

DON Purchase Card Program

*Agency Program Coordinator
(APC)
Desk Guide
(WinSALTS)*



DON Purchase Card Program
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Desk Guide
(WinSALTS)



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Section I: Program Orientation

1. Send Us Your Comments

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

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

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

- Electronic mail: linda_k_bailey@fmso.navy.mil
- FAX: 717.605.9362 Attn: Purchase Card Training
- Postal service:

Department of the Navy
eBusiness Operations Office
Card Management Group, Purchase Card Training
5450 Carlisle Pike, P.O. Box 2050
Mechanicsburg, PA 17055-0791

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

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2. Overview:

a. Purpose

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

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

b. Benefits

1) Cardholders/Activity Benefits:

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

2) DON Benefits:

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

3) Vendor and Supplier Benefits:

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

c. Major Roles:

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

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

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

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

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3. How the DON Purchase Card Program Works

a. The Processes

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

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

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

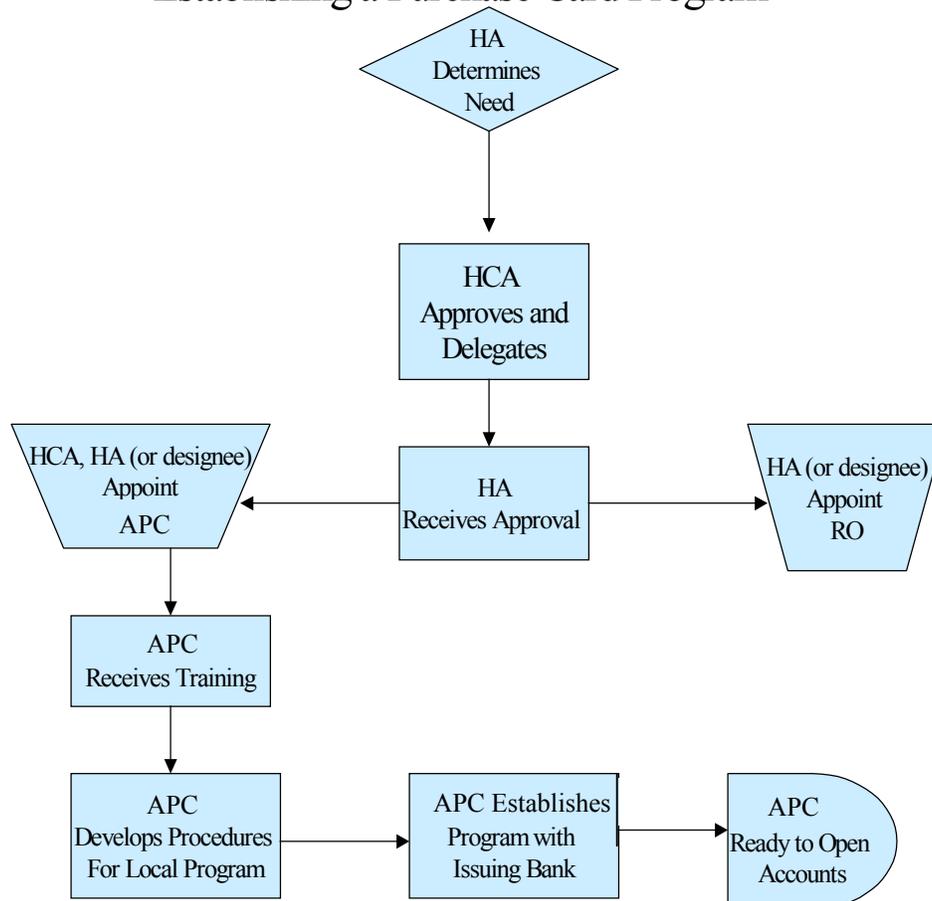
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b. Establishing a Program

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

Establishing a Purchase Card Program



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

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

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

The APC must complete the required training and become familiar with all guidance governing the organization's program. This may include, but is not limited to, Federal Acquisition Regulations (FAR), Defense Federal Acquisition Regulations (DFAR) and the EBUSOPSOFFINST 4200.1. The APC is responsible for developing and promulgating any local policy and procedures (Internal Operating Procedure) mission specific to the activity.

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

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

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c. Training Requirements

1. Navy/Marine Corps Purchase Card Training and Interactive Customer Assistance CD ROM (web-based).
 - a. **All** prospective Agency Program Coordinators, Approving Officials and Cardholders are required to successfully complete this training prior to appointment.
 - b. **All** program participants are required to successfully repeat this training as a refresher every two years.
 - c. Documentation of successful completion of the training must be retained by the individual and the Agency Program Coordinator for the duration of the individual's appointment.
2. Additionally, purchase cardholders who have been delegated contracting/purchase authority via an SF 1402 (Certificate of Appointment) must complete one of the following courses:
 - a. NAVSUP Simplified Acquisition Course;
 - b. CON 101, Contracting Fundamentals or CON 202, Intermediate Contracting.

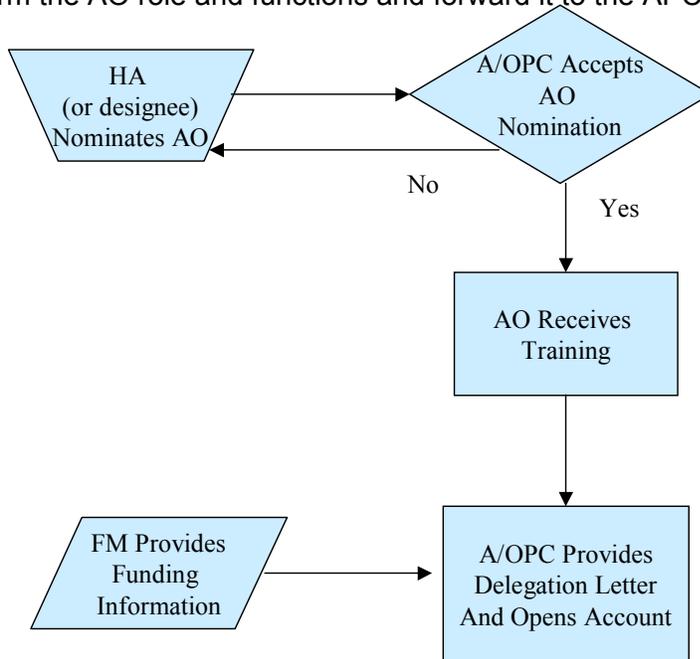
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d. Approving Official (AO) Account Set-Up

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

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



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

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

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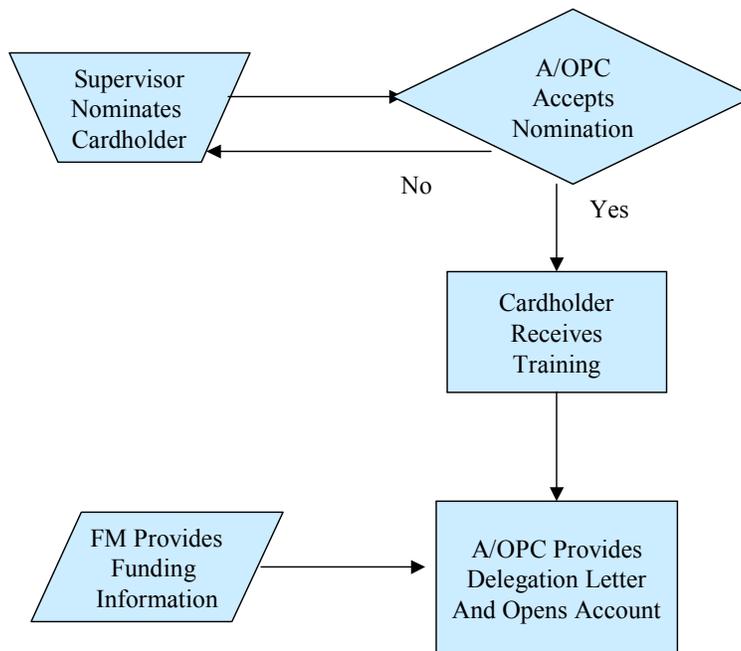


The APC then provides the AO with a written Letter of Delegation and opens the account with Citibank.

e. **Cardholder (CH) Account Set-Up**

To establish a purchase card account, first an individual must be designated as the responsible account holder. (Exceptions to this are made on a case by case basis for accounts issued as unit cards versus individual cards. However, these exceptions must be approved by the DOD Joint Purchase Card Program Office and coordinated with Citibank.)

Cardholder Account Set-Up



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

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

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

After all information is complete, the APC provides the CH with a Letter of Delegation and opens a purchase card account with Citibank. This same process is utilized when establishing a convenience check account.

