

Regulation No.
715-1-13

18 May 2004

Procurement
GOVERNMENT PURCHASE CARD PROGRAM
RESPONSIBILITIES, PROCEDURES, AND INTERNAL CONTROLS

1. **Purpose.** This regulation describes authority and administrative procedures for micropurchases (purchases at or below \$2,500) using the Government Purchase Card Program (GPC) at Little Rock District (SWL) Army Corps of Engineers. As directed by the Office of the Undersecretary of Defense (Acquisition & Technology) Memorandum - "Micropurchase Approval Authority" dated 2 October 1998, a written determination by a member of the Senior Executive Service (SES), Flag Officer, or General Officer (GO) is required if a contract or purchase order is to be used in lieu of the Purchase Card for any type of award/order valued at or below \$2,500 that does not use the purchase card on a stand-alone basis or as the method of payment. SWL purchase card procedures shall be used in conjunction with references noted in paragraph 3a-f below, as well as the SWL Contracting Division GPC Standard Operating Procedures (SOP), which will be issued to all participants of the GPC. If there is a conflict between the SWL GPC procedures and any of the below-noted references, applicable acquisition regulations shall govern.
2. **Applicability.** This regulation is applicable to all billing officials, cardholders, checking account holders of the GPC program, and all SWL elements, as appropriate.
3. **References.**
 - a. Federal Acquisition Regulation (FAR).
 - b. Department of Defense FAR Supplement (DFARS).
 - c. Army Federal Acquisition Regulation Supplement (AFARS).
 - d. Department of Defense Government Purchase Card Program Management.
 - e. Army Standing Operating Procedure for the GPC.

This regulation supersedes SWLR 715-1-13 dated 27 December 1996.

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f. Principal Assistant Responsible for Contracting (PARC), HQUSACE Purchase Card Procedures.

4. **Responsibilities.**

a. Chief, Contracting Division:

(1) Ensure adequate resources are dedicated to the GPC Program within their installation/activity to allow effective completion of GPC administration.

(2) Appointment of Billing Officials as Certifying Officers to certify the government purchase card billing statement for payment.

(3) Delegation of purchase authority to GPC participants.

(4) Appoint Program Coordinator; ensure coordinator receives program training, as well as training in general contracting subjects to allow for career progression to monitor/manage program and resolve problems.

(5) Maintain statistics (management reports, etc.) relative to the program.

b. Chief, Logistics Management Office:

(1) Ensure review of statements of account by the district PBO for property accountability and inventory. Bar code accountable property purchased through the credit card program.

(2) Assist Chief, Contracting Division with training requirements for property accountability.

(3) Ensure appropriate resource codes are entered on the PR&C's so that technical approvals for purchases of furniture and information technology (IT) items are received.

(4) Assure PBO appoints all cardholders in writing as central receiving agents prior to receiving for items in CEFMS.

c. Chief, Information Management Office:

(1) Ensure technical approval for purchase of information technology (IT) items, books, and periodicals through the GPC program.

(2) Manage all printing requirements for the District through the Government Printing Office program.

d. Division/Office Chiefs: Recommend by name all cardholder(s) and billing official(s) within their organization to establish the monthly office limits and types of restricted purchases.

The single purchase limit, as well as the monthly cardholder limit should be indicated. The office limit (total sum of all cardholder monthly limits under the billing account) will be computed by the Agency Program Coordinator (APC) when initiating new billing accounts

e. USACE Finance Center: Ensure disbursement of payment to the credit card contractor through CEFMS after verification and certification by billing officials of monthly billing invoices in accordance with the Prompt Payment Act.

f. Agency Program Coordinator:

(1) Program management, oversight, and problem resolution for the Chief, Contracting Division.

(2) Primary liaison to the contractor (currently, U.S. Bank) for the SWL purchase card program.

(3) Serve as the representative on technical matters and establish GPC policy and guidance for the SWL purchase card program.

(4) In conjunction with the requesting activities, determine the number of cardholders, authorized limits, and activity codes. Request, manage, and maintain billing and purchase card accounts; request cards from contractor.

(5) Provide/coordinate training and instruction on purchase card procedures for prospective billing officials, cardholders and checking account holders. Provide appropriate printed purchase card guidance to each GPC participant.

(6) Conduct annual surveillance of cardholder performance to ensure adherence to program regulations. Ensure proper controls are in place to prevent potential fraud, waste, and abuse. Determine appropriate span of control (not more than seven cardholders per billing official) is executed.

(7) Serve as Transaction Disputes Officer (TDO) for the Little Rock District. Billing disputes should be addressed through the APC at (501)324-5724.

g. Billing Officials:

(1) Review each cardholder's statement of account (SOA) for purchases made within the 30-day billing cycle to ensure that all transactions meet appropriate legal requirements for authorized card/check purchases.

(2) Work with cardholders to resolve questioned items. Ensure proper implementation of dispute procedures when questioned items are not resolved.

(3) Be pecuniary liable for payments in accordance with the provisions of 31 U.S.C. 3528.

