or serious injury or death to personnel. Unsafe conditions relate to hazard severity categories I and II of MIL-STD-882, System Safety Requirements. CSAs are subsets of CAIs and include items determined to be “life-limited,” “fracture critical,” “fatigue-sensitive”, etc. The determining factor in CSI classification is the consequence of failure, not the probability that failure or consequence would occur.

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

Disputes: Instances where transactions on the cardholder’s statement do not agree with entries in the log or retained receipts that are presented to the bank for resolution. This may include circumstances where the cardholder did not make the transaction, the amount of the transaction is incorrect or the quality or service is an issue.

Government Purchase Card: The purchase card is 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.

Hazardous Materials (HAZMAT): Hazardous materials or products that are customarily sold to the general public to be used for non-governmental purposes (commercial products) which are in the same size and packaging found commercially and subject to procedures found later in this instruction. Examples of those materials or products include those required on a routine basis to meet daily operational needs, such as, lubricants, batteries, toner cartridges, detergents, etc.

Head of Activity (HA): For the purposes of this instruction, the HA is the military officer in command or the civilian executive in charge of the mission of a DON command or activity which has been granted contracting authority by the cognizant HCA. The HA has overall responsibility for managing the delegation and use of this authority by personnel under his/her command.

Head of Contracting Activity (HCA): The official at one of the 23 DON components listed at DFARS 202.101 and NAPS 5202.101 (e.g. COMNAVSUPSYSCOM, COMNAVAIRSYSCOM, etc.) who has overall responsibility for managing contracting authority within his/her contracting chain of command. They are responsible for the delegation, re-delegation and use of contracting authority including use of the purchase card by DON commands, DON activities and DON personnel under his/her contracting cognizance.

Invoice: The monthly invoice is the official billing invoice for payment purposes, which is provided to the Certifying Officer by the issuing bank. The invoice identifies all of the purchase card

DON Purchase Card Program Appendices Desk Guide

transactions of his/her cardholders during a billing cycle. The invoice can be paper based or presented through the Electronic Access System of the issuing bank.

Letters of Agreement (LOAs): A streamlined procedure for procuring commercial supplies between \$2,500 and \$25,000, based on using oral solicitations, placing oral orders and paying for the oral orders using the purchase card. LOAs shall not be established for the procurement of services.

Merchant Category Code (MCC): A code used by the issuing bank to categorize each merchant according to the type of business the merchant is engaged in and the kinds of goods and services provided. These codes are used as an authorized transaction type code on a card/account to identify those types of businesses who provide goods and/or services that are authorized for use by the cardholder.

Micro-Purchase: An acquisition of supplies or services, the aggregate amount of which does not exceed \$2,500, (except construction which is limited to \$2,000). FAR Part 2.101.

Pecuniary Liability: Personal financial liability for fiscal irregularities of disbursing and certifying officers and accountable officials as an incentive to guard against errors and theft by others, and also to protect the government against errors and dishonesty by the officers themselves.

Pilferable Personal Property Items: Items that have a ready resale value or application to personal possession and that are, therefore, especially subject to theft.

Pilferable Property: Portable items that could easily be converted to personal use and are (1) critical to fulfilling the activity's mission/business objective and (2) hard to repair or replace.

Purchase Card Log: A manual or automated log in which the cardholder documents individual transactions and screening for mandatory sources using the purchase card and/or convenience checks. Entries in the purchase log may be supported by internal agency documentation (i.e. request for procurement document, email request, etc.). 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 the item or service was ordered, the merchant name, the dollar amount of the transaction, a description of the item or service ordered and an indication on whether or not the item was received.

Reconciliation: The process by which the cardholder and AO review the monthly statements, reconcile against available vendor receipts and purchase card log and authorize payment of those charges provided on the monthly billing/cardholder statements.

Review Official: An individual, appointed by the head of the activity (or their designees), who is responsible for pre and post payment reviews of payments certified by the certifying officer. The review official shall not concurrently serve as an accountable, certifying or disbursing official.

Services: For the purposes of this instruction, services are firm-fixed priced (including unpriced orders with an established ceiling), non-personal, commercially available requirements in which the Government directly engages the time and effort of a contractor to perform a task (e.g. repairs, maintenance, annual maintenance agreements, etc.).

DON Purchase Card Program Appendices Desk Guide

Simplified Acquisition Threshold: The upper level at which an acquisition may use simplified acquisition rules, currently \$100,000, except that in the case of any contract to be awarded and performed, or purchase to be made, outside the United States in support of a contingency operation (as defined in 10 U.S.C.101 (a)(13)) or a humanitarian or peacekeeping operation (as defined in 10 U.S.C.2302 (8) and 41 U.S.C. 259(d)), the term means \$200,000. FAR 2.101.

Single Purchase Limit: A dollar limit on each purchase assigned to each cardholder for a single transaction.

Split Purchase: The "requirement" is the quantity known at the time of the buy. If an individual purchases as [s] he becomes aware of a requirement, the requirement is each. If the requirements are consolidated and purchases are made once a day, the requirement becomes what was received during the day.

If an individual has historically purchased as things became known to them, even if they have the same thing ordered twice in one day from the same vendor, that does not have to be splitting. Splitting is the "intentional" breaking down of a known requirement to stay within a threshold (i.e. the \$2,500 micro-purchase threshold) or to avoid having to send the requirement to the contracting officer.

Tax Exempt: 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.

Transaction Type: The transaction type is the method by which an order is placed when using the purchase card. Purchase card buys may be made over-the-counter, over-the-phone or via the Internet.

United States: As used in this document, means the 50 States and the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, Guam, American Samoa, Wake Island, Johnston Island, Canton Island, the outer Continental Shelf lands, and any other place subject to the jurisdiction of the United States (but not including leased bases).

**DON Purchase Card Program
Appendices Desk Guide**

B. Commanding Officers Top Ten Purchase Card Management Tips

- a. Appoint an APC of appropriate grade/rank, motivation and people skills.
- b. Ensure that the number of purchase cards and billing accounts reflects the government's minimum need.
- c. Review specific credit limits and spending history of accounts to ensure consistency with mission requirements.
- d. Take appropriate administrative and disciplinary action when fraudulent, improper, and/or abusive purchase card transactions are found.
- e. Ensure that the span of control for each AO is 7 or less purchase cardholder accounts.
- f. Review existing weekly delinquency reports with your APC.
- g. Ensure that:
 - 1) ALL CHs, AOs, and APCs have received the required training in accordance with DOD/DON policy and procedures;
 - 2) The training is properly documented and the training certificates are maintained on file; and,
 - 3) ANY CH or AO who has not completed the required basic or biennial refresher training, with the exception of those individuals deployed at sea, shall have his/her account immediately suspended.
- h. Enforce the requirement for proper separation of the purchasing, receipt, and acceptance functions and maintain documented evidence. See EBUSOPSOFFINST 4200.1A.
- i. Maintain documented evidence of proper certification of monthly purchase card statements by CHs and AOs.
- j. Make effective use of available tools.

**DON Purchase Card Program
Appendices Desk Guide**

C. Exceptions To Use Of The Purchase Card (DFARS 213.270)

1. The following requirements are exempt from the mandatory use of the purchase card for micro-purchases for procurements or payments.
 - a. The place of performance is entirely outside any of the State, territory or possession of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.
 - b. The purchase is a Standard Form (SF) 44 purchase for aviation fuel and oil.
 - c. The purchase is an overseas transaction by a contracting officer in support of a contingency operation as defined in 10 U.S.C. 101(a)(13) or humanitarian or peacekeeping operation as defined in 10 U.S.C. 2302(8)
 - d. The purchase is for training exercises in preparation for overseas contingency, humanitarian or peacekeeping operations.
 - e. The payment is made with an convenience check
 - f. The payment is for a transportation bill
 - g. The purchase is under a Federal Supply Schedule contract that does not permit the use of the purchase card
 - h. The purchase is for medical services and:
 - 1) It involves a controlled substance or narcotic
 - 2) It requires the submission of a Health Care Summary Record
 - 3) The ultimate price of the medical care is subject to an independent determination that changes the price based on application of a mandatory CHAMPUS Maximum Allowable Charge determination that reduces the Government liability below the billed charges.
 - 4) The Government already has entered into a contract to pay for the services without the use of the purchase card.
 - 5) The purchases is a beneficiary seeking medical care; or
 - 6) The senior local commander or director of a hospital or laboratory determines that use of the purchase card is not appropriate or cost-effective.