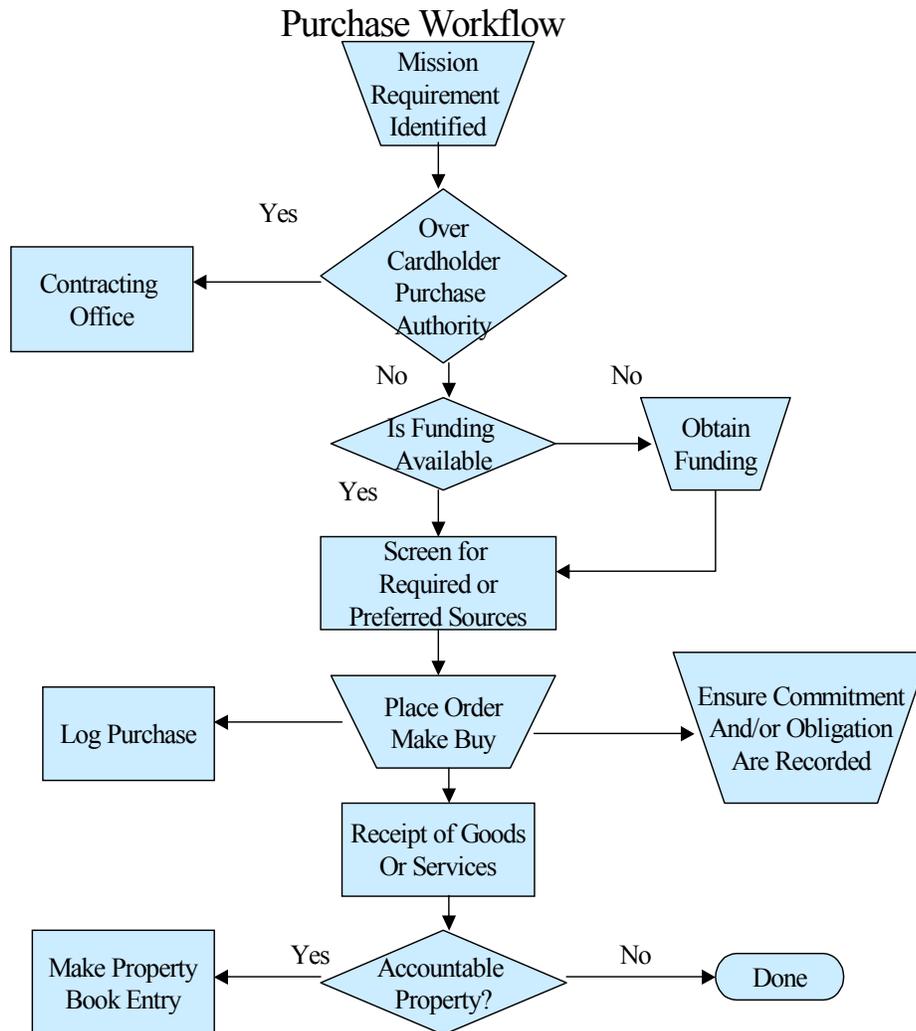
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f. Purchase Workflow

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

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



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

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If it is determined that the total purchase is within the CHs authority, the item(s) must then be reviewed in accordance with mandatory sources of supply, such as National Industries of the Blind (NIB), as specified in the FAR, DFAR and local governing instructions. Organizations may also designate preferred sources, such as Indefinite Delivery, Indefinite Quantity (IDIQ) type contracts, existing Blanket Purchase Agreements (BPAs), etc that are to be used in purchasing items for that organization. The requested item must not be prohibited by law or regulation or require special approvals. Funding must be available to cover the purchase.

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

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

After the CH has placed the order or made the purchase, he/she must make an entry in the purchase log. A list of the data items required to be entered into the log for use in reconciliation of the cardholder statement is included in section 2.8 of the Cardholder Desk Guide.

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

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

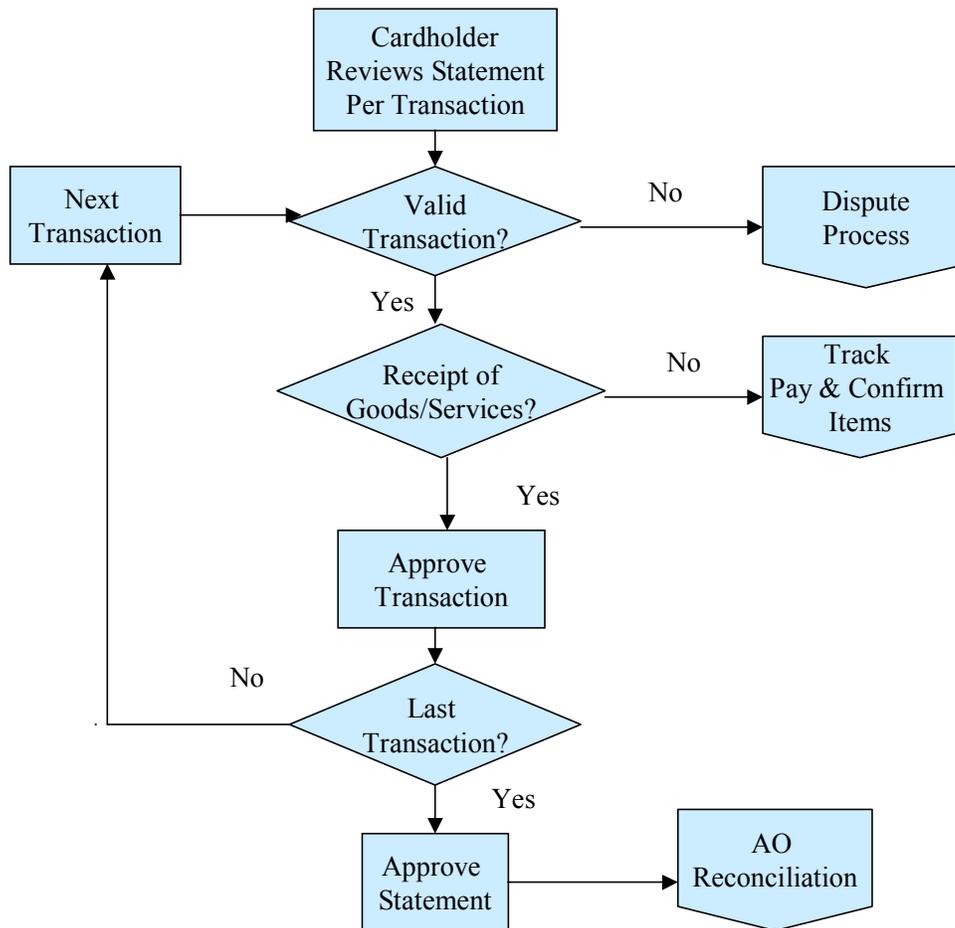
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g. Cardholder (CH) Account Reconciliation

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

Cardholder Account Reconciliation



The CH must review each transaction and match it to the previously made purchase log entry to determine validity.

If the transaction is invalid, the CH must immediately initiate a dispute with Citibank. The dispute must be filed in accordance with the procedures outlined by Citibank. The details of the dispute process are included in section 2.15 of the Cardholder Desk Guide.

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

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

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

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

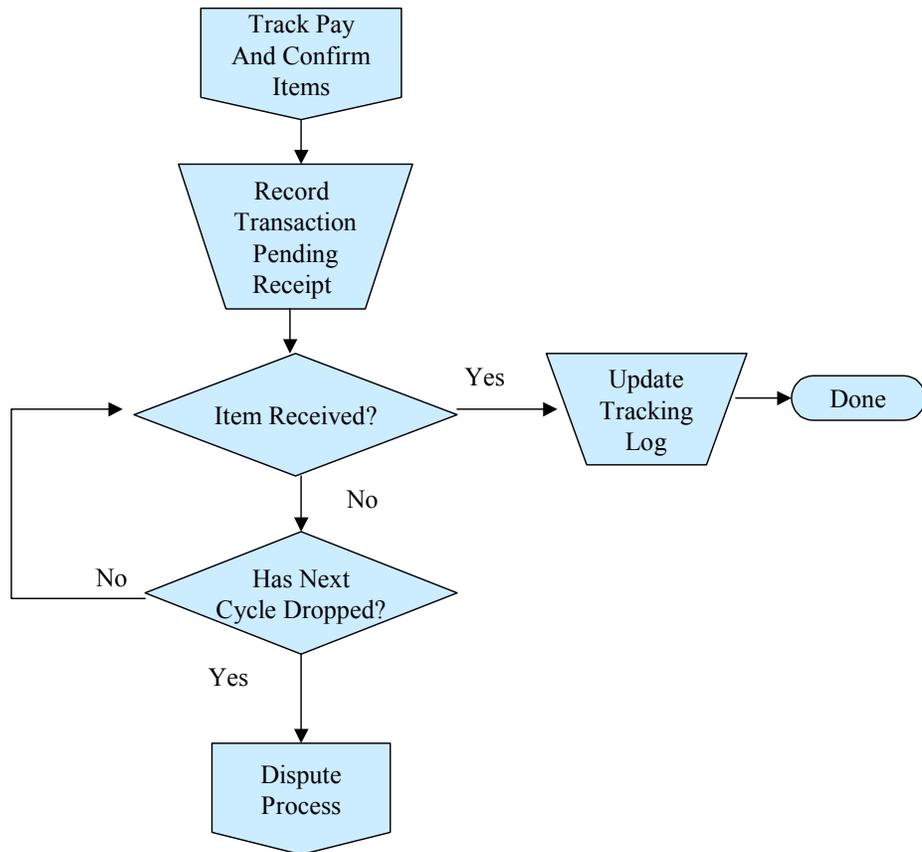
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h. Pay & Confirm Process

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

Pay and Confirm Process



If the next statement cycle has occurred and the organization is still not in receipt of the goods and/or services, the CH must file a dispute. Detailed instructions for the dispute process are included in section 2.15 of the Cardholder Desk Guide.