(4) As necessary, coordinate with APC, U.S. Bank, and account holders to determine the status of unpaid balances and reconcile any delinquency on the billing invoice.

(5) Inform the program coordinator of any credit card cancellations or necessary changes to accounts.

(6) Maintain the original card/check account monthly statements, receipts and sales drafts with the original monthly billing invoice for a period of six years and three months.

(7) Certify payment of the monthly billing invoice not later than the 15th calendar day of each month. Act in the absence of the cardholder to reconcile monthly card/check account statement, including performing CEFMS functions, in order to assure timely payment of the billing invoice.

h. Card/Checking Account Holders:

(1) Make credit card purchases in accordance with delegated authority. Maintain file copy of delegation of purchase authority for audit purposes.

(2) Obtain certification of funds before making a purchase. Funds shall be certified through the Corps of Engineers Financial Management System (CEFMS), and certification date shall be an official part of GPC documentation files.

(3) Ensure items are purchased from mandatory sources of supply in accordance with Federal Acquisition Regulations Chapter 8 before proceeding with local purchase. Office products shall be purchased in accordance with PARC Instruction Letter (PIL) 2003-02 "Mandatory Use of Blanket Purchase Agreement (CPAs) for Office Products for the Army".

(4) Use the "Pay and Confirm" method of payment for items billed but not received. Forward a copy of the completed cardholder SOA to the Property Book Officer (PBO), Logistics Management Office, monthly, for review of property item purchases.

(5) Ensure the original card/check account statements, receipts and sales drafts are filed with the original billing invoice.

(6) Follow procedures established in the SWL GPC SOP to allow uniform standard of operation throughout the district.

5. **General Instructions.**

a. Purchase limits.

(1) Single purchase limit is the maximum amount authorized for a single purchase transaction, whether it is one or multiple items. The single purchase limit will not exceed \$2,500 per cardholder.

(2) The monthly cardholder limit is the limit set for purchases for the account during the 30-day billing cycle. Monthly limits will vary among account holders depending upon office budgets, requirements and number of cardholders. Monthly limits will be recommended by nominating officials and reviewed by the agency program coordinator. As a deterrent to fraud, limits should be set prudently. Total dollar value of purchases during a 30-day period will not exceed the monthly cardholder limit.

(3) The office limit is the combined total of all cardholders' monthly limits under each billing account.

b. Statement of Account.

(1) The credit card contractor is responsible to provide monthly billing information at the end of each 30-day cycle, ending on the 23rd of the month. Each cardholder receives a statement of all charges made during the 30-day cycle. Each billing official receives a composite statement of all cardholder charges for which he/she has billing invoice authority. The APC receives a summary report of all transactions processed during the billing cycle.

(2) In addition to the documentation required by cardholders in paragraph d. above, cardholders will note any errors on the monthly invoice in the space provided and communicate with the contractor in an effort to resolve problems before initiating questioned items (dispute) procedures. If a card/check account holder is scheduled to be on leave or TDY when the monthly statement is to be processed, he or she should make every effort to forward all supporting documentation to the billing official prior to leaving. The billing official will assume responsibility for processing the cardholder monthly statement for payment in a timely manner. The billing official must sign the monthly statement in the absence of the cardholder.

(3) Authorization is sought automatically by electronic means for all purchases at point-of-sale. The bank card authorization system checks each individual cardholder's single purchase limit, 30-day limit, and billing official limit before the transaction is approved.

c. Disputed charges. When a purchase is disputed and cannot be resolved with the merchant, a "Cardholder's Statement of Questioned Item" (CQSI) must be completed and submitted to the credit card contractor within 45 days of the date of the cardholder statement. The "pay and confirm" method of managing a disputed item is the acceptable method, however, the decision whether to dispute or pay and confirm should be coordinated with the TDO. When disputed, a transaction shall be suspended for follow-up until resolution is obtained. A copy of the CQSI will be included in all following monthly billing invoice file documentation until resolution. Payment for an item in dispute may be withheld, pending resolution of the problem and/or settlement of the dispute, which is ultimately determined by the credit card contractor.

d. Training requirements. Cardholders will not be authorized to make any purchases until they have successfully completed:

(1) A training course administered under direction of the Chief, Contracting Division.

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(2) Defense Acquisition University on-line DOD Government Purchase Card Training.

(3) Ethics Training.

(4) Refresher training every two years.

e. Taxes. When purchasing supplies/services, the cardholder shall inform the merchant that the purchase is not subject to state and local sales tax. The GPC is imprinted "U.S. Govt. Tax Exempt". When tax is charged in error, the "pay and confirm" method of recovering the amount charged will be used; taxes are not disputable according to the GSA contract for the GPC program.

f. Lost or stolen cards.

(1) It is the responsibility of the cardholder to notify the credit card contractor (U.S. Bank) immediately upon realization of a lost or stolen card. The cardholder shall also notify their APC and billing official within one workday after discovery of the loss.

