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OF THE AIR FORCE**



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**AIR FORCE GOVERNMENT-WIDE
PURCHASE CARD (GPC) PROGRAM**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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This instruction provides the flexibility to apply acquisition reform principles, encourages the use of commercial practices to the maximum extent practicable, and promotes business process improvements in Air Force contracts. Approving officials and cardholders are encouraged to use this flexibility to meet mission needs and to consult their local contracting and comptroller offices for assistance, as necessary. In addition, useful reference material is available in the AF Contracting Central section of the SAF/AQC Homepage on the Air Force (AF) Portal at <https://cs.eis.af.mil/airforcecontracting/pages/default.aspx>. This instruction prescribes AF Form 4009, *Government Purchase Card Fund Cite Authorization*. Refer recommended changes and questions about this publication to the Office of Primary Responsibility (OPR) using the AF Form 847, *Recommendation for Change of Publication*; route AF Form 847s from the field through the appropriate functional chain of command. This Instruction sets forth policies regarding the use of the GPC by Air Force civilian and military personnel. Failure to observe prohibitions and mandatory provisions of this directive (see paragraphs **4.4**, **4.5**, **5.1**, and **5.2**.) by military personnel is a violation of Article 92, *Uniform Code of Military Justice* (UCMJ). Violations may result in administrative disciplinary action without regard to otherwise applicable

criminal or civil sanctions for violations of related law. In taking corrective or disciplinary action against civilian personnel, supervisors shall use the "Civilian Human Resources Manual Sub-Chapter 752" as authoritative guidance. This publication applies to Air Force Reserve Command (AFRC) Units. The Air National Guard is subject to this instruction only in regard to payment issues.

Records Disposition: Ensure that all records created as a result of processes prescribed in this publication are maintained in accordance with AFMAN 33-363, *Management of Records*, and disposed of in accordance with the Air Force Records Disposition Schedule (RDS) located at <https://www.my.af.mil/afrims/afrims/afrims/rims.cfm>.

(944FW) This supplement implements and extends the guidance of Air Force Instruction (AFI) 64-117, Air Force Government-Wide Purchase Card (GPC) Program, 20 Sep 2011. It authorizes use of 944th Fighter Wing (944 FW) Form 5, *Government-Wide Purchase Card Request and Checklist*. The office of primary responsibility (OPR) for this supplement is 944th Mission Support Group Contracting (944 MSG/CONS). This supplement applies to all organizations assigned and attached to the 944 FW. Refer recommended changes and questions about this publication to the OPR using the AF Form 847, *Recommendation for Change of Publication*; route AF Form 847 through your unit publications/forms managers. Ensure that all records created as a result of processes prescribed in this publication are maintained according to Air Force Manual (AFMAN) 33-363, *Management of Records*, and disposed of according to the Air Force Records Disposition Schedule (RDS) located at <https://afrims.amc.af.mil/>.

SUMMARY OF CHANGES

This document is substantially revised and must be completely reviewed. This revision incorporates recommendations as well as several other required changes to include administrative and clerical. Specifically, changes include an increase in the micro-purchase threshold to \$3,000 for authorized supplies and equipment. Purchase of services, where the Service Contract Act applies remains at \$2,500. The increase in the micro-purchase limit for goods applies to the use of Convenience Checks. Convenience check use is unallowable for recurring services. Purchasing of office supplies must be ordered on-line with participants maximizing established service/agency agreements until 30 Sep 2011. Effective 1 October 2011, in accordance with mandatory Office Supply II BPAs AF Ordering Guide, all office supplies must be purchased online from Air Force-wide buying arrangements or your local AbilityOne store. Critical Green Procurement requirements are incorporated in accordance with Executive Order 13423 with a mandate for training for all GPC participants. All checks written, regardless of the dollar amount, must be reported in the TD Form 1099 MISC, *Statement for Recipients of Miscellaneous Income*, system. The A/OPC will include the 1099 reporting process and procedures in their initial training. In addition, approving officials and A/OPCs surveillance results must include verification of your 1099 reported data and validation of critical green procurement requirements. Using the GPC to purchase supplies for contractors is not normally allowable and the determination of allowability rests with the Contracting Officer and must be determined In Accordance With (IAW) the terms and conditions of the contract. Authorized use of GPC over the micro-purchase threshold against a pre-priced contract with restricted competition is authorized with less than three (3) sources only if approval is given by a

warranted Contracting Officer. Timeframe to dispute a transaction has increased to 90 days from the transaction posting date. CONS 237, Simplified Acquisition Procedures training requirement has been mandated for primary and alternate Agency/Organization Program Coordinators (A/OPC). Third-party payments are allowable when no other option is available. Government contractor employees cannot perform independent receipt of goods or services received. Due to enhancement of program oversight, the Purchase Card On-Line System (PCOLS) is mandated for GPC participants AF-wide <https://www.dmdc.osd.mil/appj/pcols-web/>. Per DoD mandate Refresher Training is now every two years. Also, establishment of a mandated minimum standards have been identified for each approving official and cardholder file. In addition, A/OPCs are to perform surveillance of each approving official account. Informational quarterly briefings to installation commander shall include accounts that have been suspended due to approving official's failure to reconcile within 60 days after close of the billing cycle. A/OPCs must deliver all rebate/credit checks to the FMA within five days of their receipt.

(944FW) This revision changes OPR to 944 MSG/CONS, revises reference of AFI 64-117, and updates publication format.

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Chapter 1

PROGRAM OVERVIEW

1.1. Introduction. The Government-wide Purchase Card (GPC) Program is intended to streamline small purchase methods by minimizing paperwork, streamlining the payment process, and simplifying the administrative effort normally associated with traditional purchase methods for supplies and services. The main goal is to provide Air Force users a simplified, streamlined method of purchasing and paying for simple, low-dollar value, items of supply and service.

1.2. History. Executive Order 12352 on Federal Procurement Reforms set forth requirements for Federal agencies to establish programs for reducing administrative costs and other burdens that the acquisition functions may impose on the Federal Government and the private sector. The Purchase Card was adopted to replace the paper-based, time-consuming purchase order process; thereby, eliminating procurement lead-time, providing transaction cost savings, reducing procurement office workload, and facilitating payment. Purchase cards are used by cardholders to pay for authorized government purchases, subject to an established transaction amount, billing cycle amount, and merchant code limitations.

The General Services Administration (GSA) has awarded a multiple-award schedule contract for Government Commercial Purchase Card (GPC) services. The contractor (hereinafter referred to as “the Bank”) provides purchase cards and associated services to enable federal employees to make official purchases. The purchase card is an internationally accepted VISA credit card that can be used to make micro-purchases. A purchase card charge authorizes the Bank to make immediate payment to the vendor or contractor.

The Department of Defense (DoD) GPC program is managed by the Office of the Under Secretary of Defense (Acquisition, Technology and Logistics) through its Purchase Card Program Management Office (PCPMO). The PCPMO establishes annual training and documentation requirements for cardholders and other officials and oversees the purchase card program. (See their website at <http://www.acq.osd.mil/dpap/> for policy letters, guidebook, and other pertinent documents.)

The Air Force GPC Level 2 program coordinator is located in the Office of the Deputy Secretary of the Air Force for Acquisition Contracting (SAF/AQC). For Air Force specific policy and instruction, see the AF Contracting Central section of the SAF/AQC Homepage on the Air Force (AF) Portal at <https://cs.eis.af.mil/airforcecontracting/pages/default.aspx>.

1.3. Waivers. Requests to waive part or all of this instruction must be approved by SAF/AQC. Waiver requests must be submitted in writing to the Major Command (MAJCOM) Contracting Division for review and concurrence. SAF/AQC will not process waiver requests without MAJCOM Contracting Division concurrence.

1.4. Purchase Card Uses. The primary use of the purchase card is to purchase supplies and services for official government business valued at or below the micro-purchase threshold. The purchase card may also be used as a method of payment in conjunction with other contracting methods above the micro-purchase threshold depending on the type of contracting vehicle utilized, with the appropriate delegation of authority.

1.4.1. Appropriated Funds. This instruction applies to all Air Force GPC purchases using appropriated funds. Non-Air Force tenant organizations that are issued GPCs or convenience checks by an Air Force contracting office are also subject to the requirements of this AFI.

1.4.2. Non-Appropriated Funds. This instruction does not apply to GPC purchases using non-appropriated funds. See Air Force Non-Appropriated Funds Government Purchase Card Program governing regulation.

1.4.3. The Air National Guard is subject to this instruction only in regard to payment issues.

1.5. Purchase Card Benefits. The primary benefits of purchase card usage are to reduce administrative paperwork, streamlines the certification and payment process, enables vendor payment within 72 hours by Electronic Funds Transfer through a commercial bank, eliminates or minimizes prompt payment interest through the use of the online certification and payment system, and provides rebates to the Air Force based on the dollar volume of use and timeliness of payment.

1.6. Program Structure. The GPC Program is based on a six-level reporting hierarchy.

1.6.1. Level 1. The first level of the reporting hierarchy is DoD as a whole. The DoD PCPMO serves as the Level 1 reporting agency.

1.6.2. Level 2. The second reporting level identifies the military service. SAF/AQC serves as the Level 2 reporting agency for the Air Force. The Deputy Assistant Secretary (Contracting), Assistant Secretary (Acquisition) shall appoint a SAF/AQC staff member to be the Level 2 focal point for the Air Force. The Level 2 focal point serves as a liaison between Air Force organizations and the PCPMO, the Bank, and GSA, communicates DoD and Air Force policy to the field, and provides overall program support.

1.6.3. Level 3. The third reporting level identifies the MAJCOM/Agency. Each MAJCOM/Agency shall appoint one primary and one alternate Level 3 focal point. These individuals are responsible for the implementation and administration of the MAJCOM/Agency GPC program subject to the DoD and Air Force policies. The Level 2 focal point serves as the liaison between the MAJCOM/Agency field organizations and SAF/AQC and the Bank, and provides overall MAJCOM/Agency program support.

1.6.4. Level 4. The fourth reporting level identifies the specific installation/organization under each MAJCOM/Agency. The Contracting Squadron Commander (CONS/CC), director or equivalent shall appoint one primary and at least one alternate Level 4 focal point. The Level 4 focal point is referred to as the Agency/Organization Program Coordinator (A/OPC), and is responsible for program implementation and administration, training, and monitoring at the installation level. The A/OPC serves as the liaison between the installation organizations and the MAJCOM, the Bank, and Financial Management Analyst (FMA).

1.6.5. Level 5. The fifth reporting level identifies the particular organization authorized to use the GPC. Each organization's commander or director shall appoint a primary and alternate Approving Official (AO) to serve as the Level 5 agent. Primary responsibilities include GPC administration for the organization, including approval/disapproval of all purchases subsequent to reconciliation by the cardholder, funds accountability, and surveillance of all cardholders within the AO's account.

1.6.6. Level 6. The sixth reporting level identifies the individual cardholder (CH). Primary responsibilities include making authorized transactions, logging and reconciling transactions, and approval of all valid transactions made in support of organizational requirements.

1.7. Field Communication. A/OPCs shall direct all questions or issues to their MAJCOM Level 3 focal point. If necessary, specific policy issues shall be forwarded from the MAJCOM to SAF/AQC

1.8. Purchase Card On-line System (PCOLS). PCOLS is an electronic system that GPC participants will use to improve the management and accountability of their GPC program as well as allow both auditors and commanders to assess the relative health of local purchase card programs. PCOLS is comprised of four web-enabled automated tools; Enterprise Monitoring and Management of Accounts (EMMA), Authorizations, Issuance and Maintenance (AIM) applications, Data Mining (DM), and Risk Assessment (RA). The Air Force shall use PCOLS as an electronic tool for managing its GPC program.

Chapter 2

PROGRAM RESPONSIBILITIES AND MANAGEMENT

2.1. Air Force Level. SAF/AQC shall appoint an Air Force GPC Level 2 focal point. Primary Level 2 responsibilities are described in paragraph **1.6.2**.

2.2. MAJCOM/Agency Level. Each MAJCOM/Agency shall appoint a Level 3 focal point. Primary Level 3 responsibilities are described in paragraph **1.6.3**. Level 3 focal points should also ensure that mandatory A/OPC training is completed.

2.3. Installation Level

2.3.1. Installation Commander. Each installation commander, director or equivalent shall have overall responsibility for the operation of the GPC program for their installation. The commander is ultimately responsible for establishing effective internal controls that will ensure the appropriate management, operation, and oversight of the local GPC program. The commander should establish and maintain a command climate to prevent requiring or requesting personnel from exercising undue influence over the actions of a cardholder. The commander shall establish local policies and procedures identifying informal and formal disciplinary actions to be taken in the event of noncompliance, fraud, misuse and/or abuse. Disciplinary actions should be based on the severity and frequency of the infraction, and can range from informal actions such as written or verbal counseling, to demotion, removal or potential criminal prosecution.

2.3.2. Contracting Squadron Commander (CONS/CC) or Equivalent.

2.3.2.1. The CONS/CC shall designate one primary and at least one alternate Agency/Organization Program Coordinator (A/OPC) to be the Level 4 focal point to manage the installation GPC program.

2.3.2.2. CONS/CC shall issue written authority to cardholders not located in contracting organizations to make purchases or place orders. This function may not be delegated, except to the Deputy CC in the absence of the CONS/CC. Warranted contracting officers do not require a separate delegation of authority to use the GPC. A sample delegation of authority letter is available at [Attachment 4](#). The following thresholds for single purchase limits apply:

2.3.2.2.1. Personnel not assigned to a contracting office shall be delegated authority to use the GPC to make single purchases for products only up to the micro-purchase threshold, which is \$3,000 for goods, \$2,500 for services where Service Contract Act applies, and \$2,000 for construction, except as authorized in [4.1.6](#)

2.3.2.2.2. Personnel not assigned to a contracting office will be limited to not more than \$25,000 per transaction in ordering items or services from pre-priced contracts and agreements.

2.3.2.3. The CONS/CC shall brief the installation commander, director or equivalent at least quarterly on the GPC program. This briefing should include a summary of violations, and either corrective actions taken for each instance or a justification why no action was considered necessary. The briefing shall also cover the numbers of accounts

suspended due to failure to reconcile within 60 days after the close of the billing cycle; instances of suspected fraud, waste, and/or abuse, surveillance results (see paragraph 5.1.1.2), convenience check violations, preferred vendor/vendor discount programs, and overall installation trends.

2.3.2.4. The CONS/CC or equivalent shall develop Internal Management Controls to operate, manage and provide oversight of the local program. At a minimum, the following controls shall be put in place to maintain the integrity of the program.

2.3.2.4.1. Separation of Duties. Ensure that the roles and responsibilities of the individuals within the GPC program are not in conflict and adequate checks and balances are in place to manage local programs. The restrictions to personnel designated as cardholders also apply to convenience check writers.

2.3.2.4.1.1. Agency/Organization Program Coordinator (A/OPC). A/OPCs should not be Approving Officials (AO) or purchase cardholders.

2.3.2.4.1.2. Approving Officials (AO). Individuals designated as approving officials should not be assigned as purchase cardholders. If manpower considerations require an AO to be a purchase cardholder, under no circumstances shall any purchase cardholder be his/her own approving official. In addition, AOs should be, to the greatest extent possible, the supervisor of the cardholder or be in the direct line of authority of their purchase cardholder.

2.3.2.4.1.3. Purchase Cardholder. Purchase cardholders shall not be subjected to undue influence over their actions as a cardholder by A/OPCs, AOs, or others within the command.

2.3.2.4.1.4. Financial Management Personnel. Neither Resource Managers nor Financial Management personnel will be cardholders or approving officials with the responsibility of executing their own funds.

2.3.2.4.1.5. Resource Advisors (RA). RAs can be AOs provided they have not been given authority or designated to perform certifying duties. The decision may be based upon the lack of adequate personnel resources within an organization. Certifying Officers are defined as individuals responsible for certifying that payment vouchers are correct and proper for payment.

2.3.2.4.2. 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 the purchase with the purchase card and a separate person receiving, inspecting and accepting the purchase.

2.3.2.4.2.1. In cases where the cardholder is picking up the material at the vendor's location, the end user or other designated receiving personnel shall legibly print their name and title, then sign and date the receipt confirming independent receipt and acceptance of the material or services.

2.3.2.4.2.2. In the event the purchase cardholder is the end user, he/she may sign the vendor receipt. However, the purchase cardholder shall ensure another Government employee within the unit/organization co-signs, along with their

printed name and title, and dates the receipt.

2.3.2.4.3. Span of Control.

2.3.2.4.3.1. A/OPC oversight. As a general rule, local purchase card programs shall be set-up to ensure that the ratio A/OPC to master accounts does not exceed 1:300. A/OPCs have significant responsibilities and must have adequate resources to accomplish their administrative, management, and program oversight. Local Purchase Card programs should apply discretion and good judgment to determine additional manpower needs if standard general rule is not optimal in meeting local needs.

2.3.2.4.3.2. Card Accounts to AO. Local Purchase Card programs shall be set-up to ensure that the ratio of cardholder accounts to AO shall be no more than 7:1. In addition, consideration should be given to the number of transactions per cardholder and AO is required to review. The A/OPC should evaluate the timeliness and effectiveness of the AOs invoice review and certification process to ensure that the number of transactions for all card accounts allows the AO to complete a thorough review.

2.3.3. Agency/Organization Program Coordinator (A/OPC).

2.3.3.1. The A/OPC is also referred to as the GPC Program Manager and is responsible for the operation and management of the installation's GPC program in accordance with DoD and Air Force policies and procedures. A/OPCs shall not serve as Approving Official (AO) or cardholder. The A/OPC shall maintain a current listing of all cardholders and AOs under their oversight. Primary and Alternate A/OPCs must be an 1102 series civil servant, 6C0X1 enlisted contract specialist, 64PX officer contract specialist, or foreign national equivalent Outside the Continental United States (OCONUS). They must also have, at a minimum, Level I Certification in Contracting under the Air Force Acquisition Professional Development Program.

2.3.3.2. Primary A/OPC functions include initiating of GPC accounts; issuing delegations of contracting authority; providing mandatory GPC training and surveillance; and providing business advice to cardholders and approving officials. Additional responsibilities are as follows:

2.3.3.2.1. Acts as the point of contact with the Bank for all GPC issues at the installation.

2.3.3.2.2. Ensures that GPC implementation is coordinated with the servicing FMA.

2.3.3.2.3. Ensures program personnel are properly appointed, trained, and capable of performing their respective duties.

2.3.3.2.4. Ensures that only personnel who have a need for purchase cards for mission requirements are issued purchase cards.

2.3.3.2.5. Ensures AO and cardholder profile information is current and accurate.

2.3.3.2.6. Initiates the suspension and revocation of GPC account privileges for individuals (cardholders and AOs) who violate GPC procedures.

2.3.3.2.7. Reviews AO accounts in the Bank's electronic access system quarterly or through the Purchase Card Online System reporting once fully deployed, to ensure that no cardholder is acting as the AO for his/her own account.

2.3.3.2.8. Reviews purchase card transactions at least annually to identify vendors with which frequent or recurring purchases are made, and evaluates purchasing practices with those vendors; refers the information to the CONS/CC to consider for contracts or other agreements, such as blanket purchase agreements, or discount pricing arrangements.

2.3.3.2.9. Coordinates with military and civilian personnel offices to ensure out-processing procedures include a mandatory check with the A/OPC.

2.3.3.2.10. Establishes and maintains a file for each AO and cardholder while the employee serves in these positions. The file shall contain the following, at a minimum:

2.3.3.2.10.1. Commander or Chief Appointment Letter for AO or cardholder,

2.3.3.2.10.2. All letters of delegation,

2.3.3.2.10.3. Initial and all Refresher training documentation (Note: This information will be captured in the PCOLS when the capability is fully deployed.), and

2.3.3.2.10.4. Account setup procedures, account maintenance requests, and close-out documentation.

2.3.3.2.11. Per FM notification of managing accounts that exceed their available funding A/OPCs will be set account to \$1. A written statement from the organizational commander, director or equivalent stating that the funds have been made available and an outline of the procedures that have been implemented to ensure a shortage of funds will not occur again is required before the account is restored to its normal limits. If shortage of funds occurs twice in one year against the same master account, that account will be permanently closed or suspended until such time a new AO is appointed and trained.

2.3.3.2.12. Base Closure. Most GPC accounts should be closed before the base is closed. A/OPC shall contact the Bank and arrange for transfer of the paying function to a successor finance office and transfer of the program management responsibilities to an appropriate contracting office. The Air Force Base Conversion Agency (AFBCA) should be contacted regarding program management for closing/closed installations. The A/OPC shall contact the MAJCOM Level 3 GPC Program Manager for appropriate Base Closure and AFBCA coordination instructions.

2.3.3.2.13. Retain Card program management and installation program coordinators records for 3 years, to include closed accounts. (**Table 64-04, Rule 26.00**)

2.3.3.2.14. Identify and monitor credits applied to closed accounts until the credits are properly refunded to the government.

2.3.3.2.15. Evaluate purchase card account activity and terminate those accounts that have not been used within the previous 6 months. Exception: Those accounts that have a special written and approved justification by their MAJCOM Level III on file.