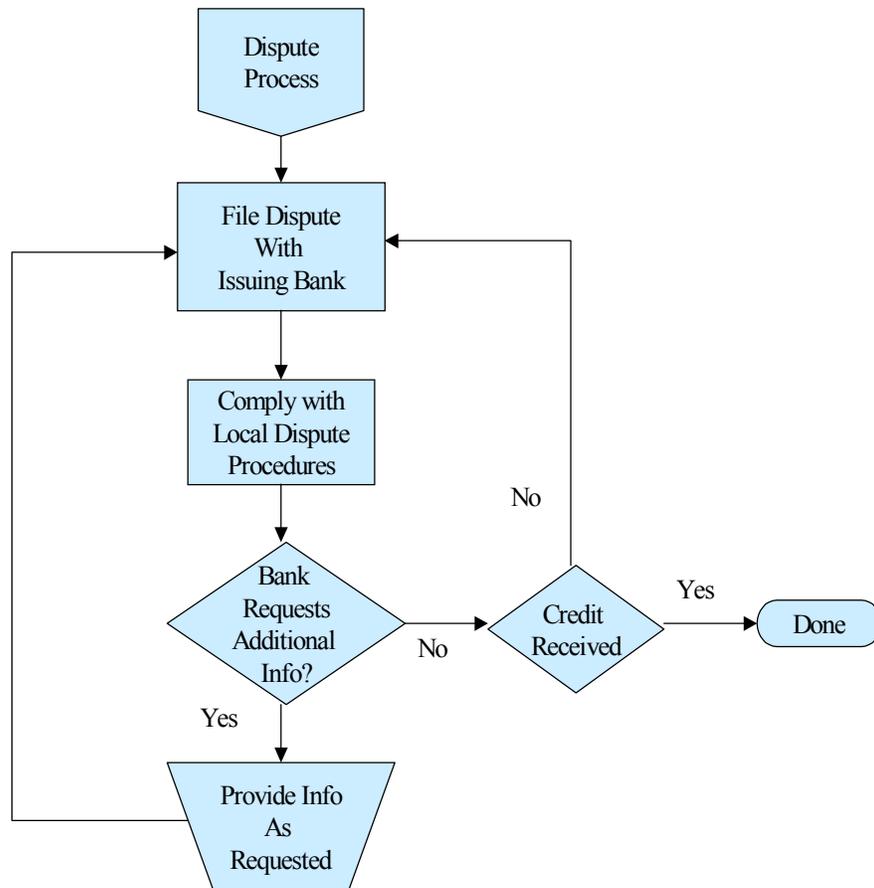
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i. Dispute Process

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

Dispute Process



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

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

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

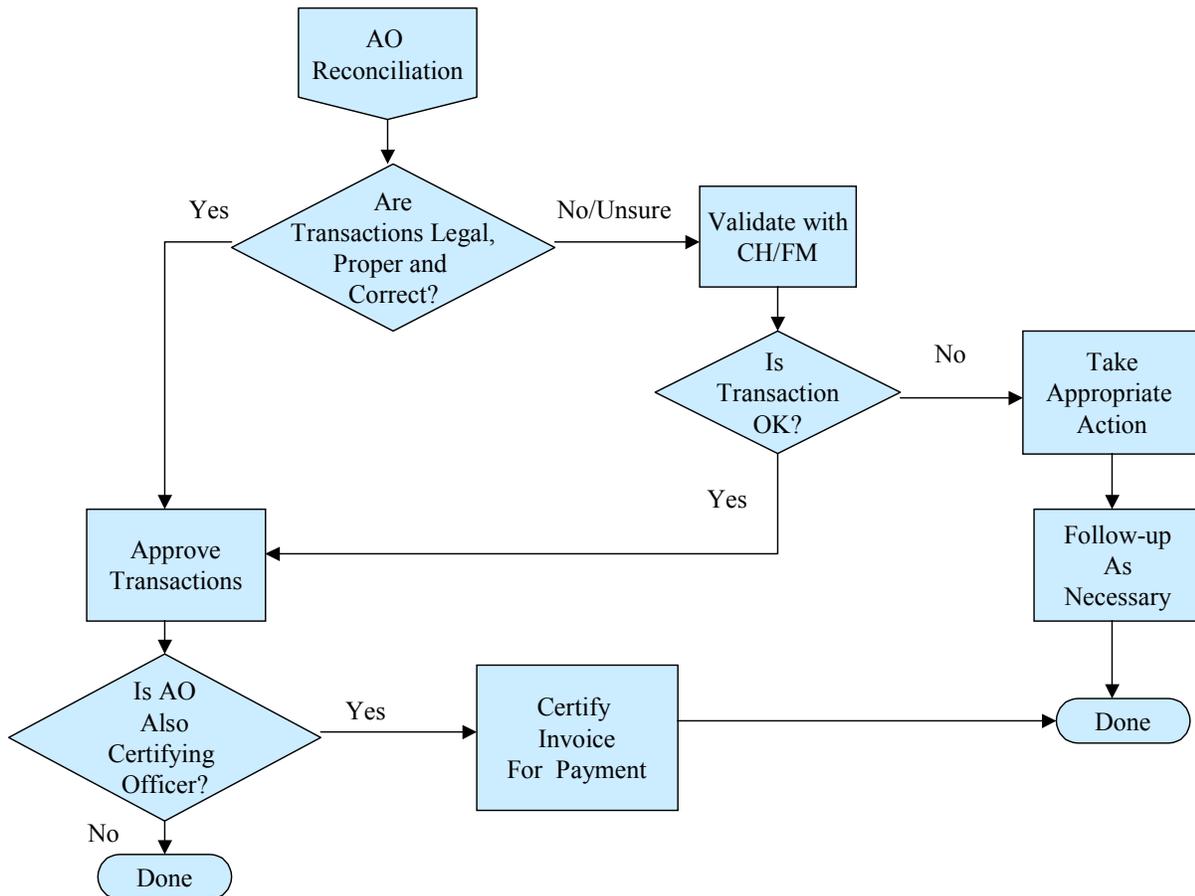
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j. Approving Official (AO) Account Reconciliation And Certification

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

Approving Official Reconciliation and Certifying Officer Certification



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

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

If it is determined the transactions are legal, proper and correct, the AO should approve the statement and/or invoice. If transactions are not legal, proper and

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correct, a decision must be made as to the liability associated with them. If the transactions are for invalid and/or improper purchases, the AO must resolve this with the CH and/or vendor. Ideally, these items should be returned and a credit (never cash) received. In some cases the CH must file a dispute to receive credit.

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

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

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

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

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

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

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k. EDI External Process

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

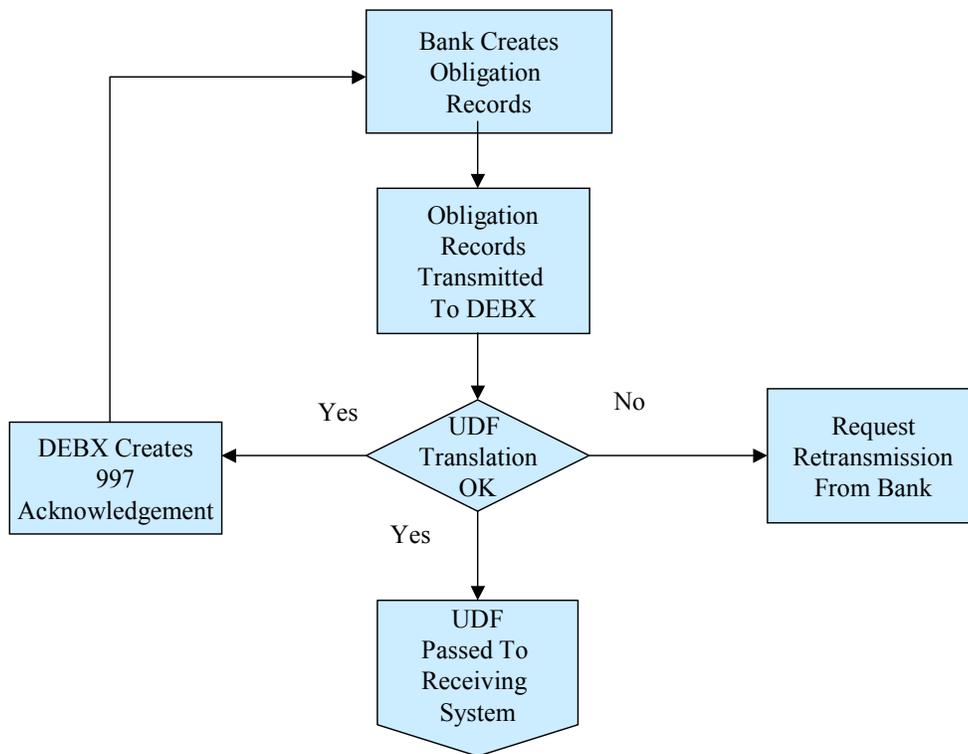
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I. EDI External Obligation Process

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

EDI External Obligation Process



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

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

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etc.). The translation is performed based on mapping requirements provided by the receiving systems' managers.