The Medical Prime Vendor Program and the DOD Medical Catalog Program are two examples where the use of the purchase card may not be cost-effective.

**DON Purchase Card Program
Appendices Desk Guide**

D. DOD/DON Standard MCC Code Blocks

The following are the “standard” DOD/DON MCC Code Blocks.

<u>MCC Code</u>	<u>Name</u>
4011	Railroads - Freight Home Supply
4121	Taxicabs/Limousines
4761	Telemarketing of Travel Related Services
4829	Wire Transfer-Money orders
5441	Candy, Nut Confectionery Stores
5681	Furriers and fur shops
5813	Drinking Places (Alcoholic Beverages) Bars, Taverns, Nightclubs
5921	Package Stores, Beer, Liquor
5932	Antique shops
5933	Pawn shops
5937	Antique reproductions
5944	Jewelry stores
5960	Direct Marketing Insurance
5993	Cigar Stores and Stands
6010	Financial Institutions Manual Cash Advances
6011	Financial Institutions Automatic Cash Advances
6051	Non-financial Institution-Foreign currency, money orders, traveler's checks
6211	Security brokers/Dealers
6381	Insurance-Premiums
6399	Insurance - Not Elsewhere Classified
6529	Remote Stored Value Load – Member Financial Inst. - MC
6531	Payment Service Provider
6532	Payment Transaction - Member Financial Inst
6533	Payment Transaction Merchant
6611	Overpayments
6760	Savings bonds
7012	Time shares
7273	Dating and escort services
7321	Consumer Credit Reporting Agencies
7332	Blueprint and Photocopying Services
7341	Window Cleaning Services
7511	Truck Stop Transactions
7524	Express Payment Service Merchants - Parking Lot
7833	Express Payment Service Merchants - Motion Pict
7994	Video Game Arcades/Establishments
7995	Betting, casinos, gaming chips, off – track betting
8651	Political organizations

**DON Purchase Card Program
Appendices Desk Guide**

9211	Court costs, alimony, and child support
9222	Fines
9223	Bail and bond payments
9311	Tax payments
9280	Automated referral services
9411	Government Loan Payments
4829	Wire Transfer-Money orders
5681	Furriers and fur shops
5932	Antique shops
5933	Pawn shops
5937	Antique reproductions
5944	Jewelry stores
6010	Financial Institutions Manual Cash Advances
6011	Financial Institutions Automatic Cash Advances
6051	Non-financial institution-foreign currency, money orders, traveler's checks
6211	Security brokers/Dealers
6760	Savings bonds
7012	Time shares
7273	Dating and escort services
7995	Betting, casinos, gaming chips, off-track betting
8651	Political organizations
9211	Court costs, alimony, and child support
9222	Fines
9223	Bail and bond payments
9311	Tax payments
9280	Automated referral services

**DON Purchase Card Program
Appendices Desk Guide**

E. Sample Letter of Delegation

(Commanding Officers and/or APCs should use this letter to delegate contracting or purchase card authority to purchase cardholder.)

From:	Commanding Officer/APC
To:	John Doe
Subj:	DELEGATION OF AUTHORITY TO USE PURCHASE CARD
Ref:	(a) Federal Acquisition Regulation (FAR) 1.6 (b) Defense Federal Acquisition Regulation (DFAR) 201.6 (c) EBUSOPSOFFINST 4200.1A
1.	In accordance with references (a) through (c), you are hereby appointed a contracting officer for the United States of America, limited to the use of the Government Purchase Card. The specific limits of your authority are established below. You may use your card as a procurement method or as a method of payment in accordance with reference (c), up to your single purchase limit. You are reminded that you are personally accountable for strict adherence to DON Purchase Card policies and procedures when using the card. <ul style="list-style-type: none">a. Dollar Thresholds:<ul style="list-style-type: none">- \$2,500 single purchase limit- \$XXX monthly purchase limitb. Authorized purchases are (include appropriate categories):<ul style="list-style-type: none">- Stand-alone procurement method.- Method of payment against contract documents issued by a contracting officer.- Oral orders against Government contracts, such as IDIQs, GSA, Schedules/GSA Advantage, JWOD, etc.- DAPS- Blanket Purchase Agreements / LOA- Purchase of Training (DD1556)c. Purchase restrictions (if any): (i.e., purchase cardholder cannot use purchase card over the Internet or over the counter)<ul style="list-style-type: none">1) Merchant Category Code Blocks (if any).
2.	The purchase card shall only be used for authorized U.S. Government purchases. Intentional use of the purchase card for other than official government business will be considered an attempt to commit fraud against the US Government and may result in immediate cancellation of an individuals purchase card and further disciplinary action. The cardholder will be held personally liable to the Government for the amount of any non-government transactions. Under 18 U.S.C. 287, misuse of the purchase card could result in a fine of not more than \$10,000 or imprisonment for not more than five years or both. Military members that misuse the purchase card may be subject to court martial under 10 U.S.C. 932, UCMJ Article 132.
3.	Questions concerning your delegation of authority or purchase card account should be directed to the Command Agency Program Coordinator, Mr/Mrs/Ms John/Jane Smith, who can be reached at 888.555.1212.
Signed by Commanding Officer	

**DON Purchase Card Program
Appendices Desk Guide**

F. Criteria For Selecting APCs, AOs and CHs

1. Agency Program Coordinator (APC).
 - a. Properly trained Military or Federal civilian personnel.
 - b. Appropriate business acumen. Necessary skills required include:
 - 1) Knowledge of contracting policy and procedures, including the Federal Acquisition Regulation (FAR) and its supplements.
 - 2) Knowledge of financial policy and procedures, including the DOD Financial Management Regulation (FMR).
 - 3) Strong verbal & written communication skills with ability to resolve conflict.
 - 4) Ability to provide classroom training for initial and refresher training of account holders.
 - 5) Strong analytical skills, strong computer skills and the ability to organize work and work independently.
 - c. Commensurate level of authority and responsibility within the command to execute duties.
2. Approving/Certifying Official (AO).
 - a. Properly trained Military or Federal civilian personnel.
 - b. Knowledge of contracting policy and procedures, including the Federal Acquisition Regulation (FAR) and its supplements.
 - c. Knowledge of financial policy and procedures, including the DOD Financial Management Regulation (FMR).
 - d. Ratio of card accounts to AO is within 'span of control' (7 card accounts to 1 AO).
3. Purchase Card Cardholder.
 - a. Properly trained Military or Federal civilian personnel.
 - b. Requires the purchase card for mission essential requirements.
 - c. Appointment does not cause AO to exceed 'span of control'.
 - d. Cardholder's AO will be in his/her direct chain of command.
 - e. Command anticipates that cardholder will require regular card usage.

DON Purchase Card Program Appendices Desk Guide

G. Training Requirements

All DON Government Commercial Purchase Card (GCPC) Program participants are required to complete two mandatory government purchase card courses. Some program participants are required to complete additional courses as explained below. The two mandatory courses are:

- a. The *DON eBusiness Purchase Card Training* course appropriate to the individual's role assignment within the program. These are role specific courses available for Cardholders, Approving Officials, Agency Program Coordinators and Heads Of Activity. The courses are also organized by electronic certification system – CitiDirect or WinSALTS. Each purchase card program participant is required to take the course appropriate as defined by his or her role within the program. This training is DON mandated for all DON GCPC participants.
- b. The Defense Acquisition University Continuous Learning Center (DAU CLC) *Government Purchase Card Tutorial* available at the DAU CLC website at <http://clc.dau.mil>. This course is DoD mandated training for all DoD GCPC participants.

These courses must be completed prior to appointment. The appropriate DON eBusiness Purchase Card Training course must be repeated as refresher training every two years. The DAU CLC Government Purchase Card Tutorial is a "once and done" requirement and does not need to be repeated as refresher training.