2.3.4. Approving Official (AO).

2.3.4.1. AOs are designated as Accountable Officials as described in [Attachment 2](#). Except for unusual circumstances, AOs should be in the same chain of command as the cardholders under their purview, and the grades of each AO should be commensurate with their responsibility. A cardholder cannot be his/her own AO, nor can an AO be a subordinate of a cardholder. An alternate AO shall also be designated for each AO account. The AO has the authority to request the A/OPC to take action to cancel the GPC for any of his/her cardholders at any time.

2.3.4.2. AOs are responsible for oversight of all cardholders under their control, ensuring that internal controls are in place so that all cardholder transactions are for valid government requirements, are only made for valid appropriated fund expenditures, and comply with all DoD and Air Force policies and the requirements of this AFI. Primary responsibilities include GPC administration for the managing account(s), including approval/disapproval of all purchases subsequent to reconciliation by the cardholder, funds accountability, and surveillance of all cardholders within the AO's account. Other responsibilities include:

2.3.4.2.1. Establishing dollar limits for each of their cardholders, recommending dollar limits to the A/OPC, and ensuring that established limits are not exceeded.

2.3.4.2.2. Ensuring spending limits are held to the minimum amount necessary to meet mission requirements. The A/OPC may decrease CH/AO dollar limits when they are not consistent with actual spending patterns or when individuals violate the requirements of this AFI.

2.3.4.2.3. Accessing cardholder accounts each month to review their electronic statement of accounts; verifying that all transactions are appropriate, given the duties of the cardholder and mission of the unit, and all transactions were made in accordance with DoD and Air Force policies. AO is to document actions taken to correct problem then approve the statement of accounts. Pay and Confirm procedures allows FMA to certify payment independent of the statement being approved by the AO (see paragraph [3.8.4](#)).

2.3.4.2.3.1. Every effort should be made to accomplish this within 5 workdays, and will be considered delinquent after 15 calendar days after the end of the cycle. AO accounts which have not been reconciled and approved within 30 days after the end of a billing cycle shall be temporarily suspended (reduce credit limit to \$1) by the A/OPC, pending approval. The AO must provide a written statement explaining why the account was not reconciled and how timely reconciliation will be accomplished in the future. This statement is to be signed by their Commander or equivalent for any accounts not approved within 30 days. This statement must be provided before the A/OPC removes the temporary suspension.

2.3.4.2.4. AO must ensure sufficient funding is available to pay for the item(s) before the cardholder makes the purchase.

- 2.3.4.2.5. Maintaining all original supporting documentation, in accordance with paragraph **3.6.15**, for all accounts when the cardholder has transferred, been reassigned, or retired and the account is closed.
- 2.3.4.2.6. Notifying the Commander or equivalent and A/OPC of any suspected unauthorized purchase (purchases that would indicate non-compliance, fraud, misuse and/or abuse).
- 2.3.4.2.7. Ensuring proper receipt, acceptance, and inspection is accomplished on all items being certified for payment by physical validation of proper receipt, e.g., signing or initialing each of the cardholders transaction receipts.
- 2.3.4.2.8. Suspend inactive accounts. At least semi-annually the AO will review reports from the Bank's Electronic Access System (EAS) and identify accounts that have not been active, other than a rebate, for 6 months. These accounts are to be temporarily suspended. (This does not apply to contingency accounts.) If these accounts remain inactive for a year, the AO should evaluate whether to close them.
- 2.3.4.3. At the end of the billing cycle, if the cardholder is absent from his/her duty station and cannot log into the Bank's system to reconcile their transactions, the AO must perform these duties on behalf of the cardholder.
- 2.3.5. Cardholder: The GPC bears the cardholder's name and shall only be used by the named individual to pay for authorized US Government purchases. The GPC was specially imprinted with the Seal of the US and the words "United States of America" to avoid being mistaken for a personal credit card. A cardholder who makes unauthorized purchases, allows others to use the card, or carelessly uses the GPC shall be liable to the Government for the total dollar amount of unauthorized purchases made in connection with the misuse or negligence. He or she shall also be subject to disciplinary action under DoD and Air Force directives, regulations, Federal Law and the Uniform Code of Military Justice (UCMJ) or civilian disciplinary rules. The Government shall be liable for use of GPCs by authorized cardholders. Cardholders are designated as Accountable Officials as described in **Attachment 2**. Cardholder duties include:
- 2.3.5.1. Ensure proper and adequate funding is available prior to any purchase card action.
- 2.3.5.2. Screen all requirements for their availability from the mandatory Government sources of supply.
- 2.3.5.3. Purchase only mission essential requirements at fair and reasonable prices from responsible suppliers only if mandatory sources are unavailable; notify the AO of any unusual or questionable purchase requests.
- 2.3.5.4. Maintain an automated log via Bank's EAS that documents all transactions. The purchase card log and supporting documentation should provide an audit trail supporting the decision to use the card and any required special approvals that were obtained.
- 2.3.5.5. Verify receipt/acceptance of goods or services, and document those that are considered pilferable or sensitive, and others deemed sensitive by local standards.
- 2.3.5.6. Review and reconcile the monthly purchase card statement within three (3) business days of each cycle-end date and must be completed within 15 calendar days.

Ensure that all charges are proper and accurate or have documented actions taken to correct the inaccurate charge.

- 2.3.5.6.1. Pay and Confirm procedures (see paragraph 3.8.4) allows for instances where cardholders have been billed and have not received the items ordered. The cardholder shall confirm with the vendor that the items ordered are in transit and reconcile the monthly statement in full anticipation that the supplies will be received within the next billing cycle. In this case, the cardholder shall track the transactions that have not been received and pay the invoice in full. If the supplies are not received within the next billing cycle, the cardholder will then dispute the item using established dispute procedures. In addition, pay and confirm procedures include damaged items received, which are still under warranty, where the contractor confirms he/she will replace, modify, or repair within the next billing cycle. Pay and confirm procedures do not include the payment of statements in full which contain billing errors or questionable transactions
- 2.3.5.7. Resolve invalid transactions with vendors and track any purchases billed but not received; file disputes within 90 days of the transaction posting date and track to completion.
- 2.3.5.8. Forward the appropriate supporting documentation, (i.e., sales slips, documentation of receipt and acceptance, purchase log, etc.) to the AO in a timely manner.
- 2.3.5.9. Follow the appropriate procedures for disputes (see paragraph 3.8.5).
- 2.3.5.10. Ensure a proper separation of function is occurring for each purchase card transaction.
- 2.3.5.11. Safeguard the GPC and account number at all times. When the GPC is not being used, it shall either be carried on the cardholder's person (wallet or purse) or secured in a locked container. A cardholder shall not allow anyone to use his/her account number. If a GPC is lost or stolen, the cardholder must notify their approving official and the Bank immediately (see paragraph 3.5).
- 2.3.5.12. Leave or Travel: If the cardholder will be on leave or temporary duty (TDY) for an extended period he/she must notify the AO prior to departure and provide whatever information the AO deems necessary to act on the cardholder's behalf. In the cardholder's absence, the AO must, after the end of the billing cycle, log into the Bank's EAS and reconcile all valid transactions. Note: If the cardholder has access to the Internet, he/she can reconcile transactions from TDY locations.
- 2.3.5.13. Cardholders shall maintain purchase documentation independent of receiving and accepting items.
- 2.3.5.14. Federal Supply Schedule (FSS) and Blanket Purchase Agreement (BPA) Competition Requirements. The following applies only when cardholders are specifically authorized to make purchases over the micro-purchase threshold (see paragraph 4.1.3).
 - 2.3.5.14.1. When purchasing from FSSs, BPAs or other pre-priced contractual agreements (unless a competitively awarded BPA), cardholders must review prices on

- at least three contracts/agreements and select the best value for their requirements. A record of this review will be kept with the cardholder's GPC documentation.
- 2.3.5.14.2. If less than three sources are available, the cardholder must justify restricted competition consideration in writing to the local contracting office for a determination prior to purchase IAW the Federal Acquisition Regulation (FAR) 8.405-6 (b). If the contracting officer concurs, a record of this review by the contracting office will be kept with the cardholder's GPC documentation.
- 2.3.5.14.3. For each transaction over the micro-purchase threshold, the cardholder must collect required information from the vendor, such as Central Contract Registration (CCR) data, type of business, etc. This data must be submitted to the A/OPC for incorporation into the contract reporting system.
- 2.3.6. Government Contractors. Government contractor employees shall not be issued GPCs nor shall they be appointed as AOs nor perform independent receipt of goods and services.
- 2.3.7. Financial Management Analysis (FMA). The FMA is responsible for providing training and advice to cardholders and approving officials on financial issues and the appropriate use of funds. The FMA is also responsible for providing a certified funding document for each account established and certification of payment invoices. The FMA also serves as the liaison between the installation and the paying office.
- 2.3.8. Logistics Readiness Squadron Commander (LRSC)/Chief of Supply (COS), director or civilian equivalent. The LRSC/COS is encouraged to delete stock levels of commercial items but use discretion to accommodate local circumstances. The LRSC/COS informs base activities which types of categories of commercial items will no longer be stocked to enable the base activities to procure the items through commercial sources. For installations that use Logistics Management Control Activities (LMCAs), cardholders may contact LMCA instead of the LRSC/COS and the LMCA has the responsibility assigned to the LRSC/COS above.

2.4. The Bank. The following highlights the Bank's functions and responsibilities:

- 2.4.1. Training. The Bank will provide training via their Internet-based training site.
- 2.4.2. Card Distribution. The Bank will mail the GPC to the cardholder or designated distribution point within 24 hours of receipt of the electronic request.
- 2.4.3. Replacement of Lost or Stolen Cards. The Bank will replace lost or stolen cards within 24 hours after the lost or stolen card is reported to the Bank (Monday through Friday). For international card replacement, the Bank will replace lost or stolen cards within 48 hours.
- 2.4.4. Card Reissue. The Bank will reissue cards every 36 months to each cardholder.
- 2.4.5. Reports. The Bank will provide standard and ad hoc reports through queries of its electronic access system.
- 2.4.6. Foreign Draft Service. The Bank will provide foreign draft service to provide account holders the ability to issue drafts in foreign currency at locations where charge cards are not accepted.
- 2.4.7. Customer Service. The Bank will provide dedicated customer service and billing adjustment personnel support to both domestic and international cardholders 24 hours per

day, 365 days a year. These services include, at a minimum, transaction authorization and verification, reporting of lost or stolen cards, and cardholder account inquiries.

2.4.8. Delinquency Standards and Policies. The OSD delinquency goal is that activities may not have more than one percent (1%) of their total receivables with the Bank over 30 days past due. DoD policy requires the issuing Bank to suspend any billing account that goes over 60 days delinquent. All accounts under a Managing Account will be suspended should the billing account exceed 60 days past due.

2.4.8.1. If payment for the undisputed principal has not been received 55 days past due, the Bank will notify the A/OPC and designated billing office electronically or in writing that suspension will take place if the payment is not received by the 5th calendar day after notification. The Bank will also provide a point of contact at the Bank to assist in resolving the past due account.

2.4.8.2. If payment for the undisputed principal has not been received 60 days past due, the Bank will suspend the account. The suspension will automatically be lifted once the undisputed principal amount has been paid.

2.4.8.3. Requests for suspension exemptions for billing officials with operational emergencies may be granted on a case-by-case basis. Exemption requests must be submitted in writing from the A/OPC to the Air Force Level 2 point of contact via MAJCOM representative. Exemption requests must include a statement describing what actions will be taken to resolve account delinquencies.

2.4.8.4. Billing accounts that exceed 180 days past due will result in the entire activity (Level 4) being suspended.

Chapter 3

GENERAL POLICIES AND PROCEDURES

3.1. Training

3.1.1. Initial Training. Prior to appointment, all prospective A/OPCs, Alternate A/OPCs, AOs, Alternate AOs, and cardholders shall successfully complete mandatory training on their official responsibilities, GPC policies and procedures, including this AFI, as well as locally developed operating procedures. Mandatory training includes GSA SmartPay Purchase Card <http://apps.fss.gsa.gov/webtraining>, DoD Purchase Card Tutorial, and Defense Acquisition University (DAU) online course CLG 001 <http://www.dau.mil/default.aspx>. CHs and AOs are required to complete the online course, Micro-purchases and Section 508 <http://www.section508.gov>. All purchase card program participants are highly encouraged to complete the DAU online course, CLG 005 Purchase Card On-line System (PCOLS). It is the A/OPC's responsibility to ensure AOs and cardholders are properly trained and to maintain GPC training records.

The Bank provides a web-based training program that covers their electronic access system. All AOs and cardholders must complete the government module of this training before they are issued a GPC. Access to the Bank's electronic access system will be canceled upon reassignment, separation or retirement.

All trainees must sign a statement of training certifying they have accomplished the mandatory initial GPC training, they understand the training provided, GPC program training materials have been provided or made available, and they understand the penalties associated with misuse of the card. A sample training record is available on the <https://cs.eis.af.mil/airforcecontracting/pages/default.aspx> AF Contracting Central section of the SAF/AQC Homepage on the AF Portal. Approving officials and cardholders should keep a copy of the training certificate for future reference.

3.1.2. Refresher Training. In addition to the required initial training sessions, the A/OPC is responsible for providing mandatory, every two years, refresher training to all cardholders and AOs. The DAU online course, Government Purchase Card Refresher Training, CLG 004, satisfies this requirement and is available at <http://www.dau.mil/default.aspx>. A/OPCs can include additional content as needed. The A/OPC should document these sessions and retain a list of attendees. The A/OPC shall establish the length of the refresher training sessions as necessary. The training requirement for cardholders and approving officials trained at a previous duty station may be abbreviated or waived, in writing, as determined by the A/OPC.

3.1.3. A/OPC Training. The A/OPC and their alternate(s) is required to take the DAU online course, CLG 004, every two years after completing initial training and CON 237, Simplified Acquisition Procedures (available on-line at <http://www.dau.mil>) as well as annual ethics training and GSA A/OPC-specific training <http://apps.fss.gsa.gov/webtraining>.

3.1.4. Additional Training Requirements.

3.1.4.1. The FMA shall provide training on funding document maintenance.

- 3.1.4.2. Green Procurement Program (GPP). The SAF/AQ and SAF/IE GPP policy issued on 29 Sep 2006 requires all GPC cardholders and their approving officials to complete the initial GPP training and refresher training every two years. The GPP Training is available online through the Environment, Safety, and Occupational Health Training Network (ESOHTN) website at <https://afenvsymp.esohtn.com>. MAJCOM GPP teams may approve the use of other GPP training programs as long as the training product covers all of the topics included in the ESOHTN product.
- 3.1.4.3. The Hazardous Materials Management Process (HMMP) Team shall provide training on hazardous materials.
- 3.1.4.4. The Civil Engineering Operations flight shall provide training on construction purchase requirements.
- 3.1.4.5. Base Supply shall provide training on the purchase of non-medical equipment items, allowances standards, and placing equipment/accountable items on an organizational account after receipt.
- 3.1.4.6. Cardholders who are authorized to order from existing, pre-priced contracts and agreements up to \$25,000, along with their associated AOs, (see paragraph **4.1.3**) shall receive additional training on the appropriate use of these contract instruments and the additional requirements associated with using them.
- 3.1.4.7. Federal, DoD, and Air Force acquisition policies and procedures.
- 3.1.4.8. Competition, best value, and price reasonableness.
- 3.1.4.9. Prohibition against splitting requirements.
- 3.1.4.10. Equitable distribution of purchases among qualified suppliers.
- 3.1.4.11. Specific guidance on use of required sources of supply and their order of precedence as prescribed in FAR Part 8, and Defense Federal Acquisition Regulation Supplement (DFARS) Part 208, e.g., National Industries for the Blind (NIB), National Industries for the Severely Disabled (NISH), Federal Prison Industries (a.k.a. UNICOR), and FSS/GSA schedule requirements. In addition to those mandatory sources listed in FAR Part 8, cardholders should strongly consider using small and small disadvantaged businesses whenever possible.
- 3.1.4.12. Instructions on the use of warranties and extended service agreements.
- 3.1.4.13. Information on existing Base contracts and agreements that should be used.
- 3.1.4.14. Base Transportation requirements.
- 3.1.4.15. Documentation requirements (IAW paragraph **3.6.15**).
- 3.1.4.16. Account reconciliation and approval (IAW paragraphs **3.6.16** and **2.3.4.2.3.1**).
- 3.1.4.17. Declared contingency procedures for AOs and CHs. This training must include procedures for making purchases in excess of the Micro-Purchase Limit (MPL) and detailed reporting (see paragraph **4.1.7.8.2**). Training must occur prior to CH making these purchases.

3.1.4.18. A/OPCs are encouraged to provide procurement ethics training to all CHs and AOs who are not employed in contracting or procurement and who have decision making responsibilities regarding GPC expenditures.

3.1.4.19. Convenience Check procedures to include management controls and mandated reporting procedures (IAW paragraph 4.4.).

3.2. Appointing AOs and Cardholders

3.2.1. Appointment Procedures. Commanders or chiefs of the requiring activities shall prepare and sign a letter of appointment designating AOs and cardholders and submit it to the A/OPC for processing. A primary and alternate AO must be appointed for each managing account. The letter of appointment must identify the name, rank, duty title, and telephone number of the cardholder and/or approving official, and fully describe the types of purchases to be made and requested limits. The letter should also state that the individual has successfully accomplished the required training.

3.2.2. Appointed AOs and Cardholders. The following categories of personnel may be appointed AOs and cardholders: government civilian employees, members of the Armed Forces, and foreign nationals (both direct and indirect hires) subject to operational control and day-to-day management and supervision by US civilian and military personnel. When appointing AOs and cardholders, the appointing authority should take into account the training, business acumen and judgment of individuals to act on behalf of the Government. The appointing authority should also ensure the current responsibilities of the AO will allow sufficient time to adequately monitor the purchase activity of the cardholders assigned to them. The ratio of cardholder accounts to AO shall be no more than 7:1

3.2.3. Servicing FMA. Coordination with the servicing FMA is mandatory to ensure that the proper funds are allocated for the GPC charges. For new managing accounts, the AO must also initiate a request for a funding document, *Air Force Government Purchase Card Fund Cite Authorization Form*, AF Form 4009, from the servicing FMA. The approving official must submit subsequent requests for changes to AO limits to the A/OPC in writing (e-mail acceptable). The AO must submit subsequent changes to cardholder limits to the A/OPC in writing (e-mail acceptable).

3.3. Account Set-Up

3.3.1. Managing Account Set-Up. Managing account set-up shall be accomplished in PCOLS or migrated from the Bank's EAS.

3.3.2. Cardholder Account Set-Up. Cardholder account set-up shall be accomplished in PCOLS or migrated from the Bank's EAS.

3.3.2.1. Limits. Use of the GPC is subject to a single purchase limit, a monthly/cycle cardholder limit, an AO's cycle limit (which encompasses all of the cardholders' cycle limits assigned for any billing cycle) and a funding document limit. All limits must be realistic and based on actual spending patterns and funding. In the event spending limits are inflated, they should be reduced by the A/OPC.

3.3.2.1.1. Single Purchase Limit.

3.3.2.1.1.1. The single purchase limit on the card is normally the micro-purchase threshold of \$3,000 (\$2,500 for services per the Service Contract Act and \$2,000

for minor construction as per the Davis-Bacon Act) unless the cardholder is a warranted Contracting Officer, or is authorized to place orders from pre-priced contractual instruments up to \$25,000. Delegation letters should reflect all limits as appropriate.

3.3.2.1.1.2. Authority may also be granted to make purchases up to \$25,000 per transaction for specific products from priority sources of supply such as the Federal Prison Industries, Ability One agencies and the stock programs of GSA and Defense Logistics Agency (DLA) (see FAR Part 8).

3.3.2.1.1.3. Training and Education Office personnel shall use the GPC to pay for government, commercial off-the-shelf training and education up to \$25,000 for an individual event or planned series of the same training event, activity, or course material.

3.3.2.1.1.4. Use of Government-wide Purchase Card by OCONUS Units. Overseas cardholders may be authorized to use the GPC to make commercial commodity and services only purchases up to \$25,000 if the purchase is made outside the United States from vendors located outside the United States for use outside the United States, subject to the requirements specified in DFARS 213.301. If purchases are made from Continental United States (CONUS) vendors for use overseas, the micro-purchase threshold remains in effect. For these stateside purchases the cardholder must contact their local Traffic Management Office for assistance regarding transportation and packaging requirements/instructions prior to contacting the vendor. Cardholders must ensure the final price includes all costs associated with the mode of packaging, transportation, customs import duties, and any other charges that may accrue. Consult DoD 4500.54-G, Foreign Clearance Guide, prior to the requisitioning to ensure compliance with host nation customs requirements.

3.3.2.1.2. Monthly/Cycle Cardholder Limit. The monthly cardholder limit is the total dollar value of the cardholder's GPC purchases allowed for any given monthly billing cycle. This limit and the cycle limit are equal amounts. The monthly cardholder limit shall be set in increments of \$100.