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

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

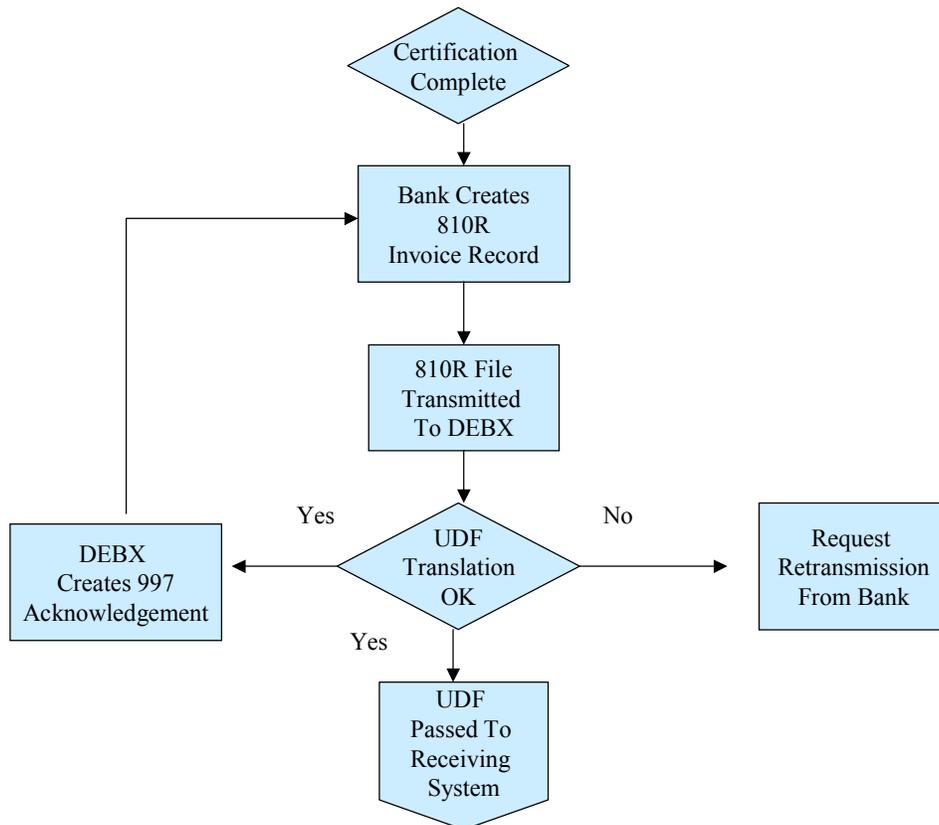
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m. EDI External Invoice Process

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

EDI External Invoice Process



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

When the "810R" type file is created by Citibank, it is transmitted to the government via the Defense Electronic Business Exchange (DEBX) network. This network receives the EDI transactions and translates the records into a format that can be processed by the receiving accounting system. This

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translation results in a User Defined File (UDF) that is transmitted to and processed by the government cash disbursements payment system (i.e. STARS-OP, CAPS-W, CAPS-C, IAPS etc.). The translation is performed based on mapping requirements provided by the receiving systems' managers.

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

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

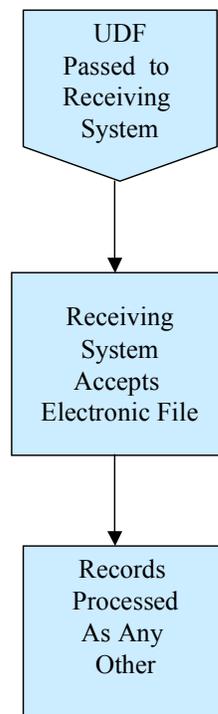
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n. EDI Internal Process

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

EDI Internal Process



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

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

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Section II: WinSALTS Functions and Responsibilities:

1. Responsible For The Operation Of The Organization's Purchase Card Program

The Agency Program Coordinator (APC) is the primary focal point for an activity's Purchase Card Program and is delegated the authority to implement and manage the overall program. The APC is responsible for the following program elements:

- a. Establish and ensure execution of the local program in accordance with DOD and DON policies and procedures.
- b. Ensure program personnel, APCs, AOs and CHs are properly appointed, trained and are capable of performing their respective duties. In addition, ensure that only personnel who require purchase cards for mission requirements are issued purchase cards.
- c. Ensure AO and CH profiles are appropriate for local mission. This includes ensuring that the AO "span of control" is within required limits of no more than 7 card accounts per AO.
- d. Perform regularly scheduled maintenance, no less than quarterly, on command AO and purchase card accounts to ensure that the account profile information is current and accurate. Examine frequency of use to ensure the AO/card account span of control remains within specified limits.
- e. Where local reviews reveal non-compliance, misuse and/or abuse ensure that appropriate action is taken.
- f. Utilize reports available through the ad-hoc reporting tool within the bank system to proactively monitor the program.

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2. Ensure Integrity Of The Purchase Card Program Is Maintained

One of the APCs primary responsibilities is to maintain the integrity of the activity's purchase card program. Working with the Commanding Officer, Commanders and APCs must establish internal management controls by which to manage, operate and provide oversight of the local program.

As a minimum the following controls must be put in place to maintain the integrity of the program.

- a. Separation of Duties. Commanding Officers, Commanders and APCs shall ensure that the roles and responsibilities of the individuals within their programs are not in conflict and adequate checks and balances are in place to manage local programs.
 - 1) APCs. APCs should not be AOs or CHs. Where an APC must be an AO (commands with limited personnel), the activity Commanding Officer **shall** ensure that a Command department, independent of the local purchase card program office, performs the semi-annual reviews.
 - 2) AOs. Individuals designated as AOs shall not be assigned as CHs. If personnel considerations require an AO to be a CH, under no circumstances shall any CH be his/her own AO. In addition, AOs should be, to the greatest extent practicable, the supervisor of the cardholder or be in the direct line of authority of their CH.
- b. Separation of Function. In order to protect the integrity of the procurement process there must be 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.
 - 1) In cases where the CH is picking up the material at the vendor's location, the end user or other designated receiving personnel shall sign for final receipt.
 - 2) In the event the CH is the end user, the CH may sign the contractor/store receipt. However, the CH must obtain the co-signature of another Government employee within the command.
- c. Span of Control. Local purchase card programs shall be set-up to ensure that the ratio of purchase card accounts to AOs does not exceed 7:1. In addition, consideration should be given to the number of transactions per CH an AO is required to review. A benchmark is more than 150 transactions monthly per AO from all his/her purchase card accounts combined. In such a case, the APC should evaluate the timeliness and effectiveness of the invoice review and certification process to ensure that it is being done effectively and efficiently.

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- d. Internal Review. The integrity of the local purchase card program depends on the APC or designee performing semi-annual reviews and monthly reviews of the local program. Commands shall formalize local policies and procedures identifying the formal and informal disciplinary action that will be taken as a result of non-compliance, fraud, misuse and/or abuse by APCs, AOs or CHs. All disciplinary action taken should be documented. (i.e. copies of e-mails identifying concerns/issues, suspension of account, letters, etc.).
- e. Monthly APC Reviews. Using ad-hoc reporting, the APC shall conduct monthly transactional reviews of the activities' transactions generated during the review period. They shall review all of the transactions made within the previous month. The review shall target the following elements:
- 1) Suspicious vendors
 - 2) Split purchases.
 - 3) Equitable distribution of business
 - 4) Exceeding the micro-purchase threshold (Except for OCONUS locations having \$25,000 per transaction authority)
 - 5) Suspected fraudulent transactions
- f. Semi-annual reviews. Semi-annual reviews shall consist of an evaluation of local operating procedures, internal management controls and a transactional review using ad-hoc reporting tools within the bank system. A copy of the report shall be provided to the activity's commanding officer. The APC shall retain a copy of the report. The report shall include all actions taken on all deficiencies noted in the semi-annual review.