Additional training is required for DON GCPC cardholders who are delegated use of the purchase card via SF 1402 (Certificate of Appointment). These individuals must complete the following course:

- c. The *Simplified Acquisition Procedures (SAP)* course, CON 237, available on-line through the DAU website at www.dau.mil.

DON GCPC cardholders who have completed CON 101, Contracting Fundamentals, or CON 202, Intermediate Contracting since 1997 are exempt from the requirement to take CON 237.

Annual ethics training is required for the following DON GCPC participants:

- a. All Approving Officials (AO); these individuals are required to complete the Form OGE 450, Office of Government Ethics Confidential Financial Disclosure Report,
- b. All Cardholders (CH) who purchase in excess of \$100,000 (these individuals are required to complete the Form OGE 450).

DON GCPC participants required to take annual ethics training should check with their local Office of General Counsel for training availability.

DON Purchase Card Program Appendices Desk Guide

All documentation of successful completion of the training listed in a.1, a.2 and a.3 must be retained by the individuals taking the training and their immediate Agency Program Coordinators for the duration of their appointment as a DON GCPC participant.

Refer to Appendix L of this desk guide for contact and availability information about these courses

**DON Purchase Card Program
Appendices Desk Guide**

H. List of Prohibited & Special Attention Items

Prohibited Items:

Advance Payments
Advertising
Asbestos and Asbestos-Containing Materials
Black Oxide Coated Brass Threaded Fasteners
Buildings or Land, Long-Term Rental or Lease of
Business Cards
Cash Advances
Christmas and Other Seasonal Decorations
Coffee Pots, Coffee, Refreshments
Commercial Vehicles, Purchase of
Commercial or GSA Vehicles, Rental/Lease of (Without Drivers)
Employee Identification Tags
Federal Information Processing Resources/Y2K
Fireworks Display
Fuel, Oil, Services, Maintenance, Repairs
Hazardous Material and Hazardous Waste Disposal
Incentive Music and Equipment
Lodging and Meals
Luggage
Medical and Dental Care at Civilian Non-Federal Sources
Membership Dues
Ozone Depleting Substances
Personal Services
Pesticides
Plaques, Ashtrays, Paperweights, and Other Mementos As Give-away Items
Printing and Duplication
Purchase from Government Employees or Business Owned or Controlled by Government Employees
Reprographic Equipment
Sensitive Compartmented Information in Contracts
Shipboard Habitability Equipment, Including Furniture, Laundry/Dry Cleaning and Food Service Equipment
Transportation, Purchase of
Travel or Travel Related Expenses
Uniform Items
Visual Information (VI) Equipment
Shipboard Digital Photo Lab (DPL)
Visual Information-Audiovisual (VI-AV) Production Including Interactive Video Acquisition
Commercial Off-the-Shelf Visual Information-Audiovisual (VI-AV) Production Acquisition
Commercial VI Production
Withdrawal of Tax-Free Ethyl and Specially Denatured Alcohol

See enclosure 2 of the EBUSOPSOFFINST 4200.1A for prohibited items definitions.

DON Purchase Card Program Appendices Desk Guide

LIST OF PROHIBITED AND SPECIAL ATTENTION ITEMS RELATED TO PURCHASE CARD BUYS

This information applies to Department of the Navy Agency Program coordinators, approving officials and purchase cardholders with established purchase card programs. For a full explanation, and/or background information on prohibitions referenced in this appendix, refer to the NAVSUPINST 4200.85 (series), enclosure (1). Not all of the prohibitions found in this appendix require special approvals. Some may be procured using traditional purchase methods (e.g. purchase orders, BPA calls, etc) and paid for using the purchase card. Detailed procedures for using the purchase card as a method of payment may be found in the purchase card desk guide.

Advance Payments

General rule: Except for requirements such as subscriptions for publications (i.e. Navy Times, Federal Contracts Reporter, Commercial Clearing House Inc, etc.) and post office box rentals advance payments are prohibited.

Advertising

General rule: Unless specific approvals have been obtained advertising contract actions are not authorized in accordance with the Navy Acquisition Procedures Supplement (NAPS).

Exception: The Chief of Naval Personnel has authorized an increase from \$1,000 to \$2,500 for the specific media advertising purchase limit for Commanding Officers of Navy Recruiting Districts to commensurate with the current micro-purchase threshold. This authority cannot be re-delegated and each advertisement is conditioned upon the use of a properly executed DD Form 1535.

Asbestos and Asbestos-Containing Materials

General rule: Purchase cardholders are not authorized to purchase asbestos or asbestos-containing materials.

Black Oxide Coated Brass Threaded Fasteners

General rule: Purchase cardholders are not authorized to procure brass or copper alloy fasteners coated with black oxide.

Buildings and/or Land, Long-Term Rental or Lease of

General rule: Purchase cardholders are prohibited from entering into long-term rentals or leases for buildings and/or land.

DON Purchase Card Program Appendices Desk Guide

Business Cards

General rule: Flag Officers, member of the SES and general officers may authorize the printing of business cards limited to using existing software and agency-purchased stock for those positions that require business cards in the performance of official duties.

Cash Advances

General rule: Purchase cardholders are prohibited from using their purchase cards to obtain cash advances.

Christmas and Other Seasonal Decorations.

General rule: Seasonal decorations may be acquired using the purchase card provided local customs and traditions are observed. Purchase cardholders are not authorized to buy Christmas cards.

Coffee Pots, Coffee, Refreshments

General rule: Unless the purchase of coffee pots, coffee, or refreshments is for an authorized mess, as defined in NAVSUP Publication 486 Vol-1, Chapter 1 and BUPERINST 1710.11C the purchase of these items are prohibited. Purchase cardholders are also prohibited from buying refreshments for other government employees.

Exceptions: The use of Official Representation Funds for official entertainment and Center of Influence events involving Navy recruiters are exceptions to this rule. In addition, Navy recruiters are authorized to use the purchase card to buy meals for recruiting applicants as an out of pocket expense.

Agencies sponsoring a conference are allowed to provide light refreshments during morning, afternoon or evening breaks for conference attendees when a majority of the attendees are in a travel status. Travel within an employee's local commuting area does NOT satisfy the requirement to be in a 'travel status'. Light refreshments may be approved by the command sponsoring the conference if they decide it is appropriate use of their funds. The Government Purchase Card can be used to pay for the refreshments. Use of the card and funding for this purpose is subject to local Command approval. Card officials should ensure acceptability within their own command prior to using the card for this purpose.

Commercial Vehicles, Purchase of

General rule: Purchase cardholders shall not use their cards to purchase commercial vehicles.

Commercial or GSA Vehicles, RENTAL/LEASE of (Without Drivers)

General rule: Purchase cardholders are not authorized to use their purchase cards to rent/lease commercial or GSA vehicles.

DON Purchase Card Program Appendices Desk Guide

Employee Identification Tags

General rule: Unless the requiring activity/command determines that use of the identification tags are necessary and in support of mission requirements, activities may not use appropriated funds to purchase employee identification tags.

Fireworks Display

General rule: Purchase cardholders may not use appropriated funds to buy fireworks.

Fuel, Oil, Services, Maintenance and Repairs

General rule: Purchase cardholders are not authorized to purchase fuel, oil, services, maintenance and repairs of Interagency Fleet Management System and GSA Fleet Management Programs (i.e. repair of GSA leased vehicles).

HAZMAT and Hazardous Waste Disposal

General rule: Except for commonly used hazardous material the purchase of HAZMAT by cardholders is prohibited.

Incentive Music and Equipment

General rule: Except for specifically programmed music, the purchase of music and equipment for broadcasting (inc. radios, automatic record players or phonographic records) for entertainment purposes is generally not authorized.

Exception: Specifically programmed music may be purchased based on a written determination by the commanding officer describing how the acquisition would improve morale, benefit the command, etc., and thereby qualify as a necessary expense under the necessary expense rules. This prohibition also does not preclude the expenditure of appropriated funds for the purchase of a public address system required for intra-station communication.

Lodging and Meals

General rule: Purchase cardholders are prohibited from using their purchase cards for the payment of lodging and meals for employees on temporary duty.

Exception: Certain reserve activities are authorized to buy meals for Naval reservists during drill activities.