(2) The billing official will submit a written report to the Chief, Contracting Division explaining the loss. The report will include the date of loss, location where the loss occurred (if known), the last purchase made and any other relevant information.

g. Delinquencies. All participants of the GPC program must be aware that the purchase card program operates via a significant line of credit from U.S. Bank. All micropurchases using the Purchase Card are coded as "Fast Pay" in CEFMS, meaning that delay of payment for a certain date is waived. These can be paid through CEFMS without a receiving report. Should an invoice be received prior to execution of the receiving report, that invoice must be paid; however, an electronic receiving report will be done when the item is actually received. DOD policy is to "pay and confirm" (also known as "pay and chase"), i.e., payment of the invoice as presented and validation of charges after the fact. Delinquencies are known to the banking system and to the DOD community, are posted on the DOD Program Management web page and monitored. Delinquent accounts cannot be tolerated. Excessive delinquencies will be cause for inactivation of the account.

6. Authorized Use of the GPC.

a. Each cardholder receives his/her own purchase card with their name embossed. No other person is authorized to use the card.

b. The purchase card shall only be used for authorized U.S. Government purchases for supplies and services. Supplies must be readily available at the time of commitment by telephone or store visit and shipped at the same time. Back orders are not authorized.

c. Construction services up to \$2,000 may be charged on a purchase card.

d. The GPC is the required method of payment for commercial training up to \$25,000. CEFMS requirements for DD1556 must be met.

7. **Purchases Requiring Technical Authorization.** Requests for the following commodities or services require the cardholder to obtain approval (normally through CEFMS) before making the purchase. Use of the proper resource code will facilitate technical approvals electronically.

a. Books and manuals. The Technical Resource Center (TRC) will provide technical approval, and may have funds to support such purchases.

b. Information Technology. Information Management (IM) technical approval is required before purchasing IT (software, hardware, IM supplies, and services). A proper ITIPS number is also required to obtain technical approval of information technology. The ITIPS number will be obtained through a process identified by Information Management, and must correspond to the item being purchased.

c. Except for major systems, telecommunications may be purchased with the GPC.

d. Furniture. Logistics Management Office will provide technical approval for furniture items.

e. Printing. Printing through Defense Automated Printing Service (DAPS) at SWL shall be coordinated through Information Management Office.

f. Advertisements and public notices in newspapers. Commander's approval is required.

8. **Unauthorized Use of the Card.** In accordance with the references in paragraph 3 above, the GPC may not be used for:

a. Cash advances.

b. Travel related purchases including: Rental/lease of motor vehicles associated with travel or temporary duty supported by travel orders (purchase of airline, bus or train tickets); purchase of meals, drinks lodging, or other travel or subsistence costs associated with official government travel (required use of the government travel card).

c. Rentals or leases of land or buildings exceeding 30 days.

d. Repair of leased vehicles when the lease provides for service/maintenance.

e. Purchase of major telecommunications services.

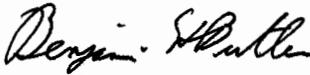
f. Purchase of hazardous/dangerous items such as explosives, munitions, toxins, firearms, unless local purchase authority is granted by the Commander or his designee. APCs, billing officials, and cardholders are cautioned that special clauses may be required for these items. To

this end, a separate procurement instrument must be issued from the Contracting Division or other authorized warranted Contracting Officer and the card used only as a payment method.

- g. Purchases of personal services.
- h. Purchases of construction services exceeding \$2,000 (Davis-Bacon Act).
- i. Refreshments (except in accordance with CERM-F Memorandum titled "Conference Light Refreshments Policy" dated 11 Mar 2003).
- j. Printing services provided by commercial sources. Cardholders shall use the Defense Automated Printing Service (DAPS) in accordance with procedure set forth herein, or any government printing/copying office (purchase cards are accepted by these required printing sources).
- k. Employee gifts, entertainment, business cards, personal accessories, gifts for contractors, plaques or trophies for non-government personnel, conference mementos.

9. **Accountable Property.** Billing Officials and their cardholders are responsible for ensuring that all purchases for personal property items are input into CEFMS as property items and not services. To maintain property accountability and visibility, each item of personal property must be separately identified. A CEFMS receiving report must be processed. Prior approval of the Property Book Officer (PBO) is required for purchases of accountable property in accordance with LTG Ballard's directive, "Personal Property Accountability" dated 14 April 1998 and the associated CELD memorandum, subject: Personal Property Standard Business Process, 14 April 1998. Failure to report and correctly process accountable property purchases may result in deactivation of the card. A decision to deactivate an account for failure to report accountable property may be made by the APC, by the Chief of Contracting, or the deactivation decision may be made by the Commander or his Deputy, based upon PBO recommendation. Such a decision is not appealable. Purchase authority is delegated to cardholders and may be rescinded for cause at any time.

10. **Departing GPC Participants.** Cardholders leaving employment at SWL are required to destroy the purchase card and submit an I.M.P.A.C. Card Destruct Notice, through their billing official, to the Program Coordinator (CESWL-CT-P). All participants of the GPC program leaving employment at SWL are required to clear the station through the APC, Contracting Division.


BENJAMIN H. BUTLER
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Commander

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