The semi-annual review should be a summary of the actions taken by the APC as a result of the monthly reviews. The following areas shall be covered in the local operating and internal management portion of the Semi-annual review:

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**DON Purchase Card Program
Semi-Annual Review
Local Operating and Internal Management Check List**

- ✓ Review internal operating procedures to ensure compliance with current DOD/DON regulations and directives
- ✓ Program compliance with applicable training requirements
- ✓ Appropriate delegations of authority
- ✓ Integrity of purchase request process
- ✓ Compliance with micro-purchase procedures
- ✓ Receipt, inspection and acceptance procedures
- ✓ Invoice certification process
- ✓ Prompt payment procedures
- ✓ Internal procedures to resolve disputes and monitor command delinquencies
- ✓ Procedures to review Letters of Agreement (LOAs) and orders against them.
- ✓ Review of Convenience Check program
- ✓ Review of activity's span of control, delinquencies and account profiles using the CitiDirect ad hoc reporting
- ✓ Random sample AO and CH files and review for the following discrepancies:
 - Unsupported questionable items - Purchases from vendor locations that appear questionable in terms of mission requirements
 - Misuse of the purchase card - Items not required to fulfill immediate mission requirements, procurement of prohibited items, exceeding the micro-purchase threshold (Except for OCONUS locations having \$25,000 per transaction authority)
 - Abuse of the purchase card - Items were not for Government use but for personal use of the CH, AO or recipient of the purchase items; procurement of items that may otherwise be appropriate except for underlying details such as price reasonableness
 - Repeated or known misuse
 - Splitting purchases
 - Span of Control
 - Equitable distribution of business
 - Separation of Function
 - Screening of sources
 - Proper receipt, inspection and acceptance by CH

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3. Process Purchase Card Account Applications

Prior to setting up an AO or CH account, the APC should verify that the following documentation and actions have been accomplished: A checklist is provided below to assist the APC in ensuring the appropriate actions have been taken.

- ✓ A letter from the AO or CHs supervisor has been received by the APC requesting that the individual be appointed an AO or CH
- ✓ The prospective AO or CH has documentation of successful completion of the appropriate training
- ✓ The AO or CH has a letter of delegation or a completed SF 1402 form (Certificate of Appointment)
- ✓ The APC, comptroller and supervisor of the AO or CH have agreed upon the AO and CH account limits, appropriate Line Of Accounting and Merchant Category Code (MCC) Template
- ✓ The appointment of the CH does not cause the AO to exceed the span of control limits

When the above conditions are met, the APC creates a new account by completing the account set-up forms online or via hard copy. The APC must include the account hierarchy, the default line of accounting and the credit limits.

Online account applications may be completed and submitted electronically using CitiDirect's Card Management System.

(If the APC does not have access to CitiDirect, complete the Navy Purchase Card Setup Form, maintain a copy in the APC and CHs files. Fax the completed Setup form to 605.335.1417 or mail to Citibank Government Services, P.O. Box 6125, Sioux Falls, SD 57117-6125.) Copies of the CitiDirect forms are included in Appendix N of this Desk Guide and are accessible at the DON eBusiness website: <http://www.don-ebusiness.navsop.navy.mil> The CitiDirect forms are in the Card Management section under Financial Cards, Purchase Card.

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4. Ensure Delegations Of Purchase Authority Are Issued

It is the APCs responsibility to ensure that each AO and CH has an appropriate grant of authority to satisfy mission requirements. A Letter of Delegation or SF 1402 (Certificate of Appointment) shall be used to delegate micro-purchase authority or authority to use the purchase card as a method of payment under \$2,500. In addition, the SF 1402 must be used to delegate CHs the authority to use the purchase card as either a stand-alone method of procurement or for issuing oral orders above the micro-purchase threshold as provided in this instruction.

CHs who are limited to using the purchase card as a method of payment for training requests (DD Form 1556) DAPS (Printing requests) or payment for traditional contracting methods issued by a contracting officer only require a letter of delegation.

Each Letter of Delegation or SF 1402 shall specify: single purchase limit (for open market and government sources of supply); billing cycle purchase limit; transaction type; and, limits, if any, on use as a method of payment. In addition, activities should establish local procedures for nominating and appointing APCs and AOs. The procedures should include furnishing each APC and AO with a letter of delegation outlining the duties and responsibilities of each position.

In addition, AOs must complete [DD Form 577](#) and submit it to the appropriate Defense Finance and Accounting Service Office.

The following sample document is a letter of delegation. Commanding Officers and/or APCs should use this letter to delegate contracting or purchase card authority to CH.

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Letter of Delegation

From: Commanding Officer/APC

To: John Doe

Subj: DELEGATION OF AUTHORITY TO USE PURCHASE CARD

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

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

a. Dollar Thresholds

- \$2,500 single purchase limit
- \$XXX monthly purchase limit

b. Authorized purchases are:

- Stand-alone procurement method
- Method of payment against contract documents issued by a contracting officer
- Oral orders against Government contracts, such as IDIQs, GSA, Schedules/GSA Advantage, JWOD, etc.
- DAPS
- Blanket Purchase Agreement / Letter of Agreement
- Purchase of Training (DD1556)

c. Purchase restrictions (if any): (i.e., CH cannot use purchase card over the Internet or over the counter)

d. Merchant Category Code Blocks (if any).

2. The purchase card shall only be used for authorized US Government purchases. Intentional use of the purchase card for other than official government business will be considered an attempt to commit fraud against the US Government and may result in immediate cancellation of an individuals purchase card and further disciplinary action. The cardholder will be

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held personally liable to the Government for the amount of any non-government transactions. Under 18 U.S.C. 287, misuse of the purchase card could result in a fine of not more than \$10,000 or imprisonment for not more than five years or both. Military members that misuse the purchase card may be subject to court martial under 10 U.S.C. 932, UCMJ Article 132.

3. Questions concerning your delegation of authority or purchase card account should be directed to the Command Agency Program Coordinator, Mr/Mrs/Ms John/Jane Smith, who can be reached at 888.555.1212.

Signed by Commanding Officer

Sample

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CERTIFICATION OF APPOINTMENT

Under authority vested in the undersigned and in conformance with
Subpart 1.6 of the Federal Acquisition Regulation

is appointed

Contracting Officer

for the

United States of America

Subject to the limitations contained in the Federal Acquisition Regulation and to the following:

Unless sooner terminated, this appointment is
effective as long as the appointee is assigned to:

(Organization)

(Agency/Department)

(Signature and Title)

(Date)

(No.)

NSN 7540-01-152-5812

STANDARD FORM 1402 (10-83)
Prescribed by GSA - FAR (48 CFR) 53.201-1

Standard Form 1402

This form is available for download through: www.fedforms.gov

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5. Establish Reports

The APC has responsibility for the oversight of the activities purchase card program. There are several formal periodic reviews that the program must undergo. In addition to these reviews, the APC should establish an informal internal review process.

There are many ad hoc reports available to assist the APC with a proactive plan to monitor the program.

Using ad-hoc reporting, the activity APC should conduct monthly transactional reviews of the activities' transactions generated during the review period. Using the power of the ad hoc reporting system, the APC can review all of the transactions made within the previous month and screen them for particular characteristics.

The review shall target the following elements:

- a. Suspicious vendors
- b. Split purchases
- c. Equitable distribution of business
- d. Exceeding the micro-purchase threshold (Except for OCONUS locations having \$25,000 per transaction authority)
- e. Suspected fraudulent transactions

The APC can establish a group of reports that can easily be modified and run on a regular basis to monitor the program.

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6. Provide Mandatory Purchase Card Training - Initial And Refresher

Prior to designation as a program participant via a letter of delegation, all prospective APCs, AOs and CHs must successfully complete mandatory training in DON policies and procedures, as well as local internal operating procedures. In addition, refresher training on current DON policies and procedures and local internal operating procedures is required at least every two years. This will ensure that CHs and others involved in the purchase card process are aware of and in compliance with current DON policies, procedures and internal operating procedures.

APCs, AOs and prospective CHs must successfully complete these training requirements:

- a. Navy/Marine Corps Purchase Card Training and Interactive Customer Assistance CD ROM (web-based)
 - 1) **All** prospective APCs, AOs and CHs are required to successfully complete this training **prior** to appointment
 - 2) **All** program participants are required to successfully repeat this training as a refresher every two years
 - 3) Documentation of successful completion of new and refresher training must be retained by the individual and the APC for the duration of the individual's appointment
- b. Additionally, CHs delegated authority to use the purchase card as either a stand-alone method of procurement or for issuing oral orders above the micro-purchase threshold must complete one of the following courses:
 - 1) NAVSUP Simplified Acquisition Course;
 - 2) CON 101, Contracting Fundamentals or CON 202, Intermediate Contracting or equivalent predecessor courses (NAVSUP Simplified Acquisition Course).

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Annual Ethics Training. The annual ethics training requirements for all Government employees is found in the Joint Ethics Regulations, DOD 5500-7R, as well as 5 CFR 2638.705. The regulation provides that annual ethics training will be conducted by the agency for:

- a. Employees appointed by the President
- b. Employees of the Executive Office of the President
- c. Employees defined as confidential filers of OGE Form 450 (Found in CFR 2634.904)
- d. Employees designated by their agency (Under CFR A2634.601 (b)) to file confidential financial disclosure reports (OGE 450)
- e. Contracting officers (As defined in 41 U.S.C. 423(f)(5)), and
- f. Other employees designated by the head of the agency or his or her designee on their official duties.

This yearly training will consist of one hour of official duty time and the topic will vary each year. All ethics questions, including those pertaining to training, should be directed to the Department of Navy Office of General Counsel.

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7. Ensure Accounts Are Closed/Maintained Upon Departure Of Individual

The APC is responsible for maintenance of purchase card program accounts. Maintenance functions include closing accounts of AOs and CHs no longer carrying those responsibilities.