Luggage

General rule: The purchase of luggage for employees/service members to carry personal belongings while on travel orders is generally not authorized.

Exception: Sea bags issued to service members and briefcases, etc., furnished for the express purpose of carrying official documents associated with the duties of the service member or employee.

DON Purchase Card Program Appendices Desk Guide

Medical and Dental Care From Civilian Non-Federal Sources

General rule: Purchase cardholders shall not use their cards for payment of medical and dental services.

Membership Dues

General rule: Except for membership dues, which solely benefit the agency or activity the purchase of club, association, organization and other related memberships, are prohibited.

Exception: The use of appropriated funds for membership dues of an activity or agency is permissible if the membership contributes to the fulfillment of the mission of the activity or agency.

Ozone Depleting Substances (ODS)

General rule: Purchase cardholders are not authorized to purchase ODS materials.

Exception: Contracting officers may use their purchase card as a method of payment provided guidance in the NAPS is strictly adhered to.

Personal Services

General rule: Unless you have statutory authority purchase cardholders should not contract for personal services using the purchase card.

Pesticides

General rule: Unless prior approvals are obtained from cognizant Pest Management Consultant at the appropriate NAVFAC or BUMED division, purchase cardholders are not authorized to contract for purchase of pesticides.

Plaques, Ashtrays, Paperweights and other Mementos As Give-Away Items

General rule: The use of appropriated funds to buy give-away items such as plaques, cuff links, hats, T-shirts, license plate covers, bracelets, ashtrays, Christmas cards, paper-weights, cigarette lighters, novelty trash cans, key chains and similar items are generally prohibited.

Exception: The purchase of give-away items in support of employee recognition programs may be authorized if accomplished in accordance with agency policy.

Printing and Duplication

General rule: Purchase cardholders are prohibited from buying printing or duplication services from agencies other than DAPS.

DON Purchase Card Program Appendices Desk Guide

Purchase from Government Employees or Businesses Owned or Controlled By Government Employees

General rule: Purchases from government employees (military or civilian) or from business organizations substantially owned or controlled by government employees are generally prohibited.

Reprographic Equipment

General rule: The purchase/lease/rental/trial/replacement or change in rental or lease plan of reprographic equipment is not authorized unless the requestor has complied with the requirements of the Navy Reprographic Equipment Program. The requestor must obtain written approval from the cognizant DAPS for all shore copying equipment with speeds of 71 or more copies per minute. (Examples of reprographic equipment are; copiers and high-speed copiers, Diazo process equipment, laser printers, and duplicating equipment).

Sensitive Compartmented Information In Contracts

General rule: Purchase cardholders are not authorized to enter into negotiations that will include requirements for contractor access to Sensitive Compartmented Information unless the customer has staffed the requirement through Commander, Office of Naval Intelligence, Code ONI-532.

Shipboard Habitability Equipment, Including Furniture, Laundry/Dry Cleaning and Food Service Equipment

General rule: Except for furniture, laundry, dry cleaning, and food service equipment listed in the following catalogs are prohibited.

Furniture equipment – S9600-AD-GTP-010, U.S. Navy Shipboard Furniture Catalog with applicable changes.

Laundry/dry cleaning equipment – S6152-B1-CAT-010, Navy Laundry and Dry Cleaning Catalog with applicable changes.

Food service equipment – S6161-Q5-CAT-010, The Shipboard Food Service Equipment Catalog with applicable changes.

Transportation, Purchase of

General rule: DON purchase cardholders are not authorized to use their card to ship logistics items or pay for cargo shipments except for emergency shipments where the activity or base transportation officer is not available. The GSA Express Small Package Contract now authorizes the use of the card to ship items using the FedEx contract when shipping administrative small packages under 150 pounds.

Travel, or Travel Related Expenses

General rule: The purchase card cannot be used to pay for government employee travel or travel related expenses (i.e. expenses associated with official travel including transportation, lodging, or meals).

DON Purchase Card Program Appendices Desk Guide

Uniform Items

General rule: Cardholders are not authorized to use appropriated funds to purchase uniform items.

Visual Information (VI) Equipment

General rule: VI production equipment may not be provided to, acquired for, or used by, non-VI activities or personnel (See Definitions). Requests for VI equipment that exceed the dollar thresholds listed below, must be forwarded to the appropriate Major Claimant Visual Information Management Office (MCVIMO) for approval. The MCVIMO must certify that acquisitions are in accordance with activity authorizations prescribed by OPNAVINST 3104.1 and 3104.2.

Requests for VI equipment that support VI functions that are not authorized for the activity can not be approved at MCVIMO or local levels and must be held pending N09C1 approval of the new function.

Non-VI activities or personnel may acquire non-production VI equipment, unless otherwise specified by local VI instructions or when restricted by local credit card dollar call limitations, non-professional consumer type VI equipment such as 35mm film based photographic camera systems costing less than \$1,000; overhead, slide, filmstrip, and motion picture projection equipment costing less than \$5,000; audio and video recorder players costing less than \$5,000; video cameras and camera-recorders costing less than \$5,000; digital photographic cameras costing less than \$5,000; digital photographic printers costing less than \$10,000; and, video, LCD, LED, and CRT projectors costing less than \$10,000.

For VI equipment policy and MCVIMO information, contact: CNO (N09C1) VI Equipment and Activities Policy Officer at (202) 433-3790; DSN 288.

Exceptions: The following types of equipment are exempt.

1. VI equipment:
 - a. Acquired and distributed by the Navy Exchange;
 - b. Embedded in non-VI systems, which cannot be separated or operated to perform a VI function outside the system;
 - c. Purchased with non-appropriated or morale welfare recreational funds including entertainment systems;
 - d. Used solely to support research, development, test and evaluation (RDT&E) programmed mission requirements;
 - e. Procured by the Naval Media Center in support of Armed Forces Radio and Television activities and "Navy and Marine Corps News This Week;"
 - f. Used by administrative and security offices only for identification (ID) purposes;
 - g. Dedicated to Pilot Landing Training (PLAT) System, secure flight crew briefing systems and meteorological information systems;
 - h. Acquired under the Ship Building and Conversion, Navy (SCN) program; or,
 - i. VI equipment acquired for Video Teleconferencing (VTC) activities managed per OPNAVINST 2015.1
2. Timing and synchronization apparatus related to instrumentation recording.

DON Purchase Card Program Appendices Desk Guide

3. Radiographic equipment (industrial, medical and dental (x-rays)).
4. Office-related support equipment including: word processing equipment; transcribing and intercom equipment; telephone answering devices; xerographic equipment; and microform production and using (viewing and printing) equipment.

Definitions:

VI Equipment

- a. Production. Items used for the recording, producing, reproducing, processing, broadcasting, editing, distribution, exhibiting, and storing of VI. Includes professional still, motion picture and video cameras; editing equipment, telecine equipment, audiotape and cassette duplicators; computer generated graphics systems; film and paper processing equipment photographic printers.
- b. Non-production. Items used to maintain, repair, store, retrieve, exhibit or otherwise provide for the use of VI products. Includes videotape/disc players and television monitors; interactive video equipment; and, slide, film strip, motion picture, overhead, opaque and video projectors.

VI Activity. An organizational element or a function within an organization in which one or more individuals are classified as VI, or whose principal responsibility is to provide VI services. Navy VI activities are further identified by a Defense Visual Information Activity Numbers (DVIAN).

Shipboard Digital Photo Lab (DPL)

General rule: Per OPNAVINST 3104.1, the Program Executive Officer, Tactical Aircraft Program (PEOT (PMA-241)) in conjunction with Chief of Naval Operations (CNO (N09C1)), provides centralized VI equipment acquisition management for centrally procured aircraft carrier (CV/CVN) DPL equipment and systems. Local Acquisition of equipment for, or reconfiguration of, shipboard DPL is prohibited without CNO (N09C1) and PEOT (PMA-241) approval.

For questions regarding this policy, contact: CNO (N09C1) VI Equipment and Activities Policy Officer at (202) 433-3790; DSN 288.