3.3.2.1.3. Funding Document Limit. The funding document limit is a budgetary limit established on the AF Form 4009, by the unit resource advisor in coordination with the AO and certified by the FMA. In all instances, the AO shall obtain a certified funding document before the card can be used by the cardholder. For Contingency/Exercise Operations accounts see paragraph 4.1.7 FMAs shall set quarterly spending limits on the approving official account at the same dollar value as the AF Form 4009. Refer to paragraph 3.7 for more information on funding procedures. NOTE: Overspending funds available on the AF Form 4009 will result in unit commander or civilian equivalent notification and shall result in suspension of the cardholder's and/or approving official's GPC privileges and/or other disciplinary action.

3.3.3. Merchant Category Code Group (MCCG). (Previously known as Merchant Activity Type (MAT) code.) When initiating a GPC account, the A/OPC shall incorporate the MCCG codes that are identified in the requiring organization's request. Subsequent changes to the

MCCG code may be requested from the A/OPC by the approving official (e-mail acceptable). MCCG Code 000 is no longer an option and is prohibited by the DoD PC PMO.

3.3.4. Merchant Category Code (MCC) Blocks. DoD has blocked purchase card transactions for certain categories of merchants, such as casinos, hotels, jewelry stores, drinking establishments, etc. (see list in [3.3.4.1](#)). These MCCs are automatically applied to cardholder account profiles at the time of set-up. A/OPCs can further limit cardholder transactions by type of merchant by blocking MCCs for use by a particular cardholder, or by all activity cardholders.

3.3.4.1. Excluded Merchant Category Codes. The following list includes some sample situations where purchasing card use may be prohibited. Restrictions may vary by agency/organization.

- 4829 Wire Transfer–Money Orders
- 5681 Furriers and Fur Shops
- 5932 Antique Shops–Sales, Repairs, and Restoration Services
- 5933 Pawn Shops
- 5937 Antique Reproductions
- 5944 Jewelry Stores, Watches, Clocks, and Silverware Stores
- 5960 Direct Marketing–Insurance Services
- 6010 Financial Institutions–Manual Cash Disbursements
- 6011 Financial Institutions–Automated Cash Disbursements
- 6051 Non-Financial Institutions–Foreign Currency, Money Orders (not wire transfers) and Travelers Checks
- 6211 Security Brokers/Dealers
- 7012 Timeshares
- 7273 Dating and Escort Services
- 7297 Massage Parlors
- 7995 Betting (including Lottery Ticket), Casino Gaming Chips, Off-Track Betting and Race Tracks
- 8651 Political Organizations
- 9211 Court Costs, Including Alimony and Child Support
- 9222 Fines
- 9223 Bail and Bond Payments
- 9311 Tax Payments
- 9700 Automated Referral Service

3.3.4.2. Manual Authorization Procedures for blocked MCCs. Manual authorizations can be requested if an authorized purchase is declined due to a merchant with an incorrect MCC or other extenuating circumstances.

3.3.4.2.1. The request must contain the following information: exact dollar amount of the transaction, last four digits of cardholder account number, name of cardholder, managing account number, vendor name, and justification for the purchase.

3.3.4.2.2. The request must be submitted through the GPC Level 3 to the GPC Level 2.

3.3.4.2.3. The Level 2 will review and if approved, notify the Level 3 that the CH has 5 days to complete the transaction. Note: SAF/AQC GPC Program Manager is the only authorized individual who can make exceptions based on proper justification by the MAJCOM.

3.3.5. Receipt of Card. The Bank will mail the GPC to the cardholder within 24 hours after receiving the cardholder's account set-up information. The Bank uses a Voice Response Unit (VRU) to verify that the GPC has been received by the cardholder. When the cardholder receives the GPC, he/she must immediately access the VRU to activate their card. The VRU is accessible toll free (or via direct telephone number for foreign users).

3.3.6. Issuing Outside of Commands. Commands whose procurement structure requires issuing purchase cards to a prospective purchase cardholder not within their command, shall follow these guidelines when setting-up the purchase card account.

3.3.6.1. The issuing command shall enter into a Memorandum of Understanding (MOU) with the receiving command (the resident command of the purchase cardholder). At a minimum the MOU shall address the roles of the key personnel involved (i.e., funds administrator, A/OPC, AO, etc).

3.3.6.2. The Commanding Officer or Head of the Activity of the issuing command shall provide either a letter of delegation or contracting officer's warrant (SF1402) to the prospective purchase cardholder(s) of the receiving command in accordance with this instruction. Prior to issuing the letter of delegation or contracting officer's warrant, the A/OPC of the issuing command will ensure that the prospective purchase cardholder meets all of the requirements for becoming a purchase cardholder or contracting officer.

3.3.6.3. The issuing command is responsible for funds management related to the issued purchase cards. This includes ensuring the proper types and kinds of funding are provided as well as ensuring the integrity of the funding lines of accounting.

3.3.6.4. The issuing command is responsible for oversight of the purchase card transactions and shall conduct reviews in accordance with this instruction. Disciplinary action, as required, is also the responsibility of the issuing command with concurrence from the commanding officer of the purchase cardholder's command. Copies of the review results will be forwarded to the commanding officer of the purchase cardholder's command.

3.3.6.5. The receiving command is responsible for exercising appropriate command and control supervision over the purchase cardholder within the command structure. Internal reviews shall be conducted by the receiving command on a semi-annual basis with the results provided to the issuing command's Commanding Officer and A/OPC.

3.4. Cancellation of GPC Accounts

3.4.1. General Cancellation Procedures.

3.4.1.1. Cardholder. At least 60 days prior to reassignment, separation, retirement, etc., a cardholder shall surrender the GPC to the AO along with a record of all outstanding purchases that have yet to be received or billed to their GPC account and credits due. The cardholder shall also provide their forwarding address and phone number. If there are

no pending transactions, the cardholder shall provide a memo stating there are no outstanding purchases chargeable to the account or credits due.

3.4.1.2. Approving Official. When all transactions (charges and/or credits) have cleared the Bank and the card has been destroyed, the AO shall forward a written statement to the A/OPC requesting to permanently cancel the account. An e-mail notification is acceptable. At the time of the cancellation request, CH documentation will be turned over to the AO and maintained in accordance with paragraph 3.6.15. The AO should also perform an in-depth surveillance of the CHs records in conjunction with the cancellation request.

3.4.1.3. A/OPC. The A/OPC will cancel the account and at the discretion of the A/OPC, close-out surveillance.

3.4.2. Base Closure. Most GPC accounts should be closed before the base is closed. A/OPC shall contact the Bank and arrange for transfer of the paying function to a successor finance office and transfer of the program management responsibilities to an appropriate contracting office. The Air Force Base Closure Agency (AFBCA) should be contacted regarding program management for closing closed installations. The A/OPC shall contact the MAJCOM Level 3 GPC Program Manager for appropriate Base Closure and AFBCA coordination instructions.

3.4.3. Inactive Accounts. If the A/OPC identifies a cardholder account that has not been used in the previous six months he/she should consider closing the account unless the supervisor submits an acceptable justification to keep the account active.

3.5. Lost or Stolen Cards. The cardholder shall notify the Bank and AO immediately upon learning the card is lost or stolen. The AO shall then submit a written report (e-mail acceptable) to the A/OPC within five (5) days that should include:

3.5.1. Card account number,

3.5.2. Cardholder's complete name,

3.5.3. Date and location loss became evident,

3.5.4. Date and time the Bank was notified as well as, if applicable, date/time reported to the police,

3.5.5. Last purchases made on the card before it was discovered lost or stolen, and

3.5.6. Any other pertinent information.

A new GPC will be mailed within 24 hours of the reported loss or theft (Monday through Friday). For international card replacement, the Bank will replace lost or stolen cards within 48 hours of the reported loss or theft. If the cardholder finds the original GPC, it shall be cut in half and given to the AO. The AO will complete the destruction notice and forward it to the A/OPC. The A/OPC will contact the Bank to ensure the account is closed.

3.6. Making GPC Purchases

3.6.1. Applicable Policies. Cardholders and approving officials must ensure that all acquisition, supply, and finance policies and regulations apply to GPC purchases.

3.6.2. Purchase Limits. Cardholders must ensure purchase limits assigned to the card account are not exceeded. The total amount of a single purchase will be comprised of multiple items, but it may not exceed the authorized single purchase limit. Purchases will be denied if the authorized single purchase limit, monthly spending limit, or quarterly spending limit is exceeded. Cardholders should also ensure that funds are available to pay for items being purchased. Only firm-fixed price transactions are authorized to include shipping.

3.6.3. Shipping Costs. Ensure the vendor is responsible for delivery to the location the cardholder identifies when ordering, referred to as “free on board” (FOB destination), if possible. The vendor may separately identify shipping charges on an invoice, but these costs will be included in the single transaction when the purchase is made. All items purchased/ordered should, in most cases, be available by the end of the next billing cycle. The item should be received or the service completed before the item appears on a statement of account. The Bank’s electronic access system does allow for approval of and payment for partial shipments. Approving Officials have the discretion to authorize partial shipments; however, cardholders must track the remaining items to ensure they are received in a timely manner.

3.6.4. Tax Exempt. For each purchase, the cardholder shall inform the merchant that it is for official U.S. Government purposes and, therefore, not subject to state or local sales tax. The card is embossed with “U.S. GOVT TAX EXEMPT” for additional clarification. Each cardholder is responsible for providing the tax-exempt number to the merchant if requested to do so. NOTE: Overseas cardholders are not exempt from paying foreign taxes unless foreign tax agreements so specify. Also, the Federal Government is not exempt from certain federal and state excise taxes or other taxes that the vendor may be required to pay, such as, New Mexico’s Gross Receipts Tax, Arizona’s Transaction Privilege Tax, or Cell Phone Excise Tax.

3.6.5. Distribute Suppliers. GPC micro-purchases should be distributed equitably among qualified suppliers, in accordance with FAR 13.202(a)(1).

3.6.6. Priority Sources. Ensure supplies or services provided by required (statutory) sources of supply in accordance with FAR Part 8 (FPI, AbilityOne Program as implemented by NIB/NISH, etc.) are purchased/ordered from these sources.

3.6.7. Price. Ensure that a reasonable price is obtained. Comparing prices offered by other vendors for the same or similar item or service is the preferred method to determine prices as being fair and reasonable. If suppliers furnish standing price quotations or catalog prices on a recurring basis, obtaining competition on individual purchases is not necessary, but the prices should be periodically confirmed as current. When determining the number of sources to solicit, consider the nature of the item or service to be purchased and whether it is highly competitive; information from recent purchases of the same or similar items or services; the urgency of the purchase; the dollar value of the purchase; and past experience concerning dealer prices.

3.6.8. Green Procurement Program (GPP). Cardholders are responsible for procuring green products and services in accordance with Federal laws and regulations; Executive Orders 13423, and DoD and Air Force Policies that drive GPP. Green procurement applies to the purchase of recovered materials, energy and water efficient products, alternative fuels and fuel efficiency, biobased products, non-ozone depleting substances, environmentally

preferable products and services, and toxic and hazardous chemicals (see paragraph 4.2.1). The cardholder must complete the GPP training (per paragraph 3.1.4.2.).

3.6.9. Order Management Log. Cardholders must document all GPC transactions in the electronic order management log (including over-the-counter purchases) provided by the Bank at the time of purchase. Itemized receipts (cash register receipts or tickets, invoices, shipping/packing documents or receiving reports, or electronic purchase confirmations are acceptable) for each purchase and other supporting documentation such as special approvals shall be maintained and be available for monthly review by the approving official and the A/OPC upon request.

3.6.10. Purchasing of Office Supplies.

3.6.10.1. GPC cardholders must purchase office supplies on-line with maximum use of established Federal, DoD, or Air Force-wide buying arrangements, or from the local AbilityOne Base Supply store. Effective 1 Oct 2011 all CONUS Air Force contracting offices and purchase cardholders must use the Federal Strategic Sourcing Initiative (FSSI) Office Supply BPAs to purchase office supplies. The FSSI BPAs are currently available on the Air Force Advantage website. The only exception is for the purchase of toner cartridges. Due to highly competitive pricing on toner, it is important to check prices on both FSSI and the Air Force Toner BPAs available on AFWAY for the specific toner cartridge needed.

3.6.10.2. Compliance with mandatory priority and source requirements (FAR Part 8.002) still applies.

3.6.11. Mail or Telephone Order Purchases. When placing a telephone order to be paid using the GPC, the cardholder shall:

3.6.11.1. Notify the vendor that the purchase is tax-exempt. Provide the tax-exempt number to the merchant if requested.

3.6.11.2. Confirm the vendor agrees to charge the GPC when shipment is made so that receipt of the supplies may be certified on the Statement of Accounts for that billing cycle.

3.6.11.3. Instruct the vendor to include the following information on the shipping document or packing slip to alert the receiving offices and requisitioning office that the supplies have been purchased with the GPC:

- a. Cardholder name and correspondence symbol
- b. Building number, room number, street address, city and state
- c. Cardholder telephone number
- d. The term "Government-wide Purchase Card"

3.6.12. Internet Purchases. Internet purchases must be limited to those web sites that provide secure transaction safeguards. Purchases made via the Internet must comply with the requirements of paragraph 3.6.11 to the maximum extent practicable, subject to the limitations of the web site.

3.6.13. Manufacturer/Retailer Rebates. Cardholders should take advantage of any rebates offered. Manufacturer/retailer rebates shall be made payable or endorsed to the United States Treasury. All rebates, in the form of checks or cash, should be forwarded to the FMA immediately. Rebates will be processed as an appropriation refund to the applicable funding document.

3.6.14. Receipt, Accountability, and Disposal of Property.

3.6.14.1. The cardholder shall obtain independent verification of receipt of all items purchased using the GPC. The cardholder shall notify the property custodian of all accountable or sensitive property, including pilferable items, regardless of their dollar value, upon their receipt.

Examples of such items include cell phones, digital cameras, fax machines, palm pilots, copiers and printers. The person verifying receipt must sign, date and write "received" on the vendor receipt, sales receipt, shipping document, credit card receipt, or equivalent document. The individual verifying receipt may be the cardholder's AO, supervisor, or other designated individual, as appropriate.

3.6.14.2. For equipment items equal to or under the micro-purchase threshold, accountability is the responsibility of unit commander or civilian equivalent. Unit commanders must have adequate controls in place to ensure items purchased using the GPC and requiring accountability is accounted for in the appropriate property book (Air Force Equipment Management System, Standard Base Supply System, Information Technology Asset Management). Unit commanders must establish a locally devised program that provides visibility and audit trail capability. This may include use of hand receipts and spreadsheets. These records shall include all items considered pilferable or easily resalable on the open market. See Department of Defense Instruction 5000.64 and AFI 23-111, "*Management of Government Property in the Possession of the Air Force*," for policy on accountability and/or responsible officer responsibility. For accountability requirements for equipment items valued in excess of the micro-purchase procedures see paragraph 4.3.1 and AFMAN 23-110, "USAF Supply Manual" Volume 2.

3.6.14.3. Computer equipment and software must be accounted for in accordance with AFI 33-101, *Communications and Information Management Guidance and Responsibilities*.

3.6.14.4. Disposal of Property. Base supply should be consulted for proper disposal instructions to avoid waste and mismanagement of all equipment; accountable and non accountable.

3.6.15. Document Retention. Reference AF Records Disposition Schedule (RDS) containing the GPC disposition rules in accordance with **Table 64-04, Rule 26.00–26.04**. AF RDS supersedes AFMAN 37-139 and is available on-line at <https://www.my.af.mil/afirms/afirms/afirms/rims.cfm> In the event of a conflict between the AF RDS and this AFI, the rules contained in RDS take precedence. The following documentation shall be maintained:

3.6.15.1. Supporting Documentation. Documents received and/or generated by CHs and AOs to support transactions (includes: *receipts, shipping paperwork, written record of*

coordination, all other supporting documentation, records of approving official surveillance) shall be retained for three years after final payment (**Rule 26.01**).

3.6.15.2. Electronic Access System (EAS) Documents. GPC order management log and all data generated or processed in the Bank's EAS is maintained by the Bank for six years and three months.

3.6.15.3. A/OPC Office Documents:

3.6.15.3.1. Individual Account Files. These files consist of training records, letters of appointment and delegation of purchase authority, destroy after two years (**Rule 26.04**).

3.6.15.3.2. Administrative Support. Documents consisting of administrative support and control of the GPC program and associated reports, including records of surveillance and all other administrative actions, destroy after three years (**Rule 26.00**).

3.6.15.4. Records Under Investigation, Dispute, or Similar Matters. Any record pertinent to a dispute, investigation or similar matter, destroy six months after final clearance or settlement (including time allotted for appeals) (**Rule 26.02**) or destroy after the retention period specified for credit cards under **Table 64-04**, whichever is later.

3.6.16. Reconciliation and Payment Procedures

3.6.16.1. Resolving Problems with the Statement of Account (SOA). Cardholders should try resolving problems directly with the vendor. In most cases, cardholders will be able to resolve problems by contacting the vendor. If problems cannot be resolved with the vendor, the cardholder must dispute the item on their statement of accounts via the Bank's electronic access system. Disputes must be filed within 90 days of posting date of the transaction.

3.6.16.2. If the dispute charge involves sales tax or transportation costs charged erroneously by the merchant, the amount of the tax or erroneous transportation costs cannot be disputed through Visa Chargeback Regulations. Cardholder shall make every effort to obtain a credit for the amount of the tax or transportation costs from the merchant. If a credit is not obtained, ordering agencies must pay the tax or transportation costs. The cardholder should document the file accordingly. The cardholder should request assistance from the A/OPC if he/she is unsuccessful in recovering the taxes paid from the merchant.

3.6.16.3. If items purchased with the card are found to be defective, the cardholder shall obtain a replacement or correction of the item as soon as possible. If the merchant refuses to replace or correct the faulty item, the cardholder will consider the item in dispute. Items in dispute are handled in the same manner as billing errors.

3.7. Financial Management Analysis (FMA)

3.7.1. General. The FMA is responsible for providing training and advice to cardholders and approving officials on financial issues, account reconciliation and confirmation, certification procedures, and the appropriate use of funds. The FMA is also responsible for providing a certified funding document for each account established and certification of payment invoices. The FMA also serves as the liaison between the installation and the paying office.

3.7.2. Funding Document (see [Attachment 3](#)). The *Government Purchase Card Fund Cite Authorization Document*, AF Form 4009, is to be used to designate the accounting classification to be charged at the time of payment for all purchases made by cardholders assigned to the respective account. A funding document with \$1 may be established in order to designate a Master Account Code for Contingency Contracting Officers who will be purchasing in support of contingencies or exercises.

3.7.2.1. The AF Form 4009 is used as a funding document and to record commitments into the Integrated Accounts Payable System (IAPS). Sufficient funds, an amount equal to or greater than the amount of the purchase, must be loaded in the system prior to making a purchase. Commitments are not posted directly to the General Accounting and Finance System Base Level (GAFS-BL). The AF Form 4009 is also used to generate the default line of accounting for each managing account number. The FMA is required to input quarterly limits equal to the amount of the AF Form 4009 in the first quarter. At the beginning of the second, third, and fourth quarters the FMA may leave the same quarterly limit or increase the amount for that quarter by the residual balance of the previous quarter. The managing account number, also referred to as the approving official account number, consists of 16 digits. The master account number block of the AF Form 4009 must include the full 16 digit managing account number. The AF Form 4009 document number consists of the last 12 digits of the managing account number plus a 2 digit fiscal year designator, a total of 14 digits. Example: If the managing account number is 4716 3045 1234 5678 and the fiscal year is 05; then the document number on the AF Form 4009 would be 30451234567805.

3.7.2.2. Commitments are not loaded in IAPS for Stock Fund Accounts such as Medical and Dental Accounts (Fund Code 6B) or for Centrally Managed Accounts such as the Military Personnel Account (Fund Code 32) as non-addressable entries. The AF Form 4009 should be prepared and entered with an XPSR/XDSR address to control the quarterly spending limit. Fund certification is not required. The Managing Account Number, full line of accounting and Stock Record Account Number for Stock Fund accounts are required to be provided to the DFAS Field Site point of contact to allow the contract to be established manually.

3.7.2.3. Funding shall be issued on a quarterly basis. In most cases, the AF Form 4009 expiration date is annual (1 October through 30 September). Any other expiration date should be coordinated with the A/OPC and Financial Analysis Office.

3.7.2.4. Limit fund cites to the funds supporting the operation of the organization to which the funding document is issued. Funding documents may not be issued that would result in “cross disbursements” or “for others.”

3.7.2.4.1. If O&M funds are used, use the predominant Element of Expense/Investment Code (EEIC) that applies to the majority of the purchases to be made on the account. If there is no predominant EEIC, use 61950. (Not applicable to accounting classifications not requiring an EEIC). Authorized medical logistics personnel will use Medical Dental Division (MDD) fund cites and process purchases through the current medical logistics Accounting Information System (AIS) to appropriately expense issues to O&M funded activities.

3.7.2.5. The FMA shall certify funds availability on the funding document. The funding certification is a qualified certification. The certification is accomplished at the time the funding document is issued and it does not have to be re-certified each quarter. If funds are not available, notify the approving official that purchases cannot be made on the account until notification is received that funds are available. The FMA must notify the A/OPC of any account that lacks sufficient funds to cover its purchases.