Closing redundant accounts is an important function to reduce fraud potential of accounts not used. Although it is the responsibility of the AOs and CHs to notify the APCs of their pending departure, APCs must take an active role and remain vigilant to ensure account integrity.

The APC can close a purchase card account using the Navy Purchase Card Maintenance Form. Follow the instructions listed on the form, in particular, mark "Account Closure" in Section II of the form.

The APC shall retain an approved copy of this form in the official APC files. FAX the completed form to 605.335.1417 or mail it to Citibank Government Services, P.O. Box 6125, Sioux Falls, SD 57117-6125.

All closures will be completed within 3 business days.

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8. Maintain Training File

The APC is responsible for ensuring that all AOs and CHs have received the required training in accordance with DOD and DON policy and procedures.

It is also important to maintain documented records that substantiate that the training requirements have been met. The APC must ensure that the training is properly documented and the training certificates are maintained on file.

Any CH or AO (with the exception of those who are deployed) who has not completed the required basic or biennial refresher training shall have their accounts immediately suspended.

Proper controls must be in place to ensure that suspended accounts are not reinstated until the next two higher levels of management have verified that the required training has been completed.

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9. Maintain Required Cardholder (CH) to Approving Official (AO) Span Of Control

Span of Control in the purchase card program refers to the number of CHs an AO can reasonably supervise. The integrity of the program rests at least partially on the AOs ability to review every monthly transaction of each CH managed. Although, there is a limit to the number of CH transactions that one AO can review per month.

The DON Program Management Office, IAW DOD, directives establishes the maximum CH accounts to AO ratio as 7:1 or less. It is the responsibility of the APC to manage this Span of Control metric and to ensure that AOs have manageable monthly review workloads.

APCs also are subject to span of control limitations. An APC shall not have more than 300 card accounts under his/her purview. See EBUSOPSOFFINST 4200.1.

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10. Provide Business Advice To Cardholders

DON CHs are entrusted with a major responsibility, namely the expenditure of the taxpayer's money in the interest of the United States government. There are many elements that contribute to a CH making a good business decision each and every time an acquisition is made.

One of the APCs responsibilities is to assist the CHs in making purchases by providing sound and timely business advice.

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11. Citibank POC For Organization

Each DON activity that has an active Purchase Card Program has a need for frequent communication and interaction with the Citibank. Initially, the activity must go through a setup procedure that includes loading the activity's hierarchy and account information into the CitiDirect system.

All of this setup process, the ongoing maintenance of the activity's information and the need for special communication between the bank and the DON activity creates a need for a single point of contact (POC). The activity's APC is the primary POC for the bank.

As the primary POC, the activity's APC performs critical functions, such as establishing new accounts and suspending or deleting accounts.

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12. Serve As Citibank Fraud Dept Referral POC For Bank Queues

The APC is the activity's focal point for all Purchase Card Program business. The Citibank Fraud Department considers the APC to be its POC for all fraud-related inquiries regarding the accounts under the purview of that activity.

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13. Coordinate Implementation With The Financial Management Official

When an activity implements its Purchase Card Program, there are many things that must be coordinated. The financial details of an activity's purchase card program must be carefully planned. It is the responsibility of the APC to ensure that these financial details are coordinated with the activity's financial management.

Each purchase card account established in the CitiDirect system must have a valid Line Of Accounting (LOA) associated with it. Also, the type of funding – bulk or transactional – must be assigned. These financial issues need to be coordinated with the activity's financial management at the time the CitiDirect account is created.

Here is an example of the need to coordinate the purchase card program implementation with financial management. DON activities shall bulk fund all purchase card transactions in accordance with the USD(C) Purchase Card Reengineering Memorandum #3: Streamlined Financial Management Procedures dated 27 March 1997. An authorized USD(C) exception from this exists for DON activities with electronic interfaces between their purchase card management/reconciliation, accounting and the bill (bank) paying systems.

So, the APC needs to coordinate the implementation of the purchase card program with the activity's Financial Manager (FM).

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14. Ensure Certified Funding Documents Exist Before Establishing The Account

The APC needs to coordinate all financial aspects of managing the purchase card program with the activity's FM and with the Commanding Officer or Head of Activity.

One of the items needing confirmation with the FM prior to establishing purchase card accounts is that a certified funding document exists.

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15. Initiate The Revocation And Suspension Of Purchase Card Account Privileges For Individuals Who Violate Purchase Card Procedures

Commanding Officers managing and operating local purchase card programs are responsible for establishing local policies and procedures for disciplinary actions. Such is the case for program participants found guilty of non-compliance, fraud, misuse and/or abuse of the purchase card. The range of disciplinary action is based upon the severity and frequency of the infraction(s). The discipline can be informal, such as written or verbal counseling, or formal, resulting in account suspension and cancellation, official letters of reprimand, employee removal, fine and/or imprisonment.

In most cases of fraud, misuse and/or abuse of the purchase card, it will be the APCs responsibility to revoke and/or suspend the offending CHS' accounts. The APC is the person with the CitiDirect system authority required to shutdown compromised accounts.

The APC can close a purchase card account using the Navy Purchase Card Maintenance Form. Follow the instructions listed on the form, in particular, mark "Account Closure" in Section II of the form.

The APC shall retain an approved copy of this form in the official APC files. FAX the completed form to 605.335.1417 or mail it to Citibank Government Services, P.O. Box 6125, Sioux Falls, SD 57117-6125.

All closures will be completed within 3 business days.

In addition to closure of the account, it can be effectively suspended by setting the purchase limits to zero until the account is to be reactivated. This can be accomplished with the Navy Purchase Card Maintenance Form. Follow the instructions listed on the form, in particular, mark "Monthly Limit Change" and/or "Single Purchase Limit Change" in Section II of the form. Then indicate the new limits in Section V.

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16. Maintain A Current Listing Of All CHs And AOs Under Jurisdiction

Good management of the activity's purchase card program dictates accurate record keeping. The APC must maintain accurate files on all program participants.

Upon establishment of an AO or CH account, the APC shall establish and maintain the following file elements:

- a. AO
 - 1) Written request from supervisor
 - 2) Initial and all refresher training documentation
 - 3) Initial and all subsequent letters of delegation
 - 4) Account setup form

- b. CH
 - 1) Written request from supervisor
 - 2) Initial and all refresher training documentation
 - 3) Initial and all refresher letters of delegation
 - 4) Account setup form

The APC shall establish an individual file for each AO and CH. The file shall be retained for the duration the employee serves in this capacity plus three years beyond.

CitiDirect has two reporting systems the APC can utilize to help with this requirement. The standard reporting system has preformatted reports the APC can run and print which will list all accounts under his/her jurisdiction. The APC can also use the ad hoc reporting system to list program participants using special sort sequences, custom information columns, etc.

The APC can maintain a separate list of participants either manually or by using some other automation tool of their own choosing, i.e. a spreadsheet. However accomplished, the APC must keep an accurate record of all CHs and AOs under his/her jurisdiction.

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17. Conduct Monthly Reviews On All Transactions

The APC is responsible for reviewing the activity of each AO and the CHs on a regularly scheduled basis. The APC should develop the ability to screen for various common types of abuse, misuse and fraud. Using CitiDirect's Ad-Hoc Reporting tools, the activity APC shall conduct reviews of the activities' transactions made during the review period.

The integrity of an activity's purchase card program depends on the APC or designee performing reviews. Commands shall formalize local policies and procedures identifying formal and informal disciplinary actions to be taken as a result of reviews revealing non-compliance, fraud, misuse and/or abuse by APCs, AOs or CHs. All disciplinary actions taken should be documented regardless of the method. (i.e. copies of e-mails identifying concerns/issues, suspension of account, etc.).

The review process is essential to the integrity of the purchase card program and is one of the APCs primary responsibilities

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18. Examine Transactions For Purchases From Unauthorized Merchants, Violations Of Limits, And Other Irregular Activities. Conduct Immediate OnSite Reviews For These Suspected Violations

APCs need to develop the ability to screen large volumes of transactions looking for irregularities. Currently, the best available tool to accomplish this task is the CitiDirect Ad Hoc reporting system.

Using Ad Hoc reporting, APCs can review all of the transactions made within the previous month. The review can target the following elements:

- a. Suspicious vendors
- b. Split purchases
- c. Equitable distribution of business
- d. Exceeding the micro-purchase threshold (Except for OCONUS locations having \$25,000 per transaction authority)
- e. Suspected fraudulent transactions

APCs can create Ad Hoc reports to screen for these conditions. They can then save the report formats and reuse them each subsequent month to perform screening functions.

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19. Maintain Review Results

The APC should maintain the results of all purchase Card Program reviews on file as supporting documentation in case of any internal or external audits of the program.

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20. Provide Copies Of Review Results To The AO, The AOs Organizational Commander And, If Applicable, CH.

The APC should provide copies of review results as appropriate to all program participants and to the AOs organizational Commander. This important step in the review process provides the Commander with the necessary documentation to take appropriate follow-up action.

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21. Provide Results Of Reviews With Significant Finding IAW Program Requirements

The APC should make effective use of available tools, e.g., ad-hoc reporting, to identify any potentially fraudulent, improper, and/or abusive purchase card transactions.