Visual Information-Audiovisual (VI-AV) production including interactive video acquisition

General rule: Per OPNAVINST 3104.1 and its implementing instructions, the Naval Media Center (NMC) is the single contracting activity within the DON authorized to procure VI-AV productions. All requests for contracting for VI-AV productions, except as excluded below, must be forwarded to the Chief of Naval Operations (N09C1) via the appropriate Major Claimant Visual Information Management Office (MCVIMO) for approval and or assignment.

For questions regarding this policy, contact: CNO (N09C1) VI/AV Production Policy Officer at (202) 433-3714; DSN 288.

DON Purchase Card Program Appendices Desk Guide

Exceptions: The following are exempt from the DoD VI production reporting requirements (Visual Information Production Request and Report, DD 1995 and the search of the Defense Automated Visual Information System (DAVIS) products.

- a. Mixed media packages with a predominance of text;
- b. Television spot announcements, public service announcements, news clips, and information programs funded by Armed Forces Radio and Television Service (AFRTS);
- c. The Navy Broadcasting Department of the Naval Media Center;
- d. Activities engaged in or supporting research, development, test and evaluation;
- e. The Navy Exchange;
- f. Productions acquired from commercial sources by or for;
 - 1) DoD dependent schools.
 - 2) Morale, welfare, and recreation (MWR) activities.
 - 3) Education centers.
 - 4) Non-VI libraries controlled by SECNAVINST 5401.2 (NOTAL).
- g. Productions funded and reported as an integral part of a recruiting advertising contract; or,
- h. Interactive courseware acquired under OPNAVINST 1500.73.

Commercial Off-The-Shelf Visual Information-Audiovisual (VI-AV) production acquisition

General rule: Commercial off-the-shelf VI productions that support local, major claimant or Navy-wide requirements do not require a completed DD 1995 and may be purchased without MCVIMO or CNO (N09C1) validation. However, a DAVIS search is required to ensure that completed Navy or other DoD VI productions that may satisfy the requirements do not already exist. The DAVIS can be accessed via the Internet at <http://dodimagery.afis.osd.mil>.

Definitions (OPNAVINST 3104.1):

Commercial VI Production. A completed VI production that is purchased off-the-shelf, i.e., from the stocks of a vendor.

VI Production. The process of combining or arranging any separate audio or visual product(s) in continuity in a self-contained, complete presentation that is developed according to a plan or script for conveying information to, or communicating with, an audience. A VI product is also the end item of the production process. The special kind of VI production that combines motion media with sound is further defined as "AV production." Used collectively, VI production refers to the functions of procurement, production, or adoption from all sources; i.e., in-house or contract production, off-the-shelf purchase, or adoption from another Federal agency.

Withdrawal of Tax-free Ethyl and Specifically Denatured Alcohol

General rule: The purchase of tax-free ethyl and specifically denatured alcohol is not authorized unless a permit from the Bureau of Alcohol, Tobacco and Firearms has been issued.

DON Purchase Card Program Appendices Desk Guide

I. Acronyms

AO	Approving Official
APC	Agency Program Coordinator
ASN(RD&A)	Assistant Secretary of the Navy (Research, Development and Acquisition)
AUL	Authorized Use List (HAZMAT)
BCA	Business Case Analysis
BOA	Basic Ordering Agreement
BPA	Blanket Purchase Agreement
BUMED	Bureau of Naval Medicine
CH	Cardholder
CNO	Chief of Naval Operations
CO	Commanding Officer
CONUS	Continental United States
DAPS	Defense Automated Printing Service
DFAR	Defense Federal Acquisition Regulation
DFAS	Defense Finance and Accounting Service
DOD	Department of Defense
DON	Department of Navy
EBUSOPSOFF	Electronic Business Operations Office
EC/EDI	Electronic Commerce/Electronic Data Interchange
EFT	Electronic Funds Transfer
EIT	Electronic and Information Technology
EPA	Environmental Protection Agency
FAR	Federal Acquisition Regulation
FMR	Financial Management Regulation
FMS	Foreign Military Sales
FOB	Free-on-Board
FPI	Federal Prison Industries
FSS	Federal Supply Schedule
GAO	General Accounting Office
GSA	General Services Administration
HA	Head of the Activity
HAZMAT	Hazardous Material
HCA	Head of Contracting Authority
HRSC	Human Resources Service Center
IDTC	Indefinite Delivery Type Contract
IMM	Integrated Material Manager
IOP	Internal Operating Procedure
JWOD	Javit's-Wagner-O'Day Act
LCM	Life Cycle Management
LOA	Letter of Agreement
MCC	Merchant Category Code
MOU	Memorandum of Understanding
MSDS	Material Safety Data Sheet
MWR	Morale, Welfare and Recreation
NAF	Non-appropriated Fund
NAPS	Navy Acquisition Procedure Supplement
NMCI	Navy-Marine Corps Intranet
OCONUS	Outside Continental United States
OEM	Original Equipment Manufacturer
PMP	Pest Management Plan
PPMAP	Procurement Management Assessment Program
PSICP	Program Support Inventory Control Point
RO	Reviewing Official
SAT	Simplified Acquisition Threshold
SES	Senior Executive Service
USD(C)	Under Secretary of Defense (Comptroller)
VIXS	Video Info Exchange System
VTC	Video Teleconferencing

**DON Purchase Card Program
Appendices Desk Guide**

J. Business Case Analysis (BCA) Requirements

1. Department of Navy (DON) activities using Electronic Commerce/Electronic Data Interchange (EC/EDI) systems that result in a more cost-effective payment process than the purchase card are required to develop and submit a BCA for each system. The BCA shall compare the benefits and costs of the current system versus the use of the purchase card as a payment method. The following elements must be addressed.
 - a. Description. A description of the current process and how the process could work using the purchase card;
 - b. Evaluation and Analysis. An evaluation and analysis of current versus potential processes, including:
 - 1) Assumptions
 - 2) Methodology
 - 3) Results

The analysis should look at not only the direct costs of the process but also indirect costs/savings as it relates to the Defense Finance Accounting Service (DFAS), contracting and other departments, etc. Non-monetary costs/benefits such as security concerns, data capture, etc. should be included in the analysis.
 - c. Conclusion and Recommendation. The conclusion and recommendation must include an executive level summary.
2. BCA Submittal/Approval Process. DON activities using an EC/EDI system that result in a more cost-effective process must forward their BCA to the following address:

DON eBusiness Operations Office, Code 00e
P.O. Box 2050
5450 Carlisle Pike
Mechanicsburg, PA 17055-0891

NAVSUP reviews and will forward with an endorsement via the Director of DFAS to the Deputy Secretary of Defense.
3. Waiver Requirements. DON activities must request a waiver for any operational requirement that precludes full implementation of the purchase card. Submittals must include a point of contact, telephone number, description of operational requirement(s) and a complete assessment of the inability to use the purchase card. **ALL** waiver requests must be forwarded to the address above.

**DON Purchase Card Program
Appendices Desk Guide**

K. Transportation Considerations

1. General.
 - a. When purchasing material from commercial vendors using the Purchase Card, cardholders must ensure that external labeling requirements are clearly conveyed to the vendor. In some instances, cardholders may request that material be shipped to either CONUS or OCONUS locations. Additionally, items that are purchased from non-local vendors or via the Internet may require shipping to the cardholder or other ultimate destination. In order to ensure that items and material purchased using the purchase card are properly routed through the Defense Transportation System or through the local receiving activity, the external shipping information must be sufficiently detailed and in accordance with standard DoD shipping guidelines.
 - b. This section provides the purchase cardholder with:
 - 1) Shipping services available from GSA using the purchase card
 - 2) general labeling guidance
 - 3) other standard shipping references for more detailed information.
 - c. In all cases the purchase cardholder should contact their local Transportation Officer (TO) for detailed assistance.
 - d. Transportation Terms
 - 1) Free-on-Board (FOB) Destination. FOB destination means the vendor pays the cost of transportation and includes it in the cost of the item. Cardholders should attempt to obtain FOB destination shipment terms.
 - 2) FOB Port of Embarkation. FOB Port of Embarkation (POE) means the vendor pays the cost of transportation to the Defense Transportation Regulation (DTR) Aerial/Water POE, or Defense Distribution Depot San Joaquin, CA (DDJC) for shipments destined OCONUS. Transportation charges from the Aerial/Water POE or DDJC to the overseas destination are paid using TAC N820.
 - 3) FOB Origin. FOB origin or pre-pay and add means the vendor bills for shipping and adds the cost as a separate line item. Cardholders should not accept FOB origin terms. In cases where the cardholders must accept FOB origin terms, any transportation charges will be paid from the procurement line of accounting.