3.7.2.6. Recording Commitments. The posting of the commitment amount is in IAPS. IAPS then records the commitment amount in GAFS-BL. Basically, the commitment is entered into IAPS, recorded in IAPS and the IAPS interface with GAFS-BL records the commitment in GAFS-BL. At the beginning of the second, third, and fourth quarter, increase the existing amount by the quarterly commitment amount shown on the funding document, as applicable. See the payment office procedures in paragraph 3.9 below for de-commitment and obligation recording.

3.7.2.7. Centrally Managed Allotment (CMAs). Funding documents are required for cards that make purchases that are paid from CMAs such as subsistence-in-kind purchases from the commissary. The FMA will establish a management account number for these funding documents and verify that the fund cite is correct. No fund certification is required.

3.7.3. Fiscal Year End Close-out Procedures.

3.7.3.1. Introduction. The following procedures apply to all Air Force automated Government Purchase Card accounts. These procedures are provided to assist with understanding the Integrated Accounts Payable System (IAPS) functionality developed to support fiscal year closeout and roll over of the GPC accounts. American National Standards Institute (ANSI) X-12 Electronic Data Interchange (EDI) transactions are utilized to pass financial data from the Bank to the Defense Finance and Accounting Service (DFAS). EDI transactions are transmitted to the Global Exchange (GEX) where they are translated into user defined format files that are then routed to the IAPS for processing. Current ANSI X-12 EDI transactions are:

ANSI X-12 821 Financial Data transactions: used to record an obligation and/or an accrued expenditure unpaid (AEU) balances in accounting records for each master account number.

ANSI X-12 810 Certified Invoice transactions: used to liquidate AEU balances and to record disbursements for the certified amount for each master account.

3.7.3.2. September Cycle.

3.7.3.2.1. The following applies to all 821 transactions received and processed in IAPS. An AEU balance will be recorded in the accounting system rather than an obligation balance. The September cycle close date is September 19th for active Air Force accounts. NOTE: Requirement to record AEU balances does not apply to Medical Dental Working Capital Fund (WCF) (Fund Code 6B) accounts. Accruals for Medical dental accounts are recorded based on actual receipts processed through the Medical Logistics system.

3.7.3.2.2. The September cycle will be processed as usual. Every effort must be taken to ensure all 821 transactions have successfully processed prior to September

29th. This is to ensure that all expenses are accounted for in the fiscal year in which they accrue.

3.7.3.3. Closeout and Rollover of GPC Accounts.

3.7.3.3.1. An IAPS fiscal year-end program (NTQYG0) will be executed in late September of each fiscal year. The exact date will be determined by the DFAS IAPS Systems Office in conjunction with SAF/FMP (AFAFO). This program will be used to close out the commitment balance on all GPC accounts loaded in IAPS. Residual commitment balance of \$1 dollar or more will be used to fund a yearend computer generated AF Form 406, *Miscellaneous Obligation Reimbursement Document* (MORD) that will be retained to fund prior fiscal year transactions for those accounts. IAPS will also create a one-time contract record for each MORD generated. The MORD/Contract Number will be the same as the AF 4009 number used to fund the MORD. (NOTE: AF 4009 numbers are equal to the last twelve positions of the master account number followed by a two-position fiscal year. For example: 30455512345602.) Note: Commitments will not convert to a MORD for three reasons; commitment is in status, commitment is expired, or balance is less than \$1.

3.7.3.3.2. A MORD will not be generated for any commitment record with a balance of less than \$1. To ensure a MORD is generated and is available to pay subsequent bills every Approving Official (AO) and Financial Management Analysis (FMA) must ensure that a commitment amount is recorded in IAPS on their AF Form 4009 and is sufficient enough to cover unbilled charges. A MORD will not be created for Medical Dental WCF (Fund Code 6B) accounts and any unbilled charges will be charged against the Master Contract Record for the account at the time of billing.

3.7.3.3.3. A three-part report will be generated for each IAPS Site ID and will provide the results of the closeout program. Part 1 is a Reconciliation Error List that shows all account numbers and reasons why a MORD was not generated. Part 2 is the Converted Purchase Request to MORD List that provides the account numbers for which a MORD was generated and the balance that was transferred to the MORD. Part 3 is a list of existing current year GPC MORDs. All balances transferred to the MORD are de-committed and the MORD balance is recorded as an AEU balance in the applicable accounting system.

3.7.3.3.4. Once all applicable balances have been transferred to a MORD contract, IAPS will de-commit all remaining balances in all prior year AF 4009 records.

3.7.3.4. Month 13 Billing Cycle.

3.7.3.4.1. On or about October 3 the Bank will generate a special fiscal year-end bill referred to as Month 13. The Month 13 cycle close date will be October 2 and will include charges for all purchases received and posted by the Bank between the September cycle close date and the Month 13 cycle close date. The Bank system is designed to generate bills based on the Post Date of the transaction. For that reason, and to allow for a normal processing time of two days between Purchase Date and Post Date at the Bank, all transactions with a Post Date of October 2, or earlier will be included in the Month 13 billing cycle. If a transaction is erroneously charged to the prior fiscal year, the approving official may provide receipts or other dated evidence

that supports processing of a SF 1081, *Schedule of Voucher Correction* to transfer the charge to current year. Screen prints of the vendor bank's electronic order log (transaction log) are also considered acceptable evidence to support the transfer if it shows that the purchase date was in a different fiscal year than was actually charged.

3.7.3.4.2. Normal EDI transactions (821s) will be generated by the Bank for the Month 13 cycle and will flow to the Global Exchange (GEX) the night of October 3rd and subsequently to IAPS for processing. Normal IAPS processing of the Month 13 cycle applies except that the yearend MORD will be used to fund the billed amount. The amount recorded on the MORD was previously recorded as an AEU balance so no accounting entry will be made at time of processing of the 821s.

3.7.3.4.3. The FMA will certify the Month 13 cycle the same as all other monthly cycles and their certification of the Month 13 Summary Invoice will result in the 810 transactions flowing to DFAS for payment processing. At time of processing of the 810 transactions, the available balance recorded on the MORD will be reduced by the amount of the certified invoice. Accounting transactions will be processed in the applicable accounting system to reduce the AEU balance and record the disbursement. Any residual AEU balance will be reduced to zero in IAPS and the MORD will be deleted out of IAPS. The residual balance and the MORD will be left recorded in the accounting system with the residual AEU balance. AEU balances left recorded in the accounting system are available for future charges resulting from processing of a SF 1081 to transfer purchases charged to current year funds that should have been charged to prior year funds. FMA personnel must ensure that all available balances are liquidated or re-validated not later than six months into the new fiscal year.

3.7.3.5. Updating Lines of Accounting. The Bank will automatically update all appropriations in all IAPS/GAFS Parent and Child Rule Sets to reflect new fiscal year values. The following rules will apply to the update of all applicable appropriations:

Rule 1 – Where current fiscal year (example 2002) appears in positions 7 through 10 of the appropriation value the increment position 6 and position 10 by 1 and replace values in those positions.

Rule 2 – Delete all appropriations for Parent Rule Sets that have a fiscal year less than current fiscal year (example 2002) in positions 7 through 10.

3.7.4. Certification of the Invoice for Payment. GPC invoices will be paid using “Pay and Confirm” procedures. The FMA will designate a certifying officer to certify the monthly installation invoices for payment prior to receipt of the confirmation statements from the approving officials. (For detailed certifying officer procedures, see [Attachment 2](#).)

3.7.4.1. The FMA is the office designated to receive the invoice for the GPC program. Upon receipt of the official invoice, the FMA will verify the amount remaining on each funding document is sufficient to cover the total amount of the invoice.

3.7.4.2. If the Managing Account Number is not shown in the accounting code line on the invoice, the FMA will annotate the applicable funding document numbers for each account on the invoice and certify the invoice for payment on a “pay and confirm” basis.

The FMA will contact the A/OPC to update the approving officials account setup information.

3.7.4.3. The FMA will not reconcile approving official certified SOAs with invoices paid prior to certifying the invoice for payment.

3.7.4.4. Cardholders and approving officials will verify the statements and resolve any irregularities through the dispute process. Disputes will be resolved between the cardholder and the vendor to the maximum extent possible. If the dispute cannot be resolved with the vendor, follow the process described in paragraph **3.6.16**.

3.7.5. Cancellation of Approving Official and/or Cardholder Accounts.

3.7.5.1. Upon reassignment, separation, or retirement, the approving official must turn in his/her funding document to the FMA. If a new approving official is being assigned, a replacement funding document should be issued to the new approving official. The replacement funding document may be assigned the same Management Account Number if the fund cite remains the same and the new approving official agrees to assume responsibility for the pre-existing funding document. All cardholder accounts remain active under the new approving official and those cardholders will continue to be able to make purchases.

3.7.5.1.1. If the new funding document is issued with a different Management Account Number, and the fund site remains the same, the cardholder's account setup information must be updated with the new Management Account Number. After updating the Management Account Number, all cardholder's accounts will remain active under the new approving official.

3.7.5.1.2. If a new funding document with a different fund cite is issued to a new approving official, all cardholders assigned must establish new accounts with the new Management Account Number. The departing approving official must close and reconcile their account with the FMA. All cardholders assigned to the old account must turn in their cards.

3.7.5.2. Upon reassignment, separation, or retirement, the cardholder must surrender his/her card(s). The approving official shall request the FMA to adjust funds authorized on the funding document, if necessary. Normally, if another cardholder is assigned to replace the previous cardholder, an adjustment should not be necessary.

3.7.6. Cost Reallocation Procedures.

3.7.6.1. Reallocation of Expenses.

3.7.6.1.1. The Air Force version of GPC provides the capability to reallocate expenses within the same appropriation. This capability used to process reallocations is the ANSI X12 – 821-CT (Cost Transfer). All purchases initially received and posted to a cardholder account at the Bank are assigned the default line of accounting current for the account at the time of posting. The default line of accounting is the same line of accounting that is current on the AF Form 4009. The default line of accounting is also the lines of accounting loaded in IAPS for processing of all 821 and 810 transactions received in monthly billing cycles.

3.7.6.1.2. The FMA may pre-authorize any approving official and cardholder to reallocate expenses to a different line of accounting so long as the new line of accounting cites the same appropriation. The different line of accounting is referred to as an alternate line of accounting (alternate LOAs). Alternate lines of accounting are established by the FMA and are assigned names to allow cardholders or approving officials to more quickly identify the appropriate alternate LOA for transfer of the charges. Example, an alternate LOA may be named "TRAINING" or it may be named "PRINTING". The name should also include other identifying information such as Responsibility Center/ Cost Center (RC/CC) or DODAAC to make maintenance easier. The fiscal year should not be included in the name since the Bank will automatically convert the fiscal year in all alternate LOAs.

3.7.6.1.3. Approving officials or cardholders authorized to use the reallocation function in the bank system may enter their request to reallocate a charge at any time after the purchase has been posted in the bank system by the merchant. Reallocation request may be made based on a percentage of the purchase amount or based on any portion of the total amount. However, all reallocation must zero balance. This means that any amount removed from the default line of accounting must be reallocated to another or multiple LOAs if authorized. Reallocations can only be made to ALOAs that have been previously authorized by the FMA.

3.7.6.1.4. Even though a purchase has been re-allocated, the original default line of accounting will be charged on the monthly billing cycle. If the monthly amount to be billed on the master account is a positive amount and greater than zero, the reallocation request will be honored and an 821-CT transaction will be generated by the bank system at the close of the next billing cycle. Example: A reallocation request for a purchase billed in March cycle invoice (810) will result in an 821-CT flowing to the applicable DFAS accounting system on the close date of the April cycle. This allows the initial expense recorded by the 810 transactions and the re-allocation recorded by the 821-CT to be processed in the same accounting month.

3.7.6.1.5. In no case may an alternate LOA be assigned to a cardholder or approving official that has a different appropriation in the alternate line than is in their default LOA. This is required because reallocation transactions are Journal Voucher level entries that are posted directly to the accounting system. Alternate LOAs must also have the same fiscal year in the appropriation reallocation of expenses between fiscal years is not authorized. If a purchase is initially charged to the wrong fiscal year, it must be transferred to the correct year by use of a SF 1081, *Schedule of Voucher Correction*.

3.7.6.1.6. Reallocations entered in the bank system between the close of the August cycle and the start date of the first cycle of each fiscal year will not be processed. This is necessary to ensure all re-allocation are processed with the same fiscal year in the alternate LOA and in the default LOA. Example: The August 2002 cycle ends on 19 Aug 2002 for all Air Force accounts. A transaction posted at the vendor bank between those dates and 3 Oct 2002 may not be reallocated. This is necessary because reallocations of purchases posted after the August 19th cycle close dates will not be billed until the September cycle. The Cost-Transfer transactions would not

flow until the close of the October cycle and that would result in a transfer between fiscal years.

3.7.7. GPC Rebates/Credits.

3.7.7.1. GPC Rebates/Credits. During the year, the Bank provides rebates in the form of credits to the management accounts/cardholder accounts, based on sales and prompt payment. In most cases, rebates will be electronically returned to the management accounts/cardholder accounts and appear in the form of a credit on the billing statement and automatically deducted from the outstanding balance. Reimbursements such as rebates, merchant credits, or other credits attributable to accounts closed during the quarter or accounts not having enough purchases to offset the credit, require the performing bank to issue checks to the applicable A/OPC. Quarterly, when applied to an account that does not have enough purchases, debits, to offset the credit, a reimbursement check will be sent to the appropriate A/OPC. Merchant credits must be applied back to the funding appropriation. Rebates however, have no appropriation attached to them and may be used in the fiscal year they are received. The A/OPC must ensure delivery of any check to their servicing FMA for appropriate redistribution per the itemized breakout listing of amounts associated with each LOA. Each A/OPC is directed to deliver all reimbursement checks to their FMA within five (5) days of receipt and is responsible for maintaining written documentation of the reimbursement process to include the *Cash Collection Voucher*, DD Form 1131. Rebates/credits may be credited to the unit's bottom line and does not necessarily warrant adjusting the AF 4009. The cardholder, approving official, and resource advisor should have a process to ensure adequate controls are in place to track credits and rebates. Questions related to reimbursements in the form of a rebate, merchant credit, or other credit should be directed to your local FM.

3.8. Financial Management Requirements. The Department of Defense (DoD) Financial Management Regulation (FMR) provides overall financial management policy governing all financial transactions within the Department including purchase card transactions. The DoD FMR web site address is <http://comptroller.defense.gov/fmr>.

3.8.1. Funding Requirements.

3.8.1.1. AF activities shall bulk fund, to the maximum extent practical, all purchase card transactions.

3.8.1.2. A/OPCs, AOs and CHs shall ensure that proper purchase card transaction information is being recorded into their respective accounting and bill paying systems. These key functions should work with their Resource Financial Manager/Comptroller.

3.8.2. Certifying Officers.

3.8.2.1. Air Force activities will nominate and appoint AOs as Certifying Officers in accordance with the DoD Financial Management Regulation (FMR). Certifying Officers are held pecuniarily liable for payments they certify.

3.8.3. Cardholder Responsibility. The cardholder will be held pecuniarily liable, as an Accountable Official to the Government for the amount of any payment certified and paid based on false or negligent information provided to the Certifying Officer. Under 18 USC 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 who misuse the purchase card are subject to court martial under 10 USC 932, UCMJ Art. 132.

3.8.4. Pay and Confirm Procedures. Air Force activities operating a Purchase Card program shall only institute pay and confirm procedures as part of their financial management program. Pay and confirm procedures allow FMA to certify payment independent of the statement being approved by the AO.

3.8.5. Disputes and Fraudulent Transactions.

3.8.5.1. Disputable Charges. Disputes involving the following items must be handled between the cardholder and the Bank (with notification to the A/OPC): duplicate billing, non-receipt of merchandise, returned merchandise, canceled merchandise or services, invoice amount discrepancies and/or the transaction was paid by other means. Prior to submitting a formal dispute form, the cardholder must initiate communication with the Bank and notify the Agency Program Coordinator of the dispute. The Purchase Card Desk Guide provides the detailed process for communicating with the Bank. Once a dispute has been filed, the Bank will suspend the disputed charge from the outstanding balance due, issue a provisional credit and acknowledge initiation of the dispute to the cardholder. Based on the outcome of the dispute process, the charge will either be resolved in favor of the cardholder or the merchant. If the dispute is resolved in favor of the cardholder, the charge is removed from the account. If the dispute is resolved in favor of the merchant, a letter will be sent to the cardholder explaining the decision and the charge will appear in the balance due on the next invoice. It is recommended that the cardholder try resolving the dispute with the vendor first, then, if appropriate, file a dispute if the credit is not received on the next billing cycle. All dispute documentation should be retained by the cardholder for 6 years and 3 months.

3.8.5.2. Non-disputable Charges. Charges on the cardholder statement that involve misuse or abuse by the cardholder are not disputable with the Bank. If the transaction was processed in accordance with the controls established (i.e., within the purchase limits, not from a vendor with a blocked Merchant Category Code) then the Bank has fulfilled its responsibilities under the contract and the government is obligated to make payment for the transaction. The government must seek restitution from the employee for any losses as a result of their improper transaction. Accordingly, transactions that are determined to be fraudulent (i.e., use of a lost or stolen card) or unauthorized by the cardholder shall not be certified for payment. A formal dispute will be initiated with the bank and the invoice shall be "short paid" by the amount of the transaction(s) in question using the manual certification process.

3.8.5.2.1. Convenience Check transactions, transportation charges, and any form of taxes cannot be disputed through the Bank. These must be resolved directly with the merchant.

3.9. DFAS Processing. The DFAS Site supporting the activity for accounting and vendor payments will be responsible for receipt and processing of all ANSI X12 821 (obligation/Accrual) transactions and ANSI X12 810 (Certified Invoices). The 821 transactions are generated by the Bank on the first business day following the close of the monthly cycle. The cycle close date for the active Air Force is the 19th of each month or the last business day prior to the 19th, if the 19th falls on a weekend or holiday. The cycle close date for the Air

National Guard (ANG) is the 23rd or the last business day prior to the 23rd if the 23rd falls on a weekend or holiday.

3.9.1. Processing 821 Transactions. The 821 transactions will automatically be processed in the first IAPS update following receipt of the 821 transactions. Results of processing the 821 will appear on the TQ-157 Report (all accepted and non-fixable transaction) and the TQ-164 (pre-edit report). The Accounts Payable area of the supporting DFAS Vendor Pay office will be responsible for correcting any rejects (TQ-164) of 821 transactions for the active Air Force sites during the 3-day rotation process, therefore allowing transaction to be processed electronically. The ANG site will be responsible for correcting and processing of any rejected 821 transactions for their ANG site. Processing of 821 transactions will result in recording of an obligation for the full amount of purchases for the cycle and the commitment balance recorded in IAPS will be de-committed if applicable for the amount of the recorded obligation. Note: The 821 transactions will result in recording of an accrued expenditure unpaid (AEU) balance for the total amount of the 821.

3.9.2. Processing 810 Transactions. After verifying that all 821 transactions have successfully processed in IAPS, a certifying official assigned to the FMA or ANG site will certify their consolidated invoice. Certification of the consolidated invoice results in the release of the 810 Certified Invoice transactions. The 810 transactions will be processed in first IAPS update after receipt. The 810 transactions are matched to the 821 transactions and the accrual is liquidated. The payment of 810 transactions is processed following "Pay & Confirm" procedures. As a result the payment is scheduled on the earliest available payment date. The receipt confirmation is accomplished by the approving official approving their account. Note: All accepted transactions and those not corrected in the pre-edit process appear on the TQ-269 and TQ-164 Reports after the 3-day cycle is complete.

Chapter 4

USAGE OF THE GOVERNMENT PURCHASE CARD

4.1. Authorized Use. The purchase card shall only be used for authorized U.S. government purchases that are valid mission requirements. Some organizations have both appropriated and non-appropriated funds available for use; separate cardholder accounts must be established to segregate these fund types. Refer to AFI 65-601 V1, chapter 4 for funding guidance. All cardholders and/or approving officials must contact their local comptroller and/or legal office if any doubt exists regarding the proper use of appropriated funds.

4.1. (944FW)Authorized Use. 944 FW Form 5, *Government-Wide Purchase Card Request and Checklist*, will be completed for all purchases using the government-wide purchase card.

4.1.1. Micro-purchases. The GPC may be used to purchase the following:

4.1.1.1. Authorized supplies and equipment up to the micro-purchase threshold of \$3,000.

4.1.1.2. Non-personal Services.

4.1.1.2.1. Recurring services. Services performed at regular intervals having a demand that can be accurately predicted on an annual basis may be purchased with the GPC if they do not exceed \$2,500 per fiscal year. Recurring services requirements estimated to exceed \$2,500 per fiscal year shall be acquired through the servicing contracting office, except as authorized by paragraph **4.1.3**.

4.1.1.2.2. Non-recurring services. These services involve one-time, unpredictable, or occasional requirements, and may be purchased with the GPC up to \$2,500 whenever a requirement occurs. If any doubt exists as to which category a service falls under, the cardholder shall consult with the local contracting office for a written determination.