The APC is the Commander's primary source of information regarding the status of the GCPC program and should keep the CO apprised of the status of the program on a regular basis. The CO should review the findings of the semi-annual program review as required by the purchase card instruction.

The APC shall forward copies of final reports of findings to the HA, DON eBusiness Operations Office and Assistant Secretary of the Navy (ASN). Additionally, copies must be forwarded to the Financial Management and Comptroller in accordance with Federal Management Regulation (FMR), Volume 5, Chapter 33.

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22. Meet With AO To Discuss Noncompliance Issues

The integrity of an activity's purchase card program depends on the APC or designee performing semi-annual reviews and monthly reviews of the local program. Commands shall formalize local policies and procedures identifying the formal and informal disciplinary actions that will be taken as a result of reviews revealing non-compliance, fraud, misuse and/or abuse by APCs, AOs or CHs. All disciplinary actions taken should be documented regardless of the method. (i.e. copies of e-mails identifying concerns/issues, suspension of account, etc.).

If semi-annual and/or monthly reviews reveal situations of noncompliance with purchase card rules, the APC should meet with the AO to discuss the issues. Discussion results should be documented and filed with the appropriate CHs and/or AOs file.

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23. Take Appropriate Corrective Actions In Cases Where Fraud, Abuse Or Misuse Is Uncovered

On a random sample basis, the APC shall also review AO and CH files for the following discrepancies.

- ✓ Unsupported questionable items - Purchases from vendor locations that appear questionable in terms of mission requirements
- ✓ Misuse of the purchase card - Items not required to fulfill immediate mission requirements, procurement of prohibited items, exceeding the micro-purchase threshold (Except for OCONUS locations having \$25,000 per transaction authority)
- ✓ Abuse of the purchase card - Items were not for Government use but for personal use of the CH, AO or recipient of the purchase items; procurement of items that may otherwise be appropriate except for underlying details such as price reasonableness
- ✓ Repeated or known misuse

When an APC discovers occurrences of abuse or misuse of a purchase card by an AO or CH, appropriate corrective actions must be taken. The appropriate actions vary with the severity of the noncompliance and can range from verbal or written warnings to legal actions.

All disciplinary actions taken should be documented regardless of the method (i.e., copies of e-mails identifying concerns/issues, suspension of account, etc.).

HCA, Fleet, or other DON inspection organizations should be aware of certain fraud indicators when reviewing purchase card programs. In addition, Level 3 (Major Claimant/System Commander) should report any instances to DON EBUSOPSOFF (Code 00E) where the review of a questionable item is reported to the DOD IG or NCIS for further investigation. Those fraud indicators are noted below.

- a. Documentation:
 - 1) Photocopies instead of original documents.
 - 2) Missing documentation (Requisition to support purchases, required approvals, etc.).

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- 3) Obvious changes or whitening-out of information.
 - 4) Information that is backdated.
- b. Repetitive Purchases:
- 1) Splitting requirements to avoid certain requirements or restrictions, i.e. micro-purchase threshold.
 - 2) Not equitably distributing business among suppliers could indicate favoritism.
- c. Purchases to Vendors That Do Not Appear Mission Related:
- 1) Suspicious Merchant Category Codes (MCC), i.e. Casinos, hotels, jewelry stores.
- d. Services:
- 1) Performance that appears out of the scope of work that was originally agreed upon. (Actual performance does not match contractual statement of work.)
 - 2) Overruns and variances. (Approvals are not documented, explanatory justifications missing, etc.)
 - 3) Contractor estimates equal to Government estimate. (Personnel releasing advance information to contractor)
- e. Purchases of high value items at low prices or low value items at high prices.
- f. Returns/Credits:
- 1) Did the Government receive the full credit for the item purchased?
 - 2) Is there a pattern of errors in billings, returns or credits?
- g. Disputes:
- 1) Frequent or repetitive disputes by a single cardholder.
- h. Lost or Stolen Cards:
- 1) Frequent or repetitive reports of lost or stolen cards by a single cardholder.

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24. Ensure Adequate Separation Of Duties

Commanding Officers, Commanders and APCs shall establish internal management controls by which to manage, operate and provide oversight of the local program. Minimally, the following controls shall be put in place to maintain the integrity of the program.

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

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25. Manage The CH And AO Profiles And Close Accounts Utilizing The Automated Tools Available

The APC must ensure that AO and CH profiles are appropriate for the local mission. This includes ensuring that the AO "span of control" is within required limits (7 card accounts to 1 AO.). The APC must perform regularly scheduled maintenance, no less than quarterly, on command AO and purchase card accounts to ensure that the account profile information is current and accurate. Also, frequency of use must be examined to ensure the AO/card account span of control remains within specified limits.

The APC shall ensure card accounts for separating personnel are canceled, and to the greatest extent practicable, at least 30 days (one billing cycle) prior to the separation. Additionally, within the last six months, accounts used less than 3 times shall be closed. Prior to closure, the AO must verify that all transactions and payments for these accounts have cleared. **UNDER NO CIRCUMSTANCES SHALL AN ACCOUNT REMAIN OPEN PAST THE OFFICIAL DETACHMENT DATE OF AO OR CH.**

If the APC has access to CitiDirect, then that is the tool to utilize for this process. Use the CitiDirect Card Management section of the software to update information or close accounts.

If the APC does not have access to CitiDirect, use the CitiDirect Navy Card Maintenance form to make changes to AO and/or CH accounts. The APC can close a purchase card account or make changes to the profile using the Navy Purchase Card Maintenance Form. Follow the instructions listed on the form, in particular, mark the appropriate actions in Section II of the form.

The APC shall retain an approved copy of this form in the official APC files. FAX the completed form to 605.335.1417 or mail it to Citibank Government Services, P.O. Box 6125, Sioux Falls, SD 57117-6125.

Copies of the CitiDirect forms are included in Appendix N of this Desk Guide and are accessible at the Don eBusiness website: <http://www.don-ebusiness.navsup.navy.mil>. CitiDirect forms are in the Card Management section under Financial Cards, Purchase Card, Citibank Forms.

All closures will be completed within 3 business days.

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26. Monitor Transactions During The Cycle And Take More Timely Action Against Questionable Purchases And Possible Split Purchases Utilizing Automated Tools Available

The Purchase Card Program mandates several formal reviews including the Semi-Annual reviews. However, the APCs are encouraged to monitor transactions on a regular basis and not to wait until the formal reviews.

The CitiDirect system provides a powerful ad hoc reporting tool that allows the APC to create focused reports to screen transactions for irregularities. For example, ad hoc reports can select all transactions within a particular timeframe, for an individual CH, for a general merchant type. This would help an APC screen transactions for split purchases.

Ad Hoc reports can easily select out all transactions above a certain dollar value. This is used to identify CHs who are circumventing the system and making acquisitions above their authorized spending limit.

APCs can create these types of reports, save them and run them weekly or daily to screen the purchasing activity under their purview. This type of screening during the monthly cycle spreads the APCs oversight workload and helps result in a better managed program.

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27. Verify That Each Individual Purchase Card File Has Adequate Documentation, Which Includes Receipt/Acceptance Credentials, Purchase Card Log And CH Statements When Conducting Reviews

AOs and CHs are required to maintain adequate documentation on all purchase card transactions. The details of the documentation required are listed in the AO and CH responsibilities.

It is the APCs responsibility to ensure that the AOs and CHs are maintaining their documentation. There must be a paper trail for every transaction to allow an auditor to completely recreate the circumstances of each purchase, understand its mission essential and verify the appropriateness of the vendor selection.

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28. Ensure Financial Controls Are Established In The Account Profiles In Accordance With Requirements – Specific Financial Controls Must Be Established. Do Not Allow Defaults To The Maximum Allowed.

There are three specific purchase limits that apply to the Purchase Card Program and provide financial controls. These limits are the billing cycle office limit, the billing cycle purchase limit and single purchase limit. These limits should be set and maintained based on conscious decisions of the mission of the activity. These limits should not be defaulted.

Here are the official definitions of these limits.

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

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

Billing Cycle Purchase Limit: An authorization control that limits an account's cumulative spending for purchases in a given billing cycle. This limit or the billing office limit shall be used to ensure CHs do not exceed reserved funding (positive funds control). Any purchase limit may be assigned in increments of \$100 up to \$9,999,900. This limit may be adjusted as ordering DON activities deem appropriate and shall be established for each CH account. The limit should reflect normal usage by that CH and must not default to the maximum available limit.

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29. Monitor And Assist In Resolution Of Installation Delinquency Problems As Required

The DON contract with Citibank provides the Navy with opportunities to control expenses and generate revenue. Both of these positive financial controls are directly related to controlling payment delinquencies.

Under the contract with Citibank, the Navy can earn financial rebates (get money back from the bank) for early payment of its invoices. There is a report in the Ad Hoc reporting section of CitiDirect that shows earned rebates by activity.

Invoices not paid promptly result in the bank charging the Navy interest on the outstanding amount of the delinquent invoices.