**DON Purchase Card Program
Appendices Desk Guide**

2. CONUS Shipments.
- a. General Services Administration (GSA) Small Package Express Contract. The GSA Contract authorizes DON purchase cardholders to use their purchase card to ship items INCONUS when using the established contract carriers (Airborne, DHL Worldwide Express, Federal Express (FedEx), United Parcel Services) and to obtain the GSA negotiated contract rates when shipping administrative small packages under 150 pounds under FOB Origin terms. Administrative shipments are generally defined as shipments consisting of:
- 1) general correspondence
 - 2) personnel/payroll records
 - 3) laboratory samples (except for samples paid for by the Service-wide transportation (SWT) fund)
 - 4) electronic storage media (computer tapes, floppy discs, videos, etc.)
 - 5) blueprints
 - 6) legal, financial and contracting documents.
- b. Activities wishing to establish new accounts or convert existing accounts to allow use of the purchase card must contact the contract carriers. The following is a list of the most common contract carriers:
- Airborne
1.800.247.2676
<http://www.airborne.com/home/home.asp>
- DHL Worldwide Express
1.800.225.5345
http://www.dhl.com/main_index.html
- FedEx Government Customer Account Services
1.800.645.9424
<http://www.fedex.com/us/government/?adobj=weekendshipping&pgsrc=services>
- United Parcel Services 1.800.742.5877 <http://www.ups.com/>
- c. DON purchase cardholders are not authorized to use their purchase card to ship logistics items using a bill of lading or airway bill, or pay for cargo shipments, except for emergency shipments when the activity or base Transportation Officer is not available. In those instances, the purchase card may be used to pay for logistics shipments and these purchases shall be funded with activity or command operating funds.

**DON Purchase Card Program
Appendices Desk Guide**

3. Labeling of material.
 - a. Shipping Labels. When a contractor within CONUS is shipping material, the contractor should be advised to include the following information on the shipping label:
 - 1) Complete MARK FOR (M/F) address including the cardholder's Unit Identification Code (UIC), address, and departmental name or code for which the material is being procured.
 - 2) Requisition/order number.
 - 3) Merchant's name, address, and telephone number.
 - b. Packing Slip. Additionally, a shipping document or packing slip should be included both on the outside and inside of each package with the following information:
 - 1) Merchant's name, address, and telephone number.
 - 2) Date of order.
 - 3) Requisition number/job order number.
 - 4) Date of shipment.
 - 5) Required delivery date.
 - 6) Itemized list of supplies furnished, including quantity.
 - 7) Cardholder's name, code, and telephone number.
 - 8) Complete MARK FOR (M/F) address including UIC and address of end user.
4. OCONUS Shipments to U.S. Navy Ships, Navy Mobile Units or Overseas Activities. The preferred method for the shipping of purchase card procured material overseas is the U.S. Postal Service (USPS) using the destination Fleet Post Office (FPO) address. If shipment is not made via USPS, cardholders are strongly encouraged to use the Defense Transportation System (DTS). The following information should be provided for the applicable transportation method/customer:
 - a. U.S. Postal Service (USPS). When material is being shipped via USPS, the following information should be included:
 - 1) Shipping Label:
 - a) Complete MARK FOR (M/F) address including the cardholder's UIC, FPO address, departmental name or code, and telephone number (if available) for which the material is being procured.
 - b) Requisition/order number.
 - c) Merchant's name, address, and telephone number.

**DON Purchase Card Program
Appendices Desk Guide**

- 2) Packing Slip. Additionally, a shipping document or packing slip should be included both on the outside and inside of each package with the following information:
 - a) Merchant's name, address, and telephone number.
 - b) Date of order.
 - c) Requisition number/job order number.
 - d) Date of shipment.
 - e) Required delivery date.
 - f) Itemized list of supplies furnished, including quantity.
 - g) Cardholder's name, code, and telephone number.
 - h) Complete MARK FOR (M/F) address including UIC and address of end user.

- b. Defense Transportation System (DTS) to OCONUS. Purchase cardholders shipping items OCONUS should follow guidance on packaging and labeling of OCONUS cargo moving in the Defense Transportation System (DTS) as defined by the Defense Transportation Regulation (DTR), Part II, Cargo Movement (DOD 4500.9-R), which is available electronically at <http://www.transcom.mil/J4/j4lt/dtr.html>. In addition, country specific customs clearance requirements are contained in the Foreign Clearance Guide (FCG) and the DTR, Part V, Customs. Contracting officers and purchase cardholders shall ensure that OCONUS shipments are prepared in accordance with the DTR guidance.

Purchase cardholders shall ensure that shipping instructions to the vendor, whether oral or written, contain the proper labeling, packaging, documentation and air/water clearance instructions. The contractor/supplier must be made aware of the packaging and documentation requirements for that specific item and country of final destination.

Due to the oral nature of purchase card orders, purchase cardholders should positively establish that the vendor understands and will comply with the labeling, packaging, documentation and air/water clearance requirements prior to placing the order.

All hazardous and special handling materials must be properly packaged/prepared and certified in a manner authorized for military air shipment before arrival at the military aerial port. If this is not possible, then another mode of transportation should be selected. Detailed shipping requirements for shipment of hazardous or special handling materials must be obtained from the local Transportation Officer.

**DON Purchase Card Program
Appendices Desk Guide**

- c. U.S. Navy Ships and Navy Mobile Units. If the procured item is shipped via the DTS (i.e. using the Air Mobility Command (AMC) Channel missions or scheduled sealift container services to overseas destinations) to U.S. Navy Ships and Navy Mobile Units the purchaser must:

Address the shipment using the Cargo Routing Information File (CRIF) on the web system. Purchasers must provide vendors the appropriate shipping address using the information in the CRIF on the web, which is located at:
<http://www.navtrans.navy.mil>.

This web site will provide GCPC holders with the information required to gain access to the CRIF. If GCPC holders have further questions regarding access, contact the FACTS help desk at DSN 646-5524 or commercial 757-443-5524. If you have problems, questions, or need assistance, contact the Naval Transportation Support Center (NAVTRANS) Air Clearance Authority at 757-443-5434.

- d. Overseas Shore Activities. If the procured item is shipped via the DTS (i.e. using the Air Mobility Command (AMC) Channel missions or scheduled sealift container services to overseas destinations) to Overseas Shore Activities the purchaser must provide the following information for the merchant to place on the shipping label:

- 1) Mark FOR (M/F) Address. Complete MARK FOR (M/F) address (an in-the-clear address when possible), including the cardholder's UIC, FPO address and departmental name or code of the activity for which the material is being procured.
- 2) Transportation Control Number. Transportation Control Number (TCN) (which normally consists of the procuring activity's requisition number, and three character Defense Transportation Regulation (DTR) suffix), requisition number (if not provided in TCN), and order number.
- 3) Transportation Account Code (TAC). The TAC utilized for purchase card procured material through DTS is N820, a Navy Service-Wide Transportation First Destination TAC. The use of TAC N820 is strictly limited to the movement of purchase card procured material items, from a DTR-designated Aerial or Water Port of Embarkation (APO/WPOE) or the Container Consolidation Point (CCP) at San Joaquin, CA (DDJC), to a cardholder activity when the activity is overseas, including deployed ships or mobile units. This TAC shall not be used for payment of transportation charges for domestic (including Alaska, Hawaii or Puerto Rico) shipments. The funding account paying for the purchase will pay for any associated transportation charge that has been added by the vendor. Its use is strictly limited to the movement of a purchase card procured item, from a DTR-designated APOE/WPOE or DDJC, to a cardholder activity when the activity is overseas including deployed ships and mobile units. It shall NOT be used for payment of transportation charges for domestic (including Alaska, Hawaii and Puerto Rico) shipments.