4.1.1.3. Construction up to \$2,000. See paragraph **4.2.10** for additional limitations regarding the use of the GPC for construction.

4.1.1.4. Purchases under the micro-purchase threshold are exempt from the Competition in Contracting Act, Buy American Act, Economy Act, Service Contract Act, and the Small Business Set-Aside Program.

4.1.2. Payment Method. The GPC shall not be used as a method of contract payment for supplies/services unless GPC is used to order from prepriced vehicles such as Blanket Purchase Agreements, Federal Supply Schedules, or Indefinite Delivery/Indefinite Quantity contracts that do not exceed \$25,000 or if a warranted Contracting Officer, up to the contracting officer's warrant limit (see FAR 13.301). All personnel must comply with the requirements of this instruction for establishing, funding, reconciling, and approving GPC purchases. Purchases for more than the micro-purchase threshold must also comply with all procurement and financial management laws and policies associated with the dollar value of the purchase. In addition, as a minimum, the following requirements must be met when the GPC is used as a payment method:

4.1.2.1. The requirement must be reported by the cardholder to their local contracting program office to include type, size of business, and applicable competition requirements. The local contracting office ensures this information is loaded into the FPDS-NG contracting tool.

4.1.2.2. Sufficient funds must be committed and reserved to support the contract action.

4.1.2.3. There must be a distinct separation of duties for purchase, acceptance, and payment for the contract action. No one individual may perform more than one of these functions.

4.1.2.4. If a warranted Contracting Officer:

4.1.2.4.1. The contract document must state that payment will be made by GPC and require authorization from the Contracting Officer to bill against the designated GPC account. The GPC account number shall not be included in the contract document.

4.1.2.4.2. The Contracting Officer, in consultation with the local comptroller office, must comply with the provisions of the Prompt Payment Act, if applicable.

4.1.3. Authorized Buys Over Micro-purchase Threshold by a Non-warranted Contracting Officer. If specifically authorized to make purchases above the micro-purchase threshold, cardholders not in contracting organizations may use the GPC only to obtain items from pre-priced government contracts and agreements (e.g., Federal Supply Schedule (FSS), Blanket Purchase Agreements (BPA), Indefinite Delivery/Indefinite Quantity ID/IQ contracts etc.), except as specified in paragraphs [4.1.4](#), [4.1.5](#) and [4.1.10.1](#). Authority to use the GPC will not exceed \$25,000 per transaction. Refer to [2.3.5.14](#) for additional instructions on BPA competition.

4.1.4. Authorized Buys from Priority Sources. If authorized, cardholders may make purchases up to \$25,000 per transaction from priority sources of supply such as the Federal Prison Industries, Ability One agencies and the stock programs of GSA and DLA. See FAR 8.002(a)(1)(iii)-(v).

4.1.5. DAPS. Air Force activities will use the GPC as a payment method to procure printing and high speed-high volume duplicating products and services from DAPS. Any such transactions are considered an intra-Governmental transaction and as such the micro-purchase threshold does not apply; however, a \$100k single-purchase daily limit does apply. If transactions do not meet the DAPS criteria, as stated above (i.e., over the \$100k single purchase daily limit) then activities will use other funding vehicles (DD Form 448, *Military Interdepartmental Purchase Request* (MIPR), or DD Form 282, *DoD Printing Requisition/Order*). In cases where DAPS cannot meet the Air Force printing and high speed-high volume duplicating services requirements, Air Force activities shall submit waiver requests IAW DoDI 5330.03 AFI33-395.

4.1.6. OCONUS GPC Use. Overseas cardholders may be authorized to use the GPC to make commercial purchases up to \$25,000 if the purchase is made outside the United States from vendors located outside the United States for use outside the United States, subject to the requirements specified in DFARS 213.301. If purchases are made from CONUS vendors for use overseas, the micro-purchase threshold remains in effect. For stateside purchases the cardholder must contact their local Traffic Management Flight for assistance regarding

transportation and packaging requirements and/or instructions prior to contacting the vendor. Cardholders must ensure the final price includes all costs associated with the mode of transportation and packaging selected to the destination country; customs import duties, and any other charges that may accrue. Consult DoD 4500.54-G, Foreign Clearance Guide, prior to the requisitioning action to ensure compliance with host nation customs requirements.

4.1.7. Support of Contingency/Exercise Operations.

4.1.7.1. Warranted Contingency Contracting Officers (CCOs) are authorized to use the GPC in support of contingency/exercise operations. Home station GPCs may be issued to CCOs in advance to support planning for military operations or local emergencies IAW Air Force Federal Acquisition Regulation Supplement (AFFARS) Appendix CC. The commander/chief of the contracting office will balance contingency planning requirements with management control considerations when determining how many GPC holders are required in advance of deployment tasking. The approving official in each case will be the contracting squadron commander/chief of the contracting office or his/her designated representative. When tasked to deploy, the CCO will be issued a GPC by their home station for use during the deployment unless exempted by the supported command. When functional control of the deployed CCO shifts to another HCA, home station-issued GPCs may continue to be used unless prohibited by either the home station or the gaining command. GPCs may be issued to the CCO under the authority and direction of the supported command's HCA. In all cases the CCO will follow the guidance provided by the GPC-issuing office. When individuals participating in the operation or exercise are in temporary duty (TDY) status, they must document why they used the GPC in lieu of their Government travel card to pay for commercial lodging facility and meals.

4.1.7.2. Cardholders who are not CCOs may continue to use unit-funded GPCs when deployed for a short duration (typically less than 30 days) exercise or contingency not-to-exceed the micro-purchase threshold authority per transaction. The approving official in this situation will not change. An example of this type of situation is a Red Horse organization deploying for a two-week period and then returning to their home station. Medical Dental Division (MDD) funded cards for which purchases will be reissued through an Air Force standard medical logistics automated information system may be used regardless of the duration of the deployment or exercise. In all cases, the cardholders and approving officials must ensure there are no delays in review and reconciliation of purchases made while the cardholder is deployed. In some cases, rules of engagement within the theater of operations may dictate that only warranted CCOs use the GPC.

4.1.7.3. Except for purchases of hazardous materials (HAZMAT) (paragraph 4.2.1) and weapons systems parts (paragraph 4.2.9) the authorizations and coordination's delineated in paragraphs 4.2 and 4.3 are not required for purchases made in support of contingency/exercise operations if the cardholder is not collocated with the authorizing official or coordinating office.

4.1.7.4. Warranted CCOs may use the GPC as a payment method up to the limit of their warrant to cover written orders.

4.1.7.5. If Internet capability is available at the deployed location, the cardholder will reconcile all transactions via the Bank's electronic access system using normal

procedures. If not, the cardholder will coordinate with the approving official and the approving official will reconcile all transactions on behalf of the cardholder.

4.1.7.6. When initiating cardholder set-up for a CCO who is not scheduled to deploy immediately, single purchase and monthly spending limits should be set at a low level; not less than \$1. At the time the CCO is deployed, the limits can be raised by the A/OPC via the Bank's electronic access system. The limits should be set realistically based on the expected purchase volume for that account. Upon the return of the CCO to his or her home base, the spending limits should be lowered to the previous level.

4.1.7.7. Air and Space Expeditionary Force (AEF) Deployments. All AEF eligible, military contracting personnel shall receive GPC training from their local contracting office. A copy of the training record shall be maintained in their unit deployment folder. Upon selection for an AEF tasking, designated CCOs will be notified, through their Personnel Readiness Unit, regarding unique GPC requirements, if any, for the operation or exercise they are tasked to support. In some cases, the CCO may be issued a GPC specific to the operation or exercise.

4.1.7.8. Declared Contingency.

4.1.7.8.1. DoD Guidance. All Program Managers, A/OPCs, Financial Managers, AOs/ COs and cardholders must comply with the policies listed in Appendix B, Using the Purchase Card for Contingency and Humanitarian Aid Operations, of the DoD Government Charge Card Guidebook for Establishing and Managing Purchase, Travel and Fuel Card Programs, 20 Jan 2006. A/OPCs will distribute DoD and AF guidance to all their GPC officials and cardholders.

4.1.7.8.2. Increased Limits. All increases in the MPL or Simplified Acquisition Procedures (SAP) purchase limits for declared contingencies must be authorized by SAF/AQC. FAR 13.201 (g)(1)(i). A/OPCs and CHs must maintain a copy of this authorization. CHs must have also received appropriate training (see paragraph [3.1.4.17](#)) prior to making purchases at these higher limits.

4.1.7.8.3. Warranted CCOs. CCOs may make open-market purchases up to \$200,000 provided the purchase is made outside the United States, from a vendor located outside the United States, for use outside the United States and the GPC is used in the same manner as a SF Form 44 *Purchase Order-Invoice-Voucher* (see DFARS 213.301.).

4.1.7.8.4. Data Tracking. AOs shall ensure that all CH transactions (both below and exceeding the authorized contingency MPL) related to contingency operations are separately recorded to include vendor, item being purchased, cost of each item, date of purchase and how purchase will support the declared contingency. This information must be made available to SAF/AQC and DoD PC PMO upon request. These procedures must be distributed through all levels of the GPC management chain to the CH and communication should be documented.

4.1.7.8.5. Follow-up Reviews. A/OPCs must conduct follow-up reviews pursuant to the related law. These reviews should take place as soon as practicable, but not later than 60 days after any given transaction. A/OPCs shall evaluate whether the transaction:

4.1.7.8.5.1. Was consistent with AF and DoD's policies and was otherwise reasonable and appropriate.

4.1.7.8.5.2. Provided the maximum practicable opportunity for small business participation under the circumstances.

4.1.7.8.5.3. Was appropriately documented by the CH.

4.1.7.8.5.4. Based on these reviews, the Level 3 A/OPCs shall make recommendations to the agency head (Level 2 A/OPC) on changes to the policies and procedures identified and any administrative or disciplinary actions required.

4.1.8. Geographically Separated Units (GSU). GSUs located more than 50 miles from their base of support are exempt from the coordination requirements in paragraph 4.2, except for purchases of HAZMAT (paragraph 4.2.1) and weapons systems parts (paragraph 4.2.9).

4.1.9. Tenant Organizations. The A/OPC will initiate GPC accounts for all tenants when the tenant's funds are maintained by the installation's FMA. In cases where the tenant's funds are maintained by the cardholder's home station, the home station A/OPC shall initiate the accounts. In this case, upon request, the A/OPC shall provide GPC training and provide courtesy surveillance audits for the home station. Copies of these audits will be forwarded to the home station for action as appropriate. The accounting and paying station must be the same.

4.1.10. Training and Education.

4.1.10.1. The GPC shall be used by training and education office personnel to pay for government, non-government and/or off-the-shelf training and education up to \$25,000 for an individual or planned series of the same training event, activity, or course material.

4.1.10.2. Organizations may pay for government, non-government and/or off-the-shelf training and education with their unit funds up to \$25,000; however, the following procedures must be completed prior to attending training. In accordance with DoD Financial Regulation, Volume 10, DoD Administrative Instruction Number 40 and AFI 36-401, a SF 182, *Request, Authorization, Agreement, Certification of Training and Reimbursement* must be submitted to the training and education office and approval obtained before an individual may attend training. The approval process requires coordination/concurrence from an individual's supervisor, second-level supervisor, and the organization's training coordinator before submitting to the training and education office for review and approval prior to the training start date. At locations without integrated training office, the SF 182 must be approved by the military training office/flight or civilian training office/flight. The employee development manager will ensure requested training is in compliance with all statutory, legal, and administrative requirements. The cardholder must have an approved SF 182 prior to contacting a vendor.

4.1.10.3. Off-the-shelf training is defined as training products and services regularly available to the general public and/or Government personnel. The term includes training offered in catalogs or other printed material by a college, university, professional association, consultant firm or organization. It does not include training specifically developed, designed, and produced to meet requirements unique to an organization

and/or program. An AF Form 9, *Request for Purchase*, submitted to the Contracting Squadron/Office, is required to purchase training designed specifically to meet a requirement particular to an organization.

4.1.10.4. Non-government sources include, but are not limited to:

4.1.10.4.1. State government or instrumentality,

4.1.10.4.2. Interstate government organization,

4.1.10.4.3. Medical, scientific, technical, educational, research, or professional institutions, foundations or organizations,

4.1.10.4.4. Universities, technical, business, and vocational schools, business, commercial, or industrial firms, corporations, partnerships, proprietorships, or other organizations.

4.1.11. Voluntary Military Tuition Assistance. The GPC shall be used for the payment of military tuition assistance invoices that do not exceed a consolidated total of \$5,000,000 per invoice from a single institution.

4.1.11.1. The education services flight chief or designee will establish fund controls and initiate an AF Form 4009 for each account required. Military tuition assistance funds are requested by the student using an AF Form 1227, *Authority for Tuition Assistance - Education Services Program*. The AF Form 1227 must be used as an approval document, which equates to a commitment, but not as an obligation document.

4.1.11.2. The Education Service Flight (ESF) will receive school invoices after each add/drop period for the applicable school term. The ESF chief, or designee, will reconcile each invoice to ensure it is accurate and complete. Discrepancies will be questioned and corrected with the school prior to payment of any invoice. A record of each transaction will be maintained with each invoice. Each record of transaction must include a statement certifying the accuracy and receipt of services. Once reconciled, the ESF chief, or designee, will provide the GPC account number to the school along with a copy of the reconciled invoice. Each ESF cardholder will reconcile all transactions in the Bank's electronic access system. The approving official will validate and approve cardholder transactions in the Bank's electronic access system.

4.1.12. Individual Equipment/Organizational Clothing (IE/OC) Items. Cardholders may only purchase IE/OC items that are unit funded.

4.1.12.1. Uniform Clothing Issued as Individual Equipment. As specified in AFI 65-601V1, GPC may not be used to purchase uniforms from unauthorized sources of supply.

4.1.12.2. Replacement IE/OC. Process requests as specified in paragraph 75 of AFMAN 23-110, Volume I, Part Three, Chapter 2.

4.1.12.3. IE/OC Sourcing Preference.

4.1.12.3.1. Utilize source in priority order as specified in FAR 8.002.

4.1.12.3.2. Purchases from GSA schedules may be processed through the GSA Advantage website unless the cardholder does not have access to the Internet. Cardholders should be aware that when using any commercial vendor catalog with

mixed GSA schedule and non-schedule items, only the specific GSA approved items may be purchased with the GPC. Emergency exceptions must be documented in writing and retained in the cardholder files. For direct to vendor GSA purchases, cardholders must ensure that the vendor meets all regulatory requirements. Justification and approval for purchase of non-compliant assets must be documented and retained in the cardholder file.

4.1.13. Third-Party Merchants. Use of third party payments where it is identified that the purchase will be processed via a third party merchant, the cardholder should make every attempt to choose another merchant with whom to procure the goods and/or services. If it is still found necessary to procure using a third party payment merchant, the approving official must ensure there is adequate supporting documentation showing that there was a detailed review of the purchase and that the use of the third party payment merchant was unavoidable.

4.2. Purchases Requiring Authorization. All authorizations must be documented. If verbal approval is obtained, a memorandum for record shall be completed to document the date and identity of the authorizing official. Coordination via electronic mail is the most practical method for document approval. Requests for the following supplies, equipment, or non-personal services require the cardholder to contact the specified controlling/servicing organization before making the purchase.

4.2.1. Hazardous and Potentially Hazardous Materials. Base Hazardous Materials Management Process (HMMP) Team is the Authorizing Official. No hazardous or potentially hazardous material may be purchased by any means or brought onto an installation without full compliance with all authorization, approval, and reporting requirements specified in AFI 32-7086 and any MAJCOM or local supplements.

4.2.2. Communication and Computer Equipment and Software Including Telephone Instruments, Cell Phones, and Expansion Plug-in Cards: Approval through the local Communication Squadron must be obtained. This is required to ensure configuration control, compatibility with Air Force and joint systems and compliance with Section 508 of the Rehabilitation Act, as amended in 1998 (PL 105-220). Technical solution documentation provided by the communications and information officer should be maintained in the cardholders' files. Note: Secure telephones cannot be purchased direct from vendors using the GPC. All secure phones must be requisitioned through the Standard Base Supply System.

4.2.3. Medical Items. The Base Medical Supply Officer is the Authorizing Official.

4.2.4. Paid Advertisements.

4.2.4.1. Newspapers. The authority to approve the publication of paid advertisements in newspapers shall be in accordance with AFFARS 5305.502(a) (i).

4.2.4.2. Other Media. FAR 5.502(b) unless the agency head determines otherwise, advance written authorization is not required to place advertisements in media other than newspapers.

4.2.5. Visual Information, Electronic Digital Imaging and Video Equipment and Services. The Base Visual Information Manager (BVIM) is the Authorizing Official (see AFI 35-109).

4.2.6. Test, Measuring, & Diagnostic Equipment (TMDE). Precision Measurement Equipment Laboratory must approve, in writing, all purchases of TMDE in accordance with Air Force Metrology and Calibration Program procedures as well as all purchases of TMDE repair services from non-organic repair sources.

4.2.7. Rental/lease of Material Handling Equipment/ Fleet Motor Vehicles. The Logistic Readiness Squadron or transportation activity is the Authorizing Official.

4.2.8. Rental/ Lease of Materials Handling Equipment or Aircraft Support Equipment (e.g., aircraft staircases; baggage handling equipment). When required to sustain operations at deployed locations, the appropriate deployed commander is the Authorizing Official.

4.2.9. Centrally Managed XB/XF Items Related to Weapon Systems. The Weapon System's Program Director (SPD) is the Authorizing Official. If a part is back ordered and the estimated delivery date is unacceptable, the following procedures can be used if the requirement meets the GPC threshold of \$3,000 or less and you received the applicable Certification of Conformance.

4.2.9.1. A request will be submitted to the applicable SPD for local purchase authority and a qualified source.

4.2.9.2. Approved purchases will use only the Government-wide Purchase Card that is funded with flying hour money (Element of Expense Identification Code (EEIC) 619XX, or other funds identified by MAJCOMs). Only funds of the organization that will use the item may be used. Items shall not be purchased for resale to end-users.

4.2.9.3. Cardholders must cancel the original requisition in the Standard Base Supply System. Base Supply or Depot Supply must capture demand data by processing DOC with TEX Code 9.

4.2.9.4. Depot maintenance product directorate personnel are authorized to procure weapon system and commodity consumable parts under emergency surge conditions. Under emergency surge conditions, authorized quantity levels may be temporarily exceeded on a case-by-case basis. These actions will require approval by the designated depot maintenance product directorate chief.

4.2.9.5. Depot maintenance product directorate personnel are authorized to procure vendor repair of weapon system and commodity end items when such actions achieve best value for the government considering cost, schedule, performance, and supportability factors. These actions will require approval by the designated depot maintenance product directorate chief.

4.2.9.6. Make allowances for Budget Code 8, XD items that the AF Repair Enhancement Program may receive approval to repair IAW T.O. 00-25-195.

4.2.10. Construction. Construction is limited to \$2,000 per project. Each requirement must be processed through the Base Civil Engineer work order approval process and requires an approved AF Form 332, *Base Civil Engineer Work Request*. Construction purchases in excess of \$2,000 are subject to the Davis-Bacon Act and may only be accomplished by a warranted contracting officer, consistent with the specific requirements of the Act.

4.2.11. Civil Engineer Materials and Real Property (installed equipment). The Base Civil Engineer is the Authorizing Official.

4.2.12. Morale, Welfare, and Recreation Items. For gym equipment, (Federal Supply Class 7830), prior to purchase, written approval must be obtained at the appropriate level and in compliance with AFIs 34-204, 34-266, 65-106 and AFI 65-601V1.

4.2.13. Bird Aircraft Strike Hazard (BASH) Program. The requesting unit for BASH will coordinate with the installation Munitions Accountable Systems Officer and OO-ALC/WM, Commercial Off-the- Shelf (COTS) Munitions Program Manager, or Integrated Materiel Manager prior to using the GPC. The requestor shall have final written approval from OO-ALC/WM and follow the written COTS approval procedures in AFI 21-201 before purchase of the munitions item or all BASH items using GPC.

4.2.14. Purchase of Commercially Printed Business Cards. Authorizing Official, see AFI 65-601V1. Only agencies listed in AFI 65-601V1 are authorized to purchase commercially printed business cards. See AFI 65-601V1 for guidance on printing business cards using personal computers and purchase of business cards from the Lighthouse for the Blind, Inc.

4.2.15. Printing, Copying Services, or Copy Services Provided by Commercial Sources. DAPS is the required source for printing and high speed-high volume duplicating services. If DAPS cannot meet AF requirements, requests to obtain support from commercial sources must followed IAW DoDI 5330.03 AFI33-395.

4.2.15.1. In accordance with DoD 5330.3, paragraph 3, the Intelligence and Tactical agencies or activities are exempt from using DAPS. Cardholders within these activities are subject to DoD 3300.2, *Combined Intelligence Publishing Service*, and are to obtain printing from their intelligence printing facility or agency printing officer.

4.2.16. Air Force Way (AFWay). GPC must be used for AFWAY purchases of desktop, monitor, or notebook/laptop computers unless waived by the MAJCOM CIO/A6.