APCs should monitor the agency's delinquency situation to ensure it remains under control.

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30. Ensure Compliance With Governing Federal Acquisition Law, And Governing Policies And Regulations

The APC is responsible for the agency's compliance with all governing laws, policies and regulations regarding the implementation of a purchase card program. EBUSOPSOFFINST 4200.1 provides guidance for the selection of an APC and lists two important qualities. They are:

- a. Knowledge of contracting policy and procedures, including the Federal Acquisition Regulation (FAR) and its supplements, and
- b. Knowledge of financial policy and procedures, including the DOD Financial Management Regulation (FMR).

If lacking this background, the APC candidate must become very familiar with all the governing laws, policies and regulations as listed in EBUSOPSOFFINST 4200.1 to be able to ensure compliance.

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31. Assist CH And AO With Account Management And Reconciliation As Needed

Account management and reconciliation are the responsibility of the AOs and the CHs. Under normal circumstances, the CHs review their statements, reconcile the transactions against their purchase card logs and forward the statements to their AO for review and approval.

In some situations, the AO and CHs may need assistance with this process. Since the APC is the agency's POC with the bank, situations requiring communication with the bank may require the APCs assistance.

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32. Provide Effective Procurement Support To All Departments And Meet The Procurement Needs Of The Command As Related To The Purchase Card Program

APCs of activities managing DON Purchase Card Programs are responsible for providing effective procurement support to all departments and meeting the procurement needs of the command as related to the purchase card program.

The APC must establish and execute the local program in accordance with DOD and DON policies and procedures and ensure that program personnel, APCs, AOs and CHs are properly appointed, trained, are capable of performing their respective duties. In addition, APCs must ensure that only personnel who require purchase cards for mission requirements are issued purchase cards.

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33. Analyze Accounts And Specific CH Activity

APCs have the responsibility to perform periodic ad hoc reviews of the purchase card program. Using the Ad-Hoc Reporting tool in CitiDirect, the APC shall conduct monthly transactional reviews of the activities' transactions made during the review period. The review will be all of the transactions generated during the previous month. The review shall target the following elements:

- a. Suspicious vendors
- b. Split purchases
- c. Equitable distribution of business
- d. Exceeding the micro-purchase threshold (Except for OCONUS locations having \$25,000 per transaction authority)
- e. Suspected fraudulent transactions

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34. Act As Audit/Internal Review Focal Point For Purchase Card Related Issues

The integrity of the local purchase card program depends on the APC or designee performing semi-annual reviews and monthly reviews of the local program. Commands shall formalize local policies and procedures identifying the formal and informal disciplinary actions that will be taken by the command as a result of reviews revealing non-compliance, fraud, misuse and/or abuse by APCs, AOs or CHs. All disciplinary actions taken should be documented regardless of the method. (i.e. copies of e-mails identifying concerns/issues, suspension of account, etc.).

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35. Develop Local Purchase Card Policies And Procedures Including File Management Procedures In Accordance With FAR, FMR And Local Record Retention Policy

Activities establishing local purchase card programs must develop an internal operating procedure (IOP) to manage and operate the local purchase card program. The internal operating procedure shall be written and provided to all activity purchase card program personnel.

IOP shall establish local controls for:

- a. Designation of offices/personnel involved in the program with specific responsibilities:
 - 1) Commanding Officer
 - 2) Agency Program Coordinator (APC)
 - 3) AO (AO)
 - 4) CH (CH)
 - 5) Reviewing Official (RO)
 - 6) Designated billing office
 - 7) Financial Manager/Comptroller

- b. The IOP should include specific guidance on the internal command processes for:
 - 1) The purchase request process (i.e. obtaining funding, approvals)
 - 2) Screening/documentation requirements
 - 3) Solicitation and award procedures
 - 4) Receipt inspection and acceptance of supplies/services
 - 5) Local procedures for property management
 - 6) Any special processing requirements necessary to ensure appropriate obligation and expenditure of fiscal year end funds
 - 7) Reconciliation, verification and certification of the CHs statement and official invoice
 - 8) Maintenance and retention of purchase card records
 - 9) Restricted purchases
 - 10) Procedures for resolving suspected fraud, abuse or misuse of the purchase card

One of the APCs primary responsibilities is to develop and promulgate all the local purchase card program policies and procedures. One tool used for this purpose is the activity's IOP for the Purchase Card Program. The APC is responsible for creating and maintaining the activity's IOP.

There are numerous policies, regulations and instructions that govern the program. The APC must become familiar with all guidance that governs his/her organization's program. This may include, but is not limited to, Federal Acquisition

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Regulations (FAR), Defense Federal Acquisition Regulations (DFAR) and the EBUSOPSOFFINST 4200.1.

The APC must create an IOP that encompasses and references all relative documentation and, most importantly, includes those guidelines and directions unique to the local activity.

The following Sample IOP can be used as a starting point for the APC to develop a local guide.

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Local Internal Operating Procedures
For Use With The
Government Purchase Card Program

(SAMPLE IOP)

1. General

- a. The DON has issued a Task Order (#0003) under the GSA SMARTPAY Contract (#GS-23F-98006) to obtain purchase card services from CitiBank. These internal operating procedures provide guidance on the appropriate use of the purchase card by **(insert name of command)** personnel.

The policy of **(insert name of command)** is to use the purchase card for all supplies and services at or below the micropurchase threshold (\$2,500) as either a procurement method or a method of payment. All purchases must be accomplished in accordance with FAR Part 13, DFARS 213, NAPS 5213, EBUSOPSOFFINST 4200.1, the GSA contract and this internal operating procedure. **(insert name of command)** CHs shall only use the purchase card for authorized purchases in accordance with this internal operating procedure.

b. Definitions

- 1) APC. The individual designated by the Commanding Officer or HA who shall have overall responsibility for the management, administration and day to day operations of the activity purchase card program.
- 2) AO. The individual responsible for reviewing and verifying the monthly purchase card statements of the CHs under his/her purview. The AO must verify that all purchases were necessary and for official government purposes in accordance with applicable directives. Unless otherwise specified the AO must also be the Certifying Officer for his/her CH(s) and in that capacity must certify the monthly billing statement and forward it to the appropriate office for payment.
- 3) Billing Cycle. The billing cycle is the 30-day billing period CHs may use their purchase card. For DON the billing cycle ends on the 21st of the month.
- 4) Billing Cycle Purchase Limit. The spending limit assigned to each CHs cumulative purchases and transactions within a given billing cycle.
- 5) Bulk funding. An advance reservation of funds where a commitment or obligation is recorded in the aggregate rather than by individual transactions.

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- 6) CH. Any Government employee who is designated by the HA or designee to be issued a purchase card or purchase card account. The purchase card bears the name/account number of this individual.
- 7) Commonly Used HAZMAT. For the purpose of this instruction, commonly used HAZMAT means hazardous materials or products that are customarily sold to the general public to be used for non-governmental purposes (commercial products) which are in the same size and packaging found commercially and subject to procedures found later in this instruction. Examples of those materials or products include those required on a routine basis to meet daily operational needs; such as, lubricants, batteries, toner cartridges, detergents, etc.
- 8) Contracting Officer. Government employees who have the authority to bind the Government to the extent of their delegated purchasing authority. CHs are provided that authority by their commanding officer or APC in writing by the issuance of a Letter of Delegation or SF 1402 Contracting Officer's Warrant.
- 9) Credit Limit. The maximum dollar threshold assigned at the AO/billing level limiting the amount an account can have outstanding at any one time. The bank automatically sets the amount at three times the corresponding billing account's 30 day limit.
- 10) Disputes. Instances where the transactions on the CHs statements do not agree with entries in the log or retained receipts. This may include circumstances where the CH did not make the transaction, the amount of the transaction is incorrect or the quality or service is an issue.
- 11) HCA. The official at one of the 23 DON components listed at DFARS 202.101 and NAPS 5202.101 (e.g. COMNAVSUPSYSCOM, COMNAVAIRSYSCOM, etc.) who has overall responsibility for managing contracting authority within his/her contracting chain of command. The HCA is responsible for the delegation, redelegation and use of contracting authority including use of the purchase card by DON commands, DON activities and DON personnel under his/her contracting cognizance.
- 12) HA. For the purposes of this instruction, HA is the military officer in command or the civilian executive in charge of the mission of a DON command or activity that has been granted contracting authority by the cognizant HCA and has overall responsibility for managing the delegation and use of this authority by personnel under his/her command.

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- 13) Purchase Card. The purchase card is the credit card-like purchase account established with the bank that enables properly authorized Government personnel to buy and pay for mission requirements.
- 14) Purchase Card Log. A manual or automated log on which the CH documents screening for mandatory government sources and individual transactions using the purchase card. Entries in the purchase card log should be supported by internal command documentation.

The purchase card documentation should provide an audit trail supporting the decision to use the card and any required special approvals that were obtained.
- 15) MCC. A four-digit code assigned to a participating purchase card vendor based on their industry classification. APCs can limit CH transactions by type of merchant by blocking out certain categories of vendors for use by activity CHs.
- 16) Monthly CHs Statement. The statement of charges forwarded to the CH at the