**DON Purchase Card Program
Appendices Desk Guide**

- 4) Transportation Priority (TP) and Required Delivery Date (RDD). TP1 or TP2 are for air shipments via AMC and TP3 is for surface (water) shipments. If the RDD is not cited in a TP1 or TP2 shipment, the material will be diverted to surface (water) carrier in accordance with DTR policy. An appropriate three digit Julian date or DTR RDD for the coinciding TP is to be used (i.e. TP1/999, TP1/NO5, TP2/777, etc.).
- 5) Shipping Labels. The shipping label should also include:
- a) Consignee and SHIP TO address (DTS transshipment point).
 - b) Merchant's name, address, and telephone number.
- 6) East Coast DTS Port of Embarkation. For material entering a DTS Port of Embarkation (POE) on the east coast (i.e. Norfolk Naval Air Terminal or Norfolk Water Freight Terminal), consign and label as follows:

SHIP TO: N45750
VREP Contractor
TCN/TAC/TP/RDD/ M/F UIC*
8449 Air Cargo Road, Bldg LP-117
Naval Air Station
Norfolk, Virginia 23511-4496

*Example: N60514-8330-0100XXX/N820/TP2/777/N60514

- 7) West Coast DTS Port of Embarkation. For material entering a DTS POE on the west coast, consign and label as follows:

SHIP TO: SW3225
Defense Distribution Depot San Joaquin (DDJC)
TCN/TAC/TP/RDD/ M/F UIC
CCP Warehouse 30
25600 South Chrisman Road
Tracy, CA 95376-5000

**Example: N68047-8330-0100XXX/N820/TP2/777/N68047

For all TP1/TP2 material and any items that may require special handling, (e.g. temperature controlled or signature service), contact NAVTRANS at 757-443-5434 or DSN 646-5434 for shipping, air clearance, and routing information.

Advance notification of the information contained in paragraph 4 above should be forwarded via Naval message, fax, or email by the cardholder to the appropriate transshipment point to ensure proper routing upon material receipt and to preclude frustration of material.

**DON Purchase Card Program
Appendices Desk Guide**

- e. Packing Slip. Regardless of which method of shipping is utilized (USPS or DTS), the vendor must include a packing slip inside each OCONUS shipment with the following information:
- 1) Merchant's name, address, and telephone number.
 - 2) Date of order.
 - 3) Requisition number/order number.
 - 4) Date of shipment.
 - 5) Required delivery date.
 - 6) Itemized list of supplies furnished, including quantities.
 - 7) Cardholder's name, code, and telephone number.
 - 8) MARK FOR (M/F) address, including UIC, FPO address (USPS shipment) or SHIP TO address (DTS shipment) of the activity for which the material is being procured.

**DON Purchase Card Program
Appendices Desk Guide**

L. Training Resources

1.	DON eBusiness Purchase Card CD-Based Training	34
2.	DON eBusiness Purchase Card On-Line Training	34
3.	The Defense Acquisition University (DAU).....	35
a.	The DoD Government Commercial Purchase Card Tutorial	35
b.	Simplified Acquisition Procedures (SAP) course - CON 237.....	35
4.	CitiDirect Interactive Tutorial	36
5.	WinSALTS Navy Purchase Card Guide	36
6.	SALTS Training Classes, Lecture/Demo Format:	37
7.	SALTS Users Manuals – Volumes 1 – 6:	37
8.	Naval Supply Corps Schools – Athens, GA:	38
a.	Video Teletraining (VTT) Courses	38
b.	The Supply Officer Department Head Course (SODHC)	39

DON Purchase Card Program Appendices Desk Guide

1. **DON eBusiness Purchase Card CD-Based Training**

These Government Commercial Purchase Card Certification courses are the primary training resource for the on-going support of this program. These courses are role specific by system. For example, there is a course for APCs who use CitiDirect and a different course for APC who use WinSALTS. Successful completion of this training is one of the requirements for a person to participate in the Purchase Card Program.

Distribution Method: Initial distribution from EBUSOPSOFF to all program participants. Additional copies can be ordered through EBUSOPSOFF. Courses can also be downloaded from Don eBusiness website – see paragraph #2, below.

Status: Required DON Training. Over 30,000 copies have been distributed.

Contact: EBUSOPSOFF, DONeBusTraining@navy.mil, FAX (717) 605-9362

Adequacy: This training's strength is high availability and in depth coverage of DoN Purchase Card policy and procedure. These courses are mandatory for all program participants.

2. **DON eBusiness Purchase Card On-Line Training**

These Government Commercial Purchase Card Certification courses are the primary training resource for the on-going support of this program. These courses are role specific by system. For example, there is a course for APCs who use CitiDirect and a different course for APC who use WinSALTS. Successful completion of this training is one of the requirements for a person to participate in the Purchase Card Program.

These on-line courses include the same content as the CD-ROM base training discussed in paragraph 1 above.

Distribution Method: Internet: <http://www.don-ebusiness.navy.mil> and access the Purchase Card section of the web site. The website's home page contains a "Quick Link" to these courses called "Purchase Card Training". These courses MUST be downloaded and run from your local "C:\\" drive; these are not web interactive courses.

Status: Required DON Training. Currently available for download.

Contact: EBUSOPSOFF, DONeBusTraining@navy.mil, FAX (717) 605-9362

Adequacy: This training's strength is high availability and in depth coverage of DoN Purchase Card policy and procedure. These courses are mandatory for all program participants.

**DON Purchase Card Program
Appendices Desk Guide**

3. The Defense Acquisition University (DAU)

The DAU currently supports the Purchase Card Program with two training offerings – the on-line DoD Government Purchase Card Tutorial and the on-line Simplified Acquisitions Procedure, CON 237

a. The DoD Government Commercial Purchase Card Tutorial

The tutorial is a self-paced course is comprised of ten lessons that present the mandatory requirements and other guidelines to consider and apply, as appropriate when utilizing the Government Commercial Purchase Card.

Distribution Method: Internet On-Line and Interactive through the Defense Acquisition University website as listed below.

Status: DoD mandated for all DoD Government Commercial Purchase Card Program participants.

Contact: <http://clc.dau.mil/>

Adequacy: This tutorial includes a comprehensive coverage of Government Commercial Purchase Card Policy.

b. Simplified Acquisition Procedures (SAP) course - CON 237

This course is intended to support the training of the DoD acquisition workforce on the use of simplified acquisition procedures utilizing Federal Acquisition Regulation (FAR) parts 12 and 13. This course combines interactive computer-based training with performance support resource access, which is provided via the internet.

Distribution Method: Internet On-Line and Interactive through the Defense Acquisition University website as listed below.

Status: DON Required Training for cardholders delegated authority to use the purchase card via Standard Form, SF 1402.

Contact: <http://www.dau.mil/>

Adequacy: Fulfills requirement for mandated SAP training.

DON Purchase Card Program Appendices Desk Guide

4. CitiDirect Interactive Tutorial

This tutorial is available on the CitiDirect website after the user successfully logs in. The tutorial uses state of the art software techniques to present its topics. It is designed to meet the needs of first-time and seasoned CitiDirect users. For first-time users, the CitiDirect Interactive Tutorial walks through, step by step, each segment of the CitiDirect system.

Seasoned CitiDirect users can access the CitiDirect Interactive Tutorial while in an active CitiDirect session. Simply click on the CitiDirect Interactive Tutorial option within Assistance to utilize the tutorial as a "quick help" resource.

Distribution Method: Internet

Status: Supplemental Training. Currently available to logged in users.

Contact: <http://www.cards.citidirect.com>, (800) 790-7206, select option #2

Adequacy: The CitiDirect tutorial is a good training tool for all levels of DON Government Commercial Purchase Card Program participants as an introduction to the CitiDirect-PC interface. Citibank future plans are to expand the tutorial with more role specific lessons – i.e. cardholders and approving official.

5. WinSALTS Navy Purchase Card Guide

This guide is a self-paced learning tool, which guides the user through the steps of viewing, certifying and submitting e-statements for payment using the WinSALTS software. This guide is a Microsoft Word document, which is downloadable from the SALTS web site at <http://www.salts.navy.mil> and available through SALTS.

Distribution Method: Internet: <http://www.salts.navy.mil> and through SALTS.