4.2.17. Local Telephone Service. Payments for local telephone service awarded and administered in accordance with AF 33-111, *Voice Systems Management*, paragraph 11.1.2., may be made by GPC. Services must be authorized on contract or Communications Service Authorizations (CSAs) and the contract or CSA must make provisions for that payment method, up to the amount authorized by the contract or CSA. The cardholder must submit a monthly record of all transactions paid against the CSA to the contracting office.

4.2.18. MAJCOM and Local Approvals. In addition to paragraph **4.2.1 through 4.2.17** above, cardholders and approving officials shall comply with any and all MAJCOM or locally mandated approvals.

4.3. Purchases Requiring Coordination/Review. All coordination's, except where noted below, must be documented. If verbal approval is obtained, a memorandum for record shall be completed to document the date and identity of the authorizing official. Coordination via electronic mail is the most practical method for document approval.

4.3.1. Non-expendable (Budget Code 9) Equipment Assets Over the Micro-purchase Threshold. If these are purchased on existing contracts with the GPC they must have accountability records established through the Logistics Readiness Squadron or supply activity. Coordinate approval of Other Government Motor Vehicle Conveyance /Low Speed Vehicles prior to purchase and/or lease through Logistics Readiness Squadron or equivalent (Vehicle Management & Analysis or equivalent and Logistics Readiness Squadron's,

Customer Service Element) and installation Ground Safety. Equipment custodians must contact the Base Supply Equipment Management Element immediately upon receipt of the asset. Medical activities must also coordinate purchases through the Base Medical Equipment Management Office.

4.3.2. Repair Services for General Equipment. Before acquiring repair services, the cardholder will contact contracting squadron/office to verify that the repair is not already covered by an existing preventative maintenance agreement. The name of the person contacted shall be documented by the cardholder. In addition, consult the organization equipment custodian to ascertain whether repair may be covered under an existing warranty at no cost to the Air Force.

4.3.2.1. Modifications of equipment listed in Technical Order 00-110N-16, Equipment Authorized for Nuclear Weapons, must be coordinated with the Base/Center Weapons Safety Office and Chief Vehicle Maintenance (for motor vehicles/powered aerospace ground equipment). See AFI 91-103, Air Force Nuclear Certification Program, for guidance on minor/major modifications and review procedures.

4.3.3. Books, Periodicals, and Manuals. Coordinate with the library to determine if central library funds are authorized and available to purchase authorized mission essential information publications. If central appropriated funds are not available, offices may use unit funds to purchase mission essential commercial publications provided the request is coordinated with the local base library. (References: Specific guidance can be found in AFMAN 23-110, Vol 2, Part 2, Chapter 9, AFI 34-270, paragraph 4.8.). The use of appropriated funds for non-mission essential publications is not an authorized expenditure.

4.3.4. Professional Services. Professional services are those services rendered by persons who are members of a particular profession or possess a special skill (e.g., accountants, lawyers, architects, engineers, physicians, dentists, etc.). State law may require that services rendered by these individuals be performed or approved by a person who is licensed, registered or certified to provide the service. Organizations must consult with the Contracting Squadron/Office to ensure that there is not an existing contract providing the same services requested and to verify that such services are not of a personal services nature.

4.3.5. Package Delivery. Payment for the Domestic Express Next Business Day Small Package Delivery Service Contract must be made using the GPC (or US Bank's PowerTrack System per OSD 24 Jan 2007 Memo). Cardholders must coordinate with their Transportation Management Office prior to setting up an account.

4.4. Convenience Check Accounts. Convenience checks provide an alternative only when the use of the GPC is not feasible. The use of convenience checks shall be evaluated and determined to be advantageous to the activity, after evaluating all alternatives to accomplish the same purpose. The checks provide Air Force activities the flexibility to issue low volume, low dollar payments for supplies and services. The management controls, procedures, and restrictions included in this AFI also apply to the use of convenience checks. The convenience checks will be pre-numbered and additional controls will be maintained by the check writer using a separate convenience check register for each account. The funding document for establishment of convenience check accounts is also the AF Form 4009. A convenience check writer may also have a GPC account and a separate convenience checking account. The convenience check account number must be unique and cannot be used jointly with an existing GPC cardholder

account number. Note: each check is subject to the Bank surcharge paid directly out of the unit's account (currently 1.7% CONUS, 2% OCONUS).

Use of convenience checks is not allowed for recurring services. For a non-recurring service, the total monthly amount of the check shall not exceed \$2,500 IAW the Service Contract Act. If checks are being written to the same vendor or person and the aggregate dollar amount exceeds \$2,500 a contract determination should be obtained through the supported contracting office. The CCR process is not a reason to keep writing checks.

4.4.1. Requirements. As specified in the DoD Financial Management Regulation, Volume 5, Chapter 2, the following requirements must be met when administering a convenience check account:

4.4.1.1. All organizations authorized to maintain a convenience checking account shall hold an active (in good standing) GPC managing account before approval of a purchase card convenience checking account.

4.4.1.2. Before a check is issued, the requiring organization must make every effort to use the GPC. Maximum efforts shall be made to find and use vendors that accept the GPC.

4.4.1.3. The authority to maintain a checking account shall be justified yearly on an individual organizational basis and controlled and monitored by the organizational commander, director or civilian equivalent.

4.4.1.4. The number of checkbooks per installation must be kept to a minimum and be limited to no more than one checkbook per organization. Unit commanders or civilian equivalent shall provide a written justification to establish an additional checking account. The contracting squadron commander, director or civilian equivalent is the approval and delegation authority for additional checking accounts.

4.4.1.5. The approving official is responsible for the implementation of appropriate internal controls. Quarterly reviews of each checking account must be conducted by the approving official as a part of the regular surveillance activities. The A/OPC will review each checking account under an approving official as part of the annual surveillance of accounts.

4.4.1.6. Convenience checks shall not be issued for more than \$3,000 per check and shall be issued for the exact payment amount. "Splitting" amounts across more than one check to keep below the micro-purchase limit is prohibited. The A/OPC shall suspend the account immediately for any assigned check writer who issues a check(s) exceeding the \$3,000 limit. The A/OPC will notify the AO to pull the checkbook from the check writer. Surveillance will be conducted on the account by the A/OPC

4.4.1.7. Convenience checks shall not be issued as an "exchange-for-cash" vehicle to establish cash funds. If vendors issue credit checks or refunds by cash or check, funds must immediately be turned in to the local FMA. Checks cannot be issued to military or DoD Civilians.

4.4.1.8. The unit is responsible for all administrative costs associated with the use of these checks. The total purchase amount plus the program fee must be accounted for on the check writers check register and deducted from the funding document balance.

Likewise, all checks must be input into the Bank's electronic access system in the same manner as a GPC transaction. The current program fee for convenience checks is 1.7% of the face value of the check.

4.4.1.9. Convenience checks may be mailed, provided internal controls are in place to avoid duplicate payments to payee. Lost checks are the responsibility of the check writer (see DoD 7000.14-R, Volume 5).

4.4.1.10. Convenience checks may be used for overseas transactions up to \$3,000. Convenience checks may only be written in U. S. dollars. Warranted contingency contracting officers may use the convenience check up to \$10,000 for overseas transactions in support of contingencies declared by the Secretary of Defense.

4.4.1.11. Check writers are responsible for the capture of TD Form 1099 MISC, *Statement for Recipients of Miscellaneous Income*, data for services paid by convenience check. Also report the services portion of checks written for a combination of supplies and services (see DFARS 204.904.). The approving official and the A/OPC must validate all checks written are captured in the TD 1099 reporting tool as part of their surveillance report.

NOTE: All checks, not matter the dollar amount, must be captured and reported because payments from several installations/agencies may total over \$600 which is the IRS reporting level for TD 1099 data. The information shall be reported to DFAS in accordance with instructions issued by DFAS (see <https://dfas4dod.dfas.mil/systems/1099>). The required information consists of the following:

Payee's full name

Complete mailing address

Phone number (including area code)

Social Security Number or Tax Identification Number

Check number and amount(s) paid

Date(s)

Total paid to Payee in the reporting period

Authorized convenience check writers and A/OPCs must register in the DFAS 1099 Tax Reporting Program.

4.4.1.12. Checks are negotiable instruments and must be stored in a locked container, such as a safe or metal filing cabinet. Checks must be accounted for appropriately to prevent loss, theft, or potential forgery. Checks must be reconciled in the same manner as GPC transactions. Checks are printed on duplicate paper to facilitate tracking and reconciliation. Duplicate copies of checks must be retained as a part of the account holders' original documentation files.

4.4.1.13. The A/OPCs shall cancel the convenience check privileges of cardholders who misuse convenience checks more than once. Check writing privileges shall be permanently canceled for any flight or equivalent office in violation of policy more than twice in a 24 month period. Refresher training is required for any check writer who exceeds the \$3000 check limit.

4.4.1.14. Convenience checks cannot be used to reimburse students for tuition assistance. The appropriate method to reimburse students is SF 1164, *Claim for Reimbursement for Expenditures on Official Business*.

4.4.1.15. Violations. Any violations of GPC procedures, including checking accounts will be documented by the A/OPC. If there is a compelling need for the account to remain open, the Appointing Authority may request the account be reopened if there is a compelling need for the account and another check writer cannot be appointed. Justifications, including disciplinary actions and procedures implemented to prevent recurrence to include the results of the account surveillance by the A/OPC and the dates that refresher training was taken, shall be submitted to the CONS/CC and be forwarded to the Level 3 reporting agent. Level 3 reporting agent must concur with the reinstatement prior to submittal to the Level 2 reporting agent.

4.4.2. Authorization of Accounts.

4.4.2.1. Approving official responsibilities for check accounts are the same as those for the GPC (see paragraph 2.3.4).

4.4.2.2. Only the named person shall be designated as the convenience check writer and have the authority to sign and issue convenience checks. Check accounts shall be under the custody of an individual who is not responsible for the origination, approval and/or processing of the requirement for a check.

4.4.3. Establishing Convenience Check Accounts. Requests to establish convenience check accounts shall be justified by the organization's commander/director and forwarded to the A/OPC. A letter of appointment shall be provided to the activity approving official and check writer (by name) by the activity's commander/director.

4.4.4. Use of Convenience Check Accounts. Convenience check purchases are subject to the same requirements and restrictions as the GPC and shall not be used for any purpose where purchase using appropriated funds is not otherwise authorized.

4.4.5. Disputes/Stop Payments.

4.4.5.1. The disputes process available with the GPC is not available with convenience checks. Any concerns over a purchase made with a check must be resolved directly with the merchant. The check writer is solely responsible for securing restitution and/or credit for disputed purchases. The check writer shall request A/OPC assistance to resolve disputes in the event he/she is unable to resolve disputes with the merchant. Each organization is responsible for checks written on the account, unless it is determined fraud is involved.

4.4.5.2. In some cases, payment can be stopped on a convenience check that has been written if the check has not yet posted to an account. To stop payment on a check, call the Bank Customer Service to receive instructions on processing the action. The stop

payment action will be in place for six months, and a fee will be charged (and must be accounted for on purchase log/funding document balance) directly to the account. If the check has already posted to the account, a request to stop payment cannot be honored.

4.4.5.3. Copies of posted checks are retained on file at the Bank for three and one half years. If a check copy is needed, it will be mailed within 14 calendar days of request. A fee will be charged (and must be accounted for on the purchase log/funding document balance) directly to the requesting account.

4.4.5.4. Although a check is written, it may not immediately post, and therefore, may not be reflected in that month's statement of account of the check writer. When a check is presented to the Bank for payment, there must be enough funds in the 30-day limit and office limit to cover the check. In addition, a check cannot exceed the single purchase limit assigned to the account. If a check presented exceeds any of the limits, the result may be a Non-Sufficient Funds (NSF) situation and the check may be returned unpaid to the merchant or payee. A NSF fee will be assigned against the check writer's account (and must be accounted for on the purchase log/funding document balance).

4.5. Unauthorized Use of the GPC. Intentional use of the purchase card for other than official Government business will be considered an attempt to commit fraud against the U.S. Government and will result in immediate cancellation of an individual's purchase card and potential disciplinary action. In the absence of specific statutory authority, purchases of items for the personal benefit of government employees, such as flowers, food, etc., is not permitted and represents improper transactions. The use of the purchase card for personal purchases for any reason is strictly prohibited.

4.5.1. Cash advances. Money orders, traveler checks, and gift certificates are considered to be cash advances and shall not be purchased by cardholders to obtain items from merchants who do not accept the GPC (see paragraph 4.4).

4.5.1.1. Travel or travel related expenses. This includes rental/lease of motor vehicles associated with travel or temporary duty supported by travel orders (purchase of airline, bus, and train tickets), purchase of meals, drinks, lodging, or other travel or subsistence costs associated with official Government travel that will be reimbursed on a travel voucher. Exception: If the travel and per diem ARE NOT reimbursed directly to the government traveler by travel voucher, for example, Reserve duty/exercise, air mobility aircrews at ports where the cost of the lodging and meals are a host unit expense, costs may be paid with host unit GPC. When an advanced conference fee is required, use of the GPC is preferred. Note: Subsistence items (not prepared meals) not associated with individual travel may be purchased with the GPC from the commissary or commercial sources. Before going to a commercial source it must be determined that troop issue (Prime Vendor) and the commissary cannot support the requirement. Prepared meals for dignitaries may only be purchased with Official Representational Funds (ORF). For purchases of prepared meals, the GPC can be used if a written determination is approved by the approving official that the official Government travel card cannot be used to satisfy the requirement. The original is to be retained in the cardholder's file and a copy of the determination shall be forwarded to the A/OPC.

4.5.1.2. Long-term rental or lease of land or buildings exceeding 30 days. Exception: Rental of temporary storage to facilitate office reconfiguration not to exceed 90 days

provided the total price of rental does not exceed \$3,000 and the rental period does not cross a fiscal year and subject to the written approval of the civil engineering real property officer.

4.5.1.3. Sales, rental and lease of vehicles and classified requirements or other requirements that require written contract terms and conditions.

4.5.1.4. Purchase of Centrally Managed Fuel or Oil, i.e., Aviation, Diesel, Heating, Gasoline, Oil for Aircraft and Motorized Vehicles. Packaged oil and lubricants needed to support base maintenance shops, however, may be purchased using the GPC.

4.5.1.5. Repair of GSA-Leased Vehicles.

4.5.1.6. Purchase of Major Telecommunications Systems including Federal Telecommunications/ Telephone System 2000 or Defense Switched Network.

4.5.1.7. Purchases of Hazardous/Dangerous Items such as Explosives, Munitions, Toxins, and Firearms. This specifically includes weapons, small arms, and ammunition. Exception: BASH Program, see paragraph [4.2.13](#)

4.5.1.8. Personal Services. Personal services contracts are contracts that, by its express terms or as administered, make the contractor personnel appear, in effect, to be Government employees (e.g., consultants directly under Government supervision, temporary office help).

4.5.1.9. Gifts (e.g., retirements, farewells). These include food/beverages for organizational functions (commanders-call, picnics, parties, awards programs), promotional items for conferences, meetings, symposia (coins, mugs, coasters), and cash incentive awards. Likewise, rental of banquet halls or similar facilities for these functions is not authorized. Exceptions: U.S. flag for active duty military retirees (reference AFI 65-601V1, paragraph 4.54.).

4.5.1.10. Entertainment. Party supplies, serving material, food, and drinks are considered entertainment and are prohibited unless specifically authorized by law. Exceptions: AFI 65-601 V1, paragraph 4.28.1, 4.42.2., and 4.31.6.

4.5.1.11. Purchases of Controlled Cryptographic Items (CCI). The GPC shall not be used to purchase or repair secure telephone instruments or CCI assets. These must be requisitioned through the Logistics Readiness Squadron to ensure proper accountability records are established.

4.5.1.12. Repair or procurement of Budget Code 8 depot-level repairable items. This includes depot/intermediate level repairable items.

4.5.1.13. Safety-of-Flight items regardless of the Expendability, Repairability, Recoverability Category (ERRC). Budget Code 8 XD Items. This includes depot/organizational level repairable items.

4.5.1.14. Utility Services. This includes electric, gas, water, phone, waste removal and cable TV services. These services are typically consolidated base-wide and purchased through contracts that generally exceed \$3,000 a year. Exceptions: (1) Units physically isolated from the base either in an off-site location (e.g., Air Force recruiting office) or located in a remote portion of the base (often non-contiguous) so as to not be part of the

base infrastructure (e.g., a building or an annex to the base which is connected to another municipality's water supply). The GPC may be used to purchase utility services provided the dollar amount of each utility does not exceed \$2,500 per year. (2) In locations where there is no base-wide service contract, individuals may pay their own cell phone bills using the GPC if the annual bill does not exceed \$2,500 and cardholders do not enter into agreements with cell phone companies that obligate the Government to pay cancellation fees if the service is discontinued. (3) Installations may use the GPC to pay cellular phone service only when using the Blanket Purchase Agreements (BPAs) established by the Air Force Information Technology Commodity Council for services not to exceed \$25,000, either on an individual call basis or as an installation-wide call against the BPAs (see paragraph 4.1.3).

4.5.1.15. Purchase requiring advance payments, except for subscriptions or training purchased on a SF 182, Request, *Authorization, Agreement, Certification of Training and Reimbursement*.

4.5.1.16. Purchases from Government employees.

4.5.1.17. Supplies for Contractors. The GPC will not normally be used to purchase supplies/services for contractors. If contracts require certain supplies/services to be provided by the Government, copies of the applicable sections of the contract(s) will be maintained as supporting documentation and the Contracting Officer will be required to approve the transaction(s).

4.5.1.18. Items that are part of an existing contract (Examples include, but are not limited to: custodial contracts such as cleaning supplies or vacuum cleaners, lawn maintenance items such as lawn mowers, etc.) are prohibited. Contact your local civil engineering or contracting office for determination.

4.5.1.19. Cash Refunds. Under no circumstances will the cardholder accept a cash refund for non-receipt of items, returned merchandise, or damaged items that were initially purchased using a government purchase card. The cardholder shall only accept credit to the account.

4.5.1.20. Gift Checks, Rebates or Other Incentives. Under no circumstance will a cardholder retain gift checks, vendor rebates, or other purchase incentives that can be converted to their personal use. If received, these items must be turned over to the U.S. Treasury and documentation must be accomplished by the cardholder. Exception: When an incentive can be applied immediately, at the initial point of sale, thereby reducing the amount of the transaction.

4.5.1.21. Split Requirements. Cardholders shall not break down requirements aggregating more than the simplified acquisition threshold (or for commercial items, the threshold in subpart 13.5) or the micro-purchase threshold into several purchases that are less than the applicable threshold merely to avoid any requirement that applies to purchases exceeding the micro-purchase threshold. Splitting requirements in that manner is a prohibited use of the purchase card and may be violating statutory requirements for small business participation, competition, Service Contract Act, or Davis-Bacon Act. Urgency or expenditure of end-of-year funds does not relieve the cardholder or approving official of this prohibited practice. Purchases which would exceed the single-purchase

limit must be forwarded through the proper channels to the contracting office for procurement.

4.5.1.22. Repeat Buys. Cardholders are prohibited from making repeat buys of the same item to avoid the \$3,000 limitation for purchasing and the \$25,000 limitation for ordering using the GPC. In addition, no purchase from the same vendor may exceed the single-purchase limit of \$3,000 even if the individual items comprising the purchase have unit prices that are less than \$3,000. The GPC was implemented to avoid the need for warehousing items and requisitioning items through the Supply system. This “just-in-time” buying philosophy allows organizations the flexibility to buy items when they need them. However, there is no basis in regulation or law to permit cardholders to repetitively purchase an item when the cardholder knows or *should have known* of additional requirements for the same item that would result in an aggregate purchase greater than \$3,000. There is a distinction between buying supplies and services based on one’s own needs known at the time and buying for one’s organization based on the known organizational requirement or forecast. The following two examples illustrate the distinction:

Example 1: On a Monday, a cardholder buys 10 widgets from one vendor totaling \$2,400 because that is their known requirement. The next day, they learn that someone in their organization needs another identical widget. As long as they made an honest effort to consolidate their organization’s requirements when they made the first buy, they have not split the requirement.

Example 2: A cardholder normally holds all requests until the end of the day/week/ month so they will only have to make one buy. There is a steady, recurring requirement for a particular item. After realizing that their request has exceeded \$3,000, they decide to buy part of their requirement one day and the remainder the next. This constitutes splitting a requirement because it was known or *should have been known* that the total requirement with that merchant exceeded \$3,000. In cases such as these, a formal contract action must be initiated with the contracting office. The key component is the knowledge of the total requirement with that merchant the cardholder possessed at the time of purchase.

Business advice should be sought from the contracting squadron/office to decide the best strategy for obtaining repetitive buy items and services. If a cardholder thinks their circumstance may be viewed by reviewers as splitting a requirement, they should contact their A/OPC for guidance. The cardholder should document the reason for any buy that may have the appearance of a split requirement.

4.5.1.23. Micro-purchase Made Not Using GPC. In cases where the card is not used to buy or pay for a micro-purchase, a written determination by a Senior Executive Service, flag or general officer is required prior to accomplishing the purchase action. This determination may be delegated no lower than the senior military or civilian official at the Activity. The written determination shall be included in the procurement file documentation providing proof of the propriety of the transaction. Exceptions to the written determination as stated in the Under Secretary of Defense Memorandum of 2 Oct 1998 are shown in the Purchase Card Desk Guide.

4.5.1.24. In addition to 4.5.1.1. through 4.5.1.24. above, all cardholders and approving officials shall comply with any and all MAJCOM and/or locally mandated restrictions.

4.5.1.25. See AFI 65-601V1 and AFI 65-301 for more detailed guidance on authorized and unauthorized uses of appropriated funds. If in doubt, contact the local comptroller squadron/office.

4.5.2. Recoup Unauthorized Expenditures. The local FMA shall take the lead to recoup funds which have been expended on unauthorized products or services identified by the GPC Program Office or other means of surveillance. The GPC Program Office will conduct the necessary audit oversight to identify possible improper purchases. Once found, the GPC Program Office would notify the cardholder, the approving official, and the responsible point of contact in the FMA of the finding and provide the pertinent information. The FMA activity would then review the purchase and regulatory guidance and make the final determination regarding any misuse of funds. When the review is complete, the FMA point of contact will notify the GPC Program Office of the determination. If the FMA confirms the purchase was improper, they would apply the appropriate remedy to recoup the funds, ensure the funds were returned to the correct billing account, and in turn provide the GPC Program Office with all pertinent information. The GPC Office would retain responsibility of addressing with the organizational commander, director or civilian equivalent, the need for any disciplinary action against the cardholder and/or approving official. The GPC office would, as deemed necessary, accomplish refresher training; make changes to account limits, close accounts, and document GPC files.

4.6. Foreign Drafts Accounts. Foreign Draft (FD) accounts provide an alternative only when the use of the GPC or convenience check is not feasible. Foreign Drafts provide organizations the flexibility to issue low volume, low foreign currency payments for supplies and services. If an organization requires the Foreign Drafts they must coordinate approval through the A/OPC. All Foreign Drafts issued will post against a specific cardholder/check writer account. Only approved FD check writers with a valid FD Product User ID and Password have the authority to create, print and issue a check. The management controls procedures and restrictions included in this AFI for convenience checks also apply to Foreign Drafts. A 2% fee is charged on Foreign Drafts.

Chapter 5

SURVEILLANCE AND DISCIPLINARY ACTIONS

5.1. Surveillance

5.1.1. GPC Surveillance Requirements.

5.1.1.1. In order to standardize the evaluation of the purchase card program results, use of the Surveillance Checklist, including both “Review of Approving Official Accounts” and “Review of Cardholder/Check writer Accounts”, is mandatory. The Surveillance Checklist is attached to this Instruction as **Attachment 5**. This checklist may be supplemented at command and/or local levels.

5.1.1.2. Reports on surveillance results shall include an assessment of program control including, at a minimum, the ratio of cardholders to employees (this is an installation level statistic), ratio of approving officials to cardholders, ratio of monthly credit limits to actual spending on cardholder accounts, and number of cardholders and approving officials requiring refresher training. Reserve bases may count weekend reservists in their employee count for their bases. Surveillance results shall be maintained on file in the A/OPC office. Copies of surveillance results shall be provided to the approving official’s organizational commander, director or civilian equivalent, the approving official, and, if applicable, the cardholder. Purchase card program management and administrative records generated by installation program coordinators and approving officials, such as records of cardholder and approving official appointments and training, cardholder delegations of authority, and purchase card surveillances, shall be retained per the AF Records Disposition Schedule (see paragraph **3.6.15**).

5.1.1.3. Commanders or civilian equivalents should include the GPC program in their management control program checklists and ensure that suspected misuse and abuse of the purchase card is appropriately investigated.

5.1.1.4. If as a result of surveillance, or any other means, the A/OPC, approving official, or cardholder suspect a GPC account number has been compromised, the cardholder’s account shall immediately be cancelled and a new account established. Likewise, if a cardholder is approached by a vendor suggesting any type of illegal or unethical business arrangement, cardholder should immediately report this contact to the A/OPC. The A/OPC shall immediately notify the local Office of Special Investigations or others as deemed appropriate.

5.1.1.5. Quarterly, the AF GPC Violations Report shall be completed for review by SAF/AQ. The report quantifies violations and corrective actions. It will be submitted through the MAJCOM Level 3 to the AF Level 2, GPC Program Manager. This report is submitted one quarter in arrears and use of the prescribed template is required (see AF Contracting Central section of the SAF/AQC Homepage on the AF Portal at <https://cs.eis.af.mil/airforcecontracting/pages/default.aspx>).

5.1.2. Agency/Organization Program Coordinator (A/OPC).

5.1.2.1. At least once every 12 months (not once per fiscal year), the A/OPC shall perform physical surveillance on each managing account, as well as a random sample of

25% of cardholders assigned to each managing account. Results of surveillance reviews, including corrective/disciplinary action taken shall be documented and retained on file.

5.1.2.2. Annual surveillance reports shall be signed by the installation Contracting Squadron Commander, director or civilian equivalent and shall be addressed to the unit commander or civilian equivalent with copies being sent to the AO's supervisor.

5.1.2.3. Annual surveillance reports shall include recommendations for unit commander or equivalent where approving officials and/or cardholders have failed to follow appropriate policies and procedures.

5.1.2.4. The A/OPC, when necessary, shall meet with the approving official to discuss each finding of noncompliance.

5.1.2.5. The A/OPC shall track and monitor corrective actions identified on the annual surveillance reports and provide quarterly status reports to their installation Contracting Squadron Commander, director or equivalent. Pending the corrective actions (training, account suspension, etc.) the A/OPC must ensure spending limits are set to \$1.

5.1.2.6. The A/OPC, in addition to the automatic Data Mining/Risk Assessment (DM/RA) reviews from PCOLS, shall use transactional reports from the Bank's EAS (or other electronic oversight process) to perform the following Level IV reviews:

5.1.2.6.1. 100% of transactions over the micro-purchase level for compliance.

5.1.2.6.2. 100% review for tax exemption compliance.

5.1.2.6.3. All transactions for "unusual merchants" and "unusual" purchase activity as well as possible coordination compliance.

5.1.2.6.4. Potential split purchase report, particularly at the end of the fiscal year.

5.1.2.6.5. Account certification report to ensure AOs are working the cycle timely as well as FMA certification.

5.1.2.6.6. Records of the reports and the subsequent review would be kept in the audit records maintained by the GPC Program Office as supporting documentation for program surveillance.

5.1.2.7. Components shall take the necessary steps to ensure A/OPCs are notified of personnel changes that would warrant cancellation of charge card authorization. A/OPCs should also use the EAS reports to determine what accounts have not been used for the last six months with the goal to close accts that will no longer be used.

5.1.2.8. Violation of Air Force GPC procedures. If a GPC violation is discovered, the A/OPC shall document the violation and take action to resolve the noncompliance to include, if necessary, retraining of the cardholder or approving official and/or temporarily suspending the cardholder or approving official's GPC privileges. Any determinations to cancel or permanently suspend a cardholder or approving official account shall be made by the Contracting Squadron commander, director or equivalent, in writing, and their findings forwarded to the cardholder's and/or approving official's unit commander or equivalent. Continual violation of GPC procedures by an individual cardholder or approving officials shall result in termination of GPC privileges. A/OPCs shall verify

that all potentially fraudulent and erroneous transactions that have been identified are disputed and properly resolved.

5.1.2.9. Evidence of deliberate abuse shall be referred to the cardholder's and/or approving official's unit commander by the contracting squadron commander, director or equivalent for appropriate action in accordance with the Uniform Code of Military Justice or civilian disciplinary rules.

5.1.2.10. Evidence of fraud or other criminal activity shall be referred, by the contracting squadron commander, A/OPC, director or equivalent, to the local detachment of the Air Force Office of Special Investigation.

5.1.2.11. The violation and action taken shall be documented in the A/OPC's files.

5.1.2.12. Major Violations.

5.1.2.12.1. Types:

5.1.2.12.1.1. Splitting a requirement to keep transaction amount under statutory dollar limit,

5.1.2.12.1.2. Open market purchase in excess of the applicable micro-purchase limit (goods \$3,000 limit, services \$2,500 limit, construction \$2,000 limit) or other limits in AFI 64-117, **Chapter 2**, and

5.1.2.12.1.3. Repeated violations of GPC procedure in any area within the past 2 years.

5.1.2.12.2. Prescribed Corrective Action:

5.1.2.12.2.1. Agency/Organization Program Coordinators (A/OPCs) shall suspend cardholder account purchases (spending authority) for a period of not less than 30 days.

5.1.2.12.2.2. Unit Commanders/Directors shall notify each violator that repeated violations will be resolved using, at a minimum, the UCMJ disciplinary processes as outlined in AFI 64-117 (see paragraph **5.2.2.2**) or civilian disciplinary rules.

5.1.2.12.2.3. The cardholder account will remain suspended until the cardholder's unit Commander/Director provides to the Contracting Squadron Commander written assurance the violator was counseled and that steps have been put in place to ensure the violation will not occur again.

5.1.2.12.2.4. Installation Commanders have the authority to waive suspensions if required to avoid mission impacts.

5.1.3. Approving Official (AO).

5.1.3.1. The AO is the program's first line of defense against misuse, abuse and fraud. They are responsible for ensuring that all purchases made by cardholders within their purview are appropriate, bona-fide and that the charges are accurate. Upon discovery of any improprieties, the AO must notify the Commanding Officer and A/OPC.

5.1.3.2. AOs shall perform surveillance reviews of 100% of their cardholder accounts at least every 12 months (not once per fiscal year) to ensure procedures are followed, documentation is maintained, and reconciliation is performed properly.

5.1.3.3. AOs shall inspect convenience check accounts every quarter.

5.1.3.4. The AO shall actively inspect newly appointed cardholders during the first three months to ensure they are effectively performing their duties and following all procedures. Copies of surveillance results for new cardholders shall be provided to the A/OPC to assist them in providing tailored training for new cardholders.

5.1.3.5. AOs shall perform surveillance of GPC purchases made during all contingency/exercise operations within 30 days following the conclusion of the contingency/exercise, deployment of the cardholder, or the receipt of the final statement, whichever is later.

5.2. Disciplinary Actions. GPC misuse, abuse, and payment delinquency will not be tolerated. The GPC card is for official government use and it is the Air Force's policy that improper, fraudulent, abusive, or negligent use of a government purchase card is prohibited. Each agency shall formalize local policies and procedures identifying the formal and informal disciplinary actions and/or corrective measures that will be levied by the Command as a result of reviews revealing non-compliance with policies or procedures, fraud, misuse and/or abuse by program participants, i.e., A/OPCs, AOs, purchase cardholders, including supervisors/managers. All disciplinary actions taken or corrective measures implemented shall be documented.

5.2.1. Policy. It is DoD policy that in each case of improper, fraudulent, abusive, or negligent use of the purchase card by civilian personnel or military personnel, including any use at establishments or for purposes that are inconsistent with official business or with applicable regulations, the supervisor of the responsible individual or parties will be informed in a timely manner in order that appropriate corrective, disciplinary or adverse action may be taken. Supervisors who receive information indicating that a civilian or military employee has engaged in any fraud, misuse or abuse of a purchase card, shall take appropriate corrective or disciplinary/adverse action, including further investigation if needed.

The intent of this policy is to ensure that management emphasis is given to the important issue of personal accountability for purchase card fraud, misuse and abuse. There is no intent to deprive managers and supervisors of their discretion in handling purchase card misuse in a manner appropriate to each individual case. The circumstances of each individual case will determine the appropriate type of disciplinary/adverse action, if any, that may be imposed. A progression of increasingly severe penalties is often appropriate in the case of minor instances of misuse, but more serious cases may warrant the most severe penalty for the first offense if abuse or fraudulent activity is prevalent. Clearly there is no single response appropriate for all cases. While the merits of each case may vary, timeliness, proportionality, and the exercise of good judgment and common sense are always important. Where applicable, full consideration must be given to the relevant "Douglas Factors" as provided in *Douglas v. Veteran's Administration*, 5 MSPB 313 (1981).

5.2.2. Guidance.

5.2.2.1. Personnel. Civilian personnel penalty guidelines shall address offenses with respect to government purchase cards and shall indicate that the penalty of removal from government service is an available maximum option for a first offense in appropriate cases, as determined by the deciding official. In taking corrective or disciplinary action against civilian personnel, supervisors shall use the “Civilian Human Resources Manual Sub-Chapter 752” as authoritative guidance. Purchase card offense(s) may be framed in any lawful manner. The servicing Human Resources Office should assist the supervisor in taking disciplinary/adverse action on the selection of the charge and appropriate penalty based on the Air Force’s past practice, regulatory guidance, applicable case law and good judgment of the supervisor taking the disciplinary or adverse action. Coordination with the appropriate legal office should occur early in the process.

5.2.2.2. Military Personnel. Military personnel who misuse, abuse or commit fraud with the purchase card shall be subject to actions available under reference (1), including counseling, admonishment, reprimand, nonjudicial punishment (Article 15, Uniform Code of Military Justice (UCMJ)), court-martial, and administrative separation. In appropriate cases, pecuniary liability, referral for criminal prosecution in civilian courts, and civil enforcement action are other ways to hold military personnel personally accountable for charge card misuse. In taking corrective or disciplinary action against military personnel who misuse or abuse the government purchase cards, commanders or supervisors shall use the procedures established for each action by the appropriate Military Department and consult with their legal advisors as necessary. In addition to corrective or disciplinary action, military personnel who misuse their government purchase card may have their access to classified information modified or revoked if warranted in the interest of national security. Commanders and supervisors shall follow previously issued guidance to ensure that security clearance reviews are conducted when the holder of a government purchase card comes under investigation for card misuse.

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Air Force Service Acquisition Executive

(944FW)

JOSE R MONTEAGUDO, Colonel, USAF
Commander

Attachment 1**GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION*****References***

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Abbreviations and Acronyms

AEF—Air and Space Expeditionary Force

AEU—Accrued Expenditure Unpaid

AF—Air Force

AFFARS—Air Force Federal Acquisition Regulation Supplement

AFI—Air Force Instruction

AFPD—Air Force Policy Directive

AFMAN—Air Force Manual

AFWay—Air Force Way

AO—Approving Official

A/OPC—Agency/Organization Program Coordinator

ANG—Air National Guard

ANSI—American National Standards Institute

BASH—Bird Aircraft Strike Hazard

BPA—Blanket Purchase Agreement

CH—Cardholder

CCO—Contingency Contracting Officer

CO—Contracting Officer

CCI—Controlled Cryptographic Items

CCR—Central Contractor Registration

CMA—Centrally Managed Allotment

CONS/CC—Contracting Squadron Commander

CONUS—Continental United States

COS—Chief of Supply
CSA—Communications Service Authorizations
DAPS—Document Automation and Production Service
DAU—Defense Acquisition University
DD—Defense Department
DEBX—Defense Electronic Business Exchange
DFARS—Defense Federal Acquisition Regulation Supplement
DFAS—Defense Finance and Accounting Service
DLA—Defense Logistics Agency
DoD—Department of Defense
DoDAAC—Department of Defense Activity Address Code
DODI—Department of Defense Instruction
DRU—Direct Reporting Unit
EAS—Electronic Access System
EEIC—Element of Expense/Investment Code
EDI—Electronic Data Interchange
EFT—Electronic Funds Transfer
EPA—Environmental Protection Agency
e-Publishing—the e-Publishing Website, www.e-publishing.af.mil
ERRC—Expendability, Repairability, Recoverability Category
ESF—Education Service Flight
ESOHTN—Environment, Safety, and Occupational Health Training Network
FAR—Federal Acquisition Regulation
FD—Foreign Draft
FEMP—Federal Energy Management Plan
FOA—Field Operating Agency
FOB—Free on Board
FMA—Financial Management Analysis
FMA—Financial Management Analyst
FMR—Financial Management Regulation
FPI—Federal Prison Industries
FPDS—NG —Federal Procurement Data System-Next Generation

FSS—Federal Supply Schedule

FY—Fiscal Year

GAFS—General Accounting and Finance System

GPC—Government Purchase Card

GPP—Green Procurement Program

GSA—General Services Administration

GSU—Geographically Separated Units

HAZMAT—Hazardous Materials

HCA—Head of Contracting Activity

HMMP—Hazardous Materials Management Process

IAPS—Integrated Accounts Payable System

IAW—In Accordance With

ID/IQ—Indefinite Delivery / Indefinite Quantity

IE/OC—Individual Equipment / Organizational Clothing

IOP—Internal Operating Procedures

LMCA—Logistic Materiel Control Activity

LOA—Line of Accounting

LRSC—Logistics Readiness Squadron Commander

MAJCOM—Major Command

MAT—Merchant Activity Type

MCC—Merchant Category Code

MCCG—Merchant Category Code Group

MDD—Medical Dental Division

MIPR—Military Interdepartmental Purchase Request

MDD—Medical Dental Division

MORD—Miscellaneous Obligation Reimbursement Document

MOU—Memorandum of Understanding

MPL—Micro-purchase Limit

NIB—National Industries for the Blind

NISH—National Industries for the Severely Disabled

NSF—Non-Sufficient Funds

OCONUS—Outside Continental United States

OGE—Office of Government Ethics
OPLOC—Operating Location (DFAS)
PCOLS—Purchase Card Online System
PCPMO—Purchase Card Program Management Office
PR—Purchase Request
RA—Resource Advisor
SF—Standard Form
SAP—Simplified Acquisition Procedures
SOA—Statement of Account
SPD—System Program Director
SPS—Standard Procurement System
RC/CC—Responsibility Center / Cost Center
RCRA—Resource Conservation and Recovery Act
RDS—Records Disposition Schedule
TDY—Temporary Duty
TMDE—Test Measurement and Diagnostics Equipment
USAF—United States Air Force
UCMJ—Uniform Code of Military Justice
USC—United States Code
VRU—Voice Response Unit
WCF—Working Capital Fund

Terms

Activity Type Codes— Codes developed and customized for each organization during the authorization process that alert the Bank to purchases that should be prohibited. The activity type codes are also encrypted on the magnetic strip of the card.

Agency/Organization Program Coordinator (A/OPC)— Designated servicing contracting office (SCO) employee responsible for managing the installation's GPC program including establishment, training, and surveillance.

Air Force Working Capital Fund Medical Dental Division (MDD)— Non-apportioned division of the AF Working Capital Fund used to manage medical supply and equipment and purchases.

Approving Official (AO)— The official appointed in writing by the organizational commander, director or civilian equivalent who is responsible for the oversight of one or more cardholders. Must review and approve each cardholder's monthly reconciliation of the Statement of Account (SOA).

Billing Cycle— The period of time, usually 30 days, in which all accumulated merchant charges or any credits are posted by the Bank to the cardholders' accounts. The billing cycle period for the Air Force is usually from the 20th of each month to the 19th of the following month.

Chief of Supply (COS)— The COS is the installation supply accountable officer.

Communications and Information Officer— The individual in the Communications Squadron who works with the user to devise, implement and approve the technical solution to meet their communications and information requirements.

Electronic Funds Transfer (EFT)— A process used to transfer payments of funds electronically. EFT is faster, more secure method of transferring funds versus using checks.

EPA Guideline Item— It is an item that is or can be made with recovered materials which is listed by the EPA in procurement guidelines and for which EPA has provided purchasing recommendations in a related Recovered Material Advisory Notice.

Financial Management Analysis (FMA)— The Air Force Financial Management Analysis (office symbol usually is FMF) that provides direct customer service to an assigned organization and acts as the liaison among wing, and tenant organizations, and the Defense Finance and Accounting Services Operating Location (OPLOC).

Head of the Contracting Activity (HCA)— The person designated in the Air Force FAR Supplement 5301.601-91 (or authorized designee).

Merchant Category Code— The Bank categorizes each merchant according to the type of business in which the merchant is engaged, and the kinds of goods and services provided. The Bank then assigns each merchant a corresponding 4 digit merchant code.

Merchant Category Code Group (MCCG) (Previously known as Merchant Account Type (MAT) Code)— These codes are a set of MCCS grouped together that are used to authorize activity on an individual's card and to flag those merchants that are not authorized for that cardholder. The codes assigned to cardholders shall be tailored to reflect their duties and the mission of their organization. The merchant codes are encrypted on the magnetic strip of the card.

Operating Location (OPLOC)— One of the Defense Finance and Accounting Service consolidated operating locations which provide accounting and paying services to DoD activities.

Pilferable Items— Items that have a ready resale value or application to personal possession and that are, therefore subject to theft. Examples of such items include cell phones, digital camera, fax machines, palm pilots, copier and printers.

Purchase Card On—line System (PCOLS) - Electronic system that aids in the management and accountability of GPC program. PCOLS is comprised of four web-enabled automated tools; Enterprise Monitoring and Management of Accounts (EMMA), Authorizations, Issuance and Maintenance (AIM) applications, Data Mining (DM), and Risk Assessment (RA).