Status: Supplemental Training. Currently downloadable

Contact:

SALTS Central,	help@salts.icpphil.navy.mil	215.697.1112
SALTS Norfolk,	norfolk@salts.navy.mil	757.836.3091
SALTS San Diego,	sandiego@salts.navy.mil	619.532.4036
SALTS Pearl Harbor,	pearl@salts.navy.mil	808.473.7526

Adequacy: This is a well written guide that includes screen captures of the software. It is highly available but lacks the hands-on experience.

**DON Purchase Card Program
Appendices Desk Guide**

6. SALTS Training Classes, Lecture/Demo Format:

The SALTS Central Operations team at NAVICP in Philadelphia coordinates and conducts monthly lecture/demo training sessions on the use of the WinSALTS software package. This training is based on the content of the six (6) volume set, User Manual for WinSALTS. Classes are ½ day in length.

These classes are conducted at the three SALTS sites - Norfolk, San Diego, and Pearl Harbor – and availability is announced via ALL SALTS messages. Classes are also available as on-site training and as pre-comm training. Contact SALTS Central for availability and scheduling.

Distribution Method: Scheduled lecture/demo class at SALTS sites.

Status: Supplemental Training. Currently available

Contact: SALTS Central, help@salts.icpphil.navy.mil 215.697.1112
SALTS Norfolk, norfolk@salts.navy.mil 757.836.3091
SALTS San Diego, sandiego@salts.navy.mil 619.532.4036
SALTS Pearl Harbor, pearl@salts.navy.mil 808.473.7526

Adequacy: These classes are taught by the SALTS experts and provide excellent hands-on training. The classes are however more comprehensive than required for Purchase Card usage.

7. SALTS Users Manuals – Volumes 1 – 6:

There is a six (6) volume set of WinSALTS User Manuals available via the internet or through SALTS. These manuals are the basis of the ½ day lecture/demo class offered by the SALTS Operation team. (See above for class details.)

Distribution Methods: SALTS and Internet: <http://www.salts.navy.mil>.

Status: Supplemental Training. Currently available

Contact: SALTS Central, help@salts.icpphil.navy.mil 215.697.1112
SALTS Norfolk, norfolk@salts.navy.mil 757.836.3091
SALTS San Diego, sandiego@salts.navy.mil 619.532.4036
SALTS Pearl Harbor, pearl@salts.navy.mil 808.473.7526

Adequacy: These manuals cover the entire topic required for a Purchase Card Authoring Official (AO) to use WinSALTS to certify invoices. They do however require the AO to self-teach by reading the manuals.

**DON Purchase Card Program
Appendices Desk Guide**

8. Naval Supply Corps Schools – Athens, GA:

The Naval Supply Corps School in Athens, GA, provides DON Government Commercial Purchase Card Training support in two formats – it offers free-of-charge, regularly scheduled courses over the Video TeleTraining (VTT) network and it has integrated Purchase Card topics into the Supply Officer Department Head Course (SODHC).

a. Video Teletraining (VTT) Courses

There are six Video TeleTraining (VTT) courses offered in support of the Purchase Card Program:

**PC PROGRAM OVERVIEW FOR THE APC
(CIN 7569/A-500-0074)**

Duration: 2 hours

This course provides a new Agency Program Coordinator (APC) with a comprehensive overview of the Purchase Card Program and the responsibilities of an APC. The course includes procedural information needed to establish, run, manage and maintain a Purchase Card Program. It also covers the major policies and issues that guide the oversight of the program. The target audience for this class is newly appointed APCs. The course is suitable for an APC working in either a CitiDirect or WinSALTS environment.

**CITIDIRECT AD HOC REPORTING FOR THE APC
(CIN 755Y/A-500-0069)**

Duration: 2 hours

This course provides the Agency Program Coordinator (APC) with training on the use of the CitiDirect Ad Hoc Reporting tool. The course provides several examples of custom Ad Hoc reports that are used by APCs to manage and monitor their PC programs. The course uses sequential screen captures to demonstrate the step-by-step process of designing a report, running it, saving the format and exporting the data for further analysis. Department of the Navy Purchase Card Program APCs are the primary target audience for this course and it is normally scheduled to follow *PC Program Overview for the APC*.

**CITIDIRECT INVOICE CERTIFICATION & STANDARD REPORTS FOR THE AO
(CIN 755Z/A-500-0070)**

Duration: 2 hours

This course is designed to provide the Purchase Card (PC) Approving Official (AO) with the necessary knowledge and skills to use the CitiDirect system to certify their cardholders' monthly statements. The course content includes an introduction to the CitiDirect system with the primary emphasis on the statement certification process. In addition, the course provides an introduction to the various standard reports available to the AO for management of program. The course's target audience is the DON Purchase Card AO.

**DON Purchase Card Program
Appendices Desk Guide**

**PC POLICY AND PROCEDURE FOR THE CITIDIRECT CH
(CIN 7567/A-500-0073)**

Duration: 2 hours

This course is designed for Purchase Card (PC) Cardholder (CH) operating in a CitiDirect environment. It provides the necessary knowledge and skills to use the purchase card to make mission critical acquisitions in a timely and effective manner. The course emphasizes PC policy to ensure the CH performs within the guideline of the program. The course covers the complete procedure for making an acquisition from funding and screening sources to receipt, documentation and statement reconciliation. This course targets new Department of the Navy PC Cardholders.

Distribution Method: These courses are delivered by a live instructor using the two-way, interactive, video teletraining network.

Status: Supplemental Training. Currently available and scheduled monthly; these are supplemental courses.

Contact Registration is managed by the local VTT site managers. Course schedules and contact information are available through the VTT website at <http://www.nscs.cnet.navy.mil/>

Adequacy: Each VTT course is two hours long and include CitiDirect and WinSALTS demos.

b. The Supply Officer Department Head Course (SODHC)

This course includes a overview presentation on the Purchase Card Program . The content includes policy information and practical hands-on experience with both WinSALTS and CitiDirect.

Distribution Method: Content included in the standard NSCS curriculum.

Status: Supplemental Training. Currently available

Contact: <http://www.nscs.com/training2.asp?ID=A-8B-0017> This website includes schedules and sample presentations.

Adequacy: Hands on is covered in optional labs.

**DON Purchase Card Program
Appendices Desk Guide**

M. WinSALTS NPC Desk Guide

The WinSALTS Navy Purchase Card Guide can be accessed through WinSALTS by (1) accessing WinSalts, Data Services, Request files from Salts, Salts standard files, Navy Purchase Card, and selecting Desk Guide; or (2) accessing WinSALTS, Data Services, Navy Purchase Card, Get latest Purchase Card information. It may also be viewed or downloaded from the web at: http://www.salts.navy.mil/main/files/pdf/npc_desk_guide.pdf. For problems accessing the Guide contact SALTS as indicated below.

WinSALTS/32 Navy Purchase Card Guide

SALTS CENTRAL
Naval Inventory Control Point
Code P-04E (SALTS)
700 Robbins Avenue
Philadelphia, PA 19111
215.697.1112
DSN 442.1112
Email: help@salts.navy.mil

SALTS Detachment Offices
Norfolk
757.836.3091
DSN 836.3091
Email: norfolk@salts.navy.mil

San Diego
215.697.1112
DSN 442.1112
Email: help@salts.navy.mil

Pearl Harbor
808.473.7526
DSN 473.7526
Email: pearl@salts.navy.mil

DON Purchase Card Program Appendices Desk Guide

N. Citibank Forms

This is a list of the main CitiDirect forms. These forms can be used to perform various CitiDirect Account Maintenance functions. The forms are:

- Citibank Government Agency/Organization Program Coordinator Setup/Maintenance Form
- Citibank Government Cardholder Dispute Form
- Citibank Navy Approving Official Account Setup/Maintenance Form
- Citibank Navy Purchase Card Maintenance Form
- Citibank Navy Purchase Card Setup Form

These forms are available at the CitiDirect website. They are also available in the Card Management section of the DON eBusiness website at <http://www.don-ebusiness.navsup.navy.mil>. The forms are under Financial Cards, Purchase Card, Citibank Forms.

In addition, the CitiDirect forms can be downloaded via SALTS.