Single Purchase Limit— The maximum amount authorized for a single purchase on a GPC. This limit cannot be exceeded. A "single purchase," however, may include multiple items.

Statement of Account (SOA)— The SOA is a monthly listing of all purchases made by the cardholder and all credits returned by the Bank during the previous billing cycle. The statement appears on the Bank's web-based, electronic access system.

Attachment 1 (944FW)

GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION

References

AFMAN 33-363, *Management of Records*, 01 March 2008

AFI 64-117, *Air Force Government-Wide Purchase Card (GPC) Program*, 20 Sep 2011

Adopted Forms

AF Form 847, *Recommendation for Change of Publication*

Prescribed Forms

944 FW Form 5, *Government-Wide Purchase Card Request and Checklist*.

Abbreviations and Acronyms

AF – Air Force

AFI – Air Force Instruction

AFMAN – Air Force Manual

GPC – Government Purchase Card

OPR – Office of Primary Responsibility

RDS – Records Disposition Schedule

Attachment 2

CERTIFYING OFFICER AND ACCOUNTABLE OFFICIAL REQUIREMENTS FOR THE GOVERNMENT PURCHASE CARD

A2.1. Background. DoD policy requires the appointment of Certifying Officers in accordance with Title 31, United States Code, section 3325. Certifying Officers have pecuniary liability for erroneous payments resulting from performance of their duties in accordance with Title 31, United States Code, Section 3328. Further, it is DoD policy that other officials involved in authorizing payments are accountable, and that these Accountable Officials are accountable for erroneous payments resulting from negligent performance of their responsibilities. DoD guidance is provided in DoD Financial Management Regulation, Volume 5, Chapter 33.

a. Certifying Officers. Certifying officers are responsible for certifying that payment vouchers are correct and proper for payment.

b. Accountable Officials. Approving officials and cardholders are designated as accountable officials and must attest to the accuracy of information and data provided to the Certifying Officer in support of the payment to the Bank. If identified by the installation commander or activity director, other personnel may also be designated as accountable officials. See paragraph 2.b.(3) below.

A2.2. Responsibilities and Certification Statements. a. Purchase Card Certifying Officers. Each Air Force Financial Management Analyst (FMA) that is not a Deputy Disbursing officer (DDO) will appoint the Certifying Officer, and an alternate, for certifying payments to the paying office (disbursing officer) for installation invoices/billing statements. In those cases where the FMA is the DDO, the Installation Comptroller will make the appointments. The Certifying Officer is responsible for the accuracy of payments, including the proper citing of appropriations or other funds, certified to the paying office and disbursing officer. Certifying Officers are liable for any illegal, improper, or incorrect payment processed by the Air Force Department as a result of any inaccurate or misleading certification. A Certifying Officer will not approve as proper for payment any charges which were known to be fraudulent or known to be made by an unauthorized cardholder. Suspected improper payments should be reported immediately; however, payment should still be made to the financial institution. Since payments are to the financial institution, the certifying officer is responsible for certifying the legality and accuracy of the information pertaining to the amount owed the financial institution, not for the total propriety of all the purchases made for the billing period. Every purchase made by an authorized cardholder using an authorized card creates a legal obligation of the government, even if it is in violation of public law or if it exceeds fund availability. In the event an approving official authorizes a purchase or a cardholder exceeds his/her limit, the invoice must be paid and sufficient funds must be obtained from the responsible fund holder.

(1) A Certifying Officer may be relieved from liability if the certification was based on official records and the officer did not know, and by reasonable diligence and inquiry, could not have discovered the correct information. For example, if a cardholder loses the card and fails to make the required notification, and unauthorized purchases are made, the Certifying Officer may be relieved from liability. Also, liability will not be assessed, in most cases, when (1) the obligation was incurred in good faith, (2) no law specifically prohibited the payment; and (3) the United States Government received value for payment.

(2) Certification of the invoice must be accomplished in accordance with “pay and confirm” procedures. Guidance for the “pay and confirm” policy is contained in DoD Purchase Card Reengineering Implementation Memo #3, Streamlined Financial Management Procedures. The memo states “...the Department and its Components shall implement a “pay and confirm” process whereby payment of invoices will be made promptly subject to follow-on verification of receipt and acceptance of goods.”

(3) The Financial Services Office is the designated billing office for each installation. The Certifying Officer, upon verification of funding, shall certify the invoice for payment and forward it electronically to the designated payment office. As identified in the DoD Purchase Card Reengineering Implementation Memo #1, use the following format for the Certifying Officer statement.

Figure A2.1. Certifying Officer Statement

Certifying Officer Statement	Date: _____
<p>Pursuant to the authority vested in me, I certify that this invoice (billing statement) is correct and proper for payment, except as may be noted herein or on supporting documents.</p>	
<p>_____ Authorized Certifying Officer Signature (or electronic signature)</p>	

(4) The official installation GPC invoice is available, on-line, via the Bank’s electronic access system. Starting on the second day after the end of the billing cycle, usually the 21st of the month, the Certifying Officer must verify that the amount of funding, by managing account, is sufficient to cover the total amount of the invoice. An increase to obligation amount must be posted if sufficient funds are not available. Not later than 7 days after the end of the billing cycle, the Certifying Officer must certify the invoice for payment on the “pay and confirm” basis.

(5) Certifying Officer must ensure confirmation procedures and controls are effectively in place. Prior to certifying the current month’s invoice, either (1) all confirmation statements from the prior month’s invoice must be received within 30 days or (2) notice by the A/OPC must be received that the cards with missing confirmation statements have been suspended or cancelled.

(a) If approving official accounts are not reconciled and approved before the next billing cycle, the Financial Management Analyst (FMA) must take documented follow-up actions. The FMA must run a report via the Bank’s electronic access system that lists all approving official accounts that have not been reconciled and approved since the close of the billing cycle. The FMA must notify the A/OPC in writing with the report as an attachment identifying which approving officials have not complied. The A/OPC will reduce the approving officials’ monthly limits to \$1, pending approval.

(b) When approving officials have indicated exceptions (other than questioned items or disputes) to the statements, appropriate and timely corrective actions must be taken.

(c) In accordance with AFI 64-117, paragraph **4.3.3.4.**, the A/OPC and the FMA should be notified immediately by any official or individual suspecting improper purchases.

b. Purchase Card Accountable Officials. Accountable Officials are accountable for erroneous payments that result from inaccurate information and data, including designation of the proper appropriations provided to the Certifying Officer, if the erroneous payment is the result of negligence relative to performance of assigned duties.

(1) Approving officials, and alternates, are designated as accountable officials. Each month, the approving official will review and approve, via the Bank's electronic access system, each of their cardholder's statements of account. The approving official is responsible for ensuring that established dollar amounts are not exceeded and all transactions are appropriate, given the duties of the cardholders and the mission of the unit. As an accountable official the approving official, via the Bank's electronic access system or by hand, must execute the following certification statement.

Figure A2.2. Approving Official Statement (as Accountable Official)

Approving Official Statement (as Accountable Official)	Date: _____
<p>I certify that the items listed herein are correct and proper for payment from the appropriation(s) designated thereon or on supporting vouchers, and that the payment is legal, proper and correct, except as may be noted herein or on supporting documents.</p>	
<p>_____</p> <p>Authorized Approving Official Signature (or electronic signature)</p>	

(2) Cardholders are also designated as accountable officials and must execute the appropriate certification. Cardholders must ensure purchases are authorized in accordance with guidance contained in this AFI. The cardholder's responsibility includes, as a minimum, reconciling their electronic statement of accounts with supporting documents not later than 3 work days after the end of the billing cycle. The cardholder must review the entire statement for accuracy, comparing each transaction with those recorded in the electronic order management log. In addition, a cardholder as an accountable official, must execute the following certification statement via the Bank's electronic access system or by hand.

Figure A2.3. Cardholder Statement (as Accountable Official)

Cardholder Statement (as Accountable Official)	Date: _____
I certify that except as noted herein or on supporting documents, the purchases and amounts listed on this account statement:	
<ul style="list-style-type: none"> (1) Are correct and required to fulfill mission requirements of my organization. (2) Do not exceed spending limits approved by the Resource Advisor. (3) Are not for my personal use or the personal use of the receiving individual. (4) Are not items that have been specifically prohibited by statute, by regulation, by contract, or by my organization? (5) Have not been split into smaller segments to avoid dollar limitations. 	
<p style="text-align: center;">_____ Authorized Cardholder Signature (or electronic signature)</p>	

(3) At the discretion of the installation commander, director of the activity or equivalent, A/OPCs, resource advisors, automated information system administrators or other officials may be identified as accountable officials to the extent they provide data to support the Certifying Officer's certification. If identified by the installation commander or activity director, the Certifying Officer shall designate each individual, in writing, and the individual shall provide appropriate accountable official certifications to the Certifying Officer.

Attachment 3

AIR FORCE GPC FUND CITE AUTHORIZATION (AF FORM 4009)

GOVERNMENT PURCHASE CARD FUND CITE AUTHORIZATION				
DOCUMENT NUMBER:	DATE ISSUED	CHANGENO.	EXPIRATION DATE	MASTER ACCOUNT CODE
INSTRUCTIONS TO APPROVING OFFICIAL				
<p><i>This form is to be used by the Approving Official (AO) to request authority to expend funds for Government Purchase Card transactions.</i></p> <p><i>This funding document is issued to establish a Master Account Code assigned to the accounting classification cited below. This document also supports the reservation of funds when applicable.</i></p> <p><i>An amount equal to 1/3, 1/2, or the remaining balance of the quarterly amount will be obligated during the month that this document remains in effect. The accounting classification below will be charged for all authorized purchases made by approved cardholders.</i></p> <p><i>Cardholders are required to maintain a transaction log with a running balance of available funds.</i></p> <p><i>Cardholders must not expend funds after the expiration date shown below even if an available balance remains.</i></p> <p><i>If cumulative expenditures exceed the commitment amount shown below, the cardholder and Approving Official can cause a violation of DFAS-DE7200.1R and may be held pecuniarily liable and be subject to disciplinary action.</i></p> <p><i>A separate funding document and Purchase Card account must be established for purchases to be charged to a different appropriation.</i></p> <p><i>Failure to certify and promptly submit the Approving Official's Monthly Summary Statement will result in the withdrawal of funding.</i></p> <p><i>Return this document to the Financial Services Office (FSO) upon expiration.</i></p>				
REMARKS				
REQUESTING OFFICIAL	OFFICE SYMBOL	RESOURCE ADVISOR	OFFICE SYMBOL	
PHONE NO.		PHONE NO.		
PRIOR QUARTERLY AMOUNT	INCREASE (+)	DECREASE (-)	NEW QUARTERLY AMOUNT	
ACCOUNTING CLASSIFICATION				
FUND CERTIFYING OFFICIAL'S STATEMENT I CERTIFY THAT THE NEW QUARTERLY AMOUNT ABOVE WILL BE AVAILABLE ON THE FIRST DAY OF EACH QUARTER UNLESS OTHERWISE ADVISED BEFORE THAT DATE.		APPROVING OFFICIAL'S STATEMENT I CERTIFY THAT I WILL NOT APPROVE AN IMPAC PURCHASE THAT WILL CAUSE THE TOTAL IMPAC PURCHASES TO EXCEED THE FUNDING DOCUMENT.		
SIGNATURE		SIGNATURE		
TYPE NAME OF FINANCIAL SERVICES OFFICER OR OFFICIAL DESIGNEE		TYPE NAME OF APPROVING OFFICIAL		
ADDRESS		ADDRESS		
TELEPHONE NUMBER		TELEPHONE NUMBER		

AF FORM 4009, 19970901 (EF-V2)

Note: Inclusion of the primary AO and Alt AO is required. Inclusion of CH info is not required.

Attachment 4

SAMPLE DELEGATION OF CONTRACTING AUTHORITY LETTER

MEMORANDUM FOR (*Cardholder's Name and Title*)

FROM: (*Name and Title of HCA designee*)

SUBJECT: Delegation of Contracting Authority for Government Purchase Card Use

You have successfully completed the mandatory Government Purchase Card training program. You are, therefore, authorized to obtain supplies and non-personal services and to pay for them using the Government-wide Purchase Card. Any single purchase delegation shall not exceed the authorized delegation limits assigned herein (**\$2.5K for services, \$2K for construction, \$3K for goods, etc.**) and spending cannot exceed aggregate available balance of AF4009 and available credits on management account/cardholder account.

The supplies and non-personal services you obtain with the purchase card must be for official Government requirements and be consistent with your assigned responsibilities and your card purchase limits, including commodity restrictions, set by your approving official. This authorization does not exempt you from the requirement to obtain certain supplies from required sources of supply listed in Federal Acquisition Regulation (FAR) Part 8, or from other organizations which have been given exclusive contracting authority for that commodity or service.

All purchases using the purchase card shall comply with applicable laws and regulations, including but not limited to the FAR and AFI 64-117. If you purchase such supplies or services, you shall be subject to fines and adverse disciplinary action for misusing the purchase card.

Your approving official will periodically review your use of the purchase card. He/she may determine that you no longer need to use the card and cancel it. He/she may also confiscate your card or, in less severe cases, reduce your monthly purchase limit to \$1.00 until such a time that satisfactory remedial training has been accomplished. The types of violations which may result in cancellation or suspension of the account include but are not limited to: allowing someone else to use your card; failing to perform timely reconciliation; or failing to resolve disputed charges.

When you separate from (*insert name of activity*), through dismissal, retirement, transfer, or for any other reason, this delegation is automatically terminated and the purchase card must be returned to your approving official for destruction.

Attachment 5

GPC SURVEILLANCE GUIDE

Surveillance is one of the cornerstones of a strong, viable GPC Program. It is imperative that an impartial review of accounts is conducted to ensure appropriated funds are being used correctly for valid organization requirements. As an aid to your surveillance reviews, questions such as these may be used to review accounts and document compliance with procedures associated with use of the GPC. This is not an all-inclusive guide. MAJCOM/FOA/DRUs or local installations may supplement this guide as needed. This information (along with local supplemental questions) may be incorporated as an Air Force form by overlaying the information onto an AF Form 2519, *All Purpose Checklist*, as an OVERPRINT.

Approving Official Account

GPC REVIEW

1. Does the approving official have a letter of appointment signed by the organization commander/director, which designates him/her as an approving official? Para 3.2.1.
2. Has the approving official received a minimum of 4 hours training from the A/OPC on Air Force GPC procedures? Para 3.1.1.
3. If the approving official is a cardholder, is his/her cardholder account assigned to another approving official? Para 2.3.4.1.
4. Is the approving official's supervisor(s) a cardholder in any of the approving official's accounts? Para 2.3.4.1.
5. Has the approving official accomplished surveillance of each of their cardholder's accounts within the past 12 months? Para 5.1.3.2.
6. Does the approving official review and approve Statement of Account within 15 days after the end of the billing cycle? Para 2.3.4.2.3.1.
7. Does the approving official promptly forward requests to cancel accounts to the A/OPC ? Para 3.4.1.2.
8. Has the approving official notified the Level 4 Program Office when adjustments to the funding document are required? Para 3.4.1.2.
9. Has the approving official notified the A/OPC of any lost/stolen cards within 5 workdays of the loss/theft? Para 3.5.
10. If approving official has Convenience Check accounts within his/her account, are quarterly surveillance reviews conducted? Para 4.4.1.5.

11. Have any Convenience Check accounts under the approving official written checks for more than the micro-purchase threshold? Para 4.4.1.6.
12. Does the approving official have a Convenience Check account in his/her name? Para 4.4.2.2.
13. Has the approving official verified all convenience checks written are recorded in the DFAS 1099 Tax Reporting Program in accordance with the TD Form 1099 MISC? Para 4.4.1.11.
14. Does the approving official maintain original supporting documentation for closed cardholder/check writer accounts? Para 2.3.4.2.5.
15. Does the approving official coordinate with the FMA to determine when all prior year purchases have been billed and paid? Para 3.7.3.3.2. and 3.7.3.3.4.
16. Does the approving official coordinate with the FMA to establish funding document for the new fiscal year? Para 3.7.2.3.
17. Was surveillance accomplished within 30 days following conclusion of cardholder contingency/exercise deployment? Para 5.1.3.5.
18. Did approving official participate in refresher training sessions or receive updated refresher training information? Para 3.1.2.
19. Did the A/OPC review 25% of the cardholders assigned to each approving official during the annual inspection? Para 5.1.2.1.
20. Taking into consideration their other duties and the number of transactions that their cardholders make each month; does the number of cardholders assigned to each approving official allow them to adequately monitor their cardholders purchase activity? Para 3.2.2.

Cardholder/Check Writer Accounts

GPC REVIEW

1. Does the cardholder have a letter delegating specified procurement authority from the contracting squadron commander/director of contracting for the installation? Para 2.3.2.2.
2. Has the cardholder received a minimum of 4 hours training on AF procedures for using the GPC? Has the cardholder participated in refresher training sessions or received refresher training material? Para 3.1.1. and 3.1.2.
3. Purchase Limits:
 - a. Does the cardholder have an open-market purchase limit which does not exceed the micro-purchase threshold? Para 2.3.2.2.1.
 - b. Does the cardholder have a \$25,000 limit for orders off pre-priced contracts and BPAs? Para 2.3.2.2.2.
 - c. Does the cardholder have established monthly limits which are complied with? Para 3.3.1. and 3.3.1.2.
4. Are all purchases documented in the electronic order management log? Para 3.6.9.
5. Does the cardholder's log reflect documented authorizations, required under AFI-64-117, for any purchase requiring an authorization? Para 4.2.
6. Were any construction services approved on an AF Form 332 and under \$2,000? Para 4.2.10.
7. Did cardholder coordinate with their resource advisor or Base Contracting Squadron/Office before acquiring repair services? Para 4.3.2.
8. Did the cardholder make only authorized purchases? (If answer is No, describe in "Comments" at the end of this review.) Para 4.5.1. through 4.5.1.25. and 4.5.1.26.
9. If cardholder is a Contingency Contracting Officer and the card was used in place of the official Government-wide travel card, were the reasons documented. Para 4.1.7.1.
10. If the cardholder is a Contingency Contracting Officer and open-market single purchases were made over the micro-purchase threshold (up to \$200K), was a written order (SF1449 or SF44) issued to support the purchase? Para 4.1.7.8.3.

11. Did cardholder comply with purchasing green products and services in accordance with guidance and regulations as it applies to the GPP and if any item did not meet minimum standards, is the applicable written determination on file? Para 3.1.4.2. and 3.6.8.
12. Convenience Check Accounts:
 - a. Have any checks been issued for more than the micro-purchase threshold? Para 4.4.1.6.
 - b. Are the check administrative costs (1.7% of the face value of the check CONUS, 2% OCONUS) accounted for in the check writer's purchase log? Para 4.4.1.8.
 - c. Are internal controls established to avoid duplicate payments for any checks which are mailed? Para 4.4.1.9.
 - d. Does check writer capture all necessary TD 1099 data for IRS reporting? Para 4.4.1.11.
 - e. Are checks stored in locked containers when not in use? Para 4.4.1.12.
 - f. Have any checks been written by someone other than the checking account holder? Para 4.4.2.2.
 - g. If Stop Payment actions were processed against any check, was the \$25 charge deducted from the funds available on the AF Form 4009? Para 4.4.5.2.
 - h. Does check writer account for checks written but not processed by the Bank when reconciling his/her account to assure adequate funds are available? Para 4.4.5.2. and 4.4.5.4.
13. Does the cardholder have a signed statement of training on file with the A/OPC? Para 3.1.1.
14. Did the cardholder allow others to use his/her card? Para 2.3.5.
15. Were all items purchased available within the same or next billing cycle (unless vendor agreed to bill when shipment is made)? Para 3.6.3 and 3.6.11.2.
16. Did cardholder pay tax on any purchase? Para 3.6.4.
17. Did cardholder comply with requirements to purchase items IAW FAR Part 8 (FPI, NIB/NISH)? Para 3.6.6.
18. Did cardholder rotate sources when placing repeat orders, when practical? Para 3.6.5.
19. Did the cardholder document all telephone, mail order and internet transactions in their electronic order management log? Para 3.6.11. and 3.6.12 .
21. Does cardholder maintain supporting documentation? Para 3.6.15.

22. Does cardholder reconcile account statements within the established time periods? Para 3.6.16.

23. If cardholder will be or on leave, does he/she forward supporting documentation as required by the approving official prior to departure? Para 2.3.5.12.

24. If the cardholder is authorized to make purchases in excess of the micro-purchase threshold and has made purchases off of federal supply schedules or blanket purchase agreements, have they documented their comparison of at least three schedules/agreements? Para 4.1.3.

COMMENTS: *This area may be used to provide information on the overall condition of cardholder account. Please address good areas, any problems found, and any actions taken as a result of this review. The approving official, or A/OPC, MAJCOM/DRU/FOA may want to establish some indicator to define the overall condition of the cardholder's account, such as Outstanding, Excellent, Satisfactory, Unsatisfactory, and provide definitions of what each rating represents. This is optional.*

If violations of procedures are discovered during the surveillance, the approving official should include a RECOMMENDATION describing what should be done to prevent a recurrence of the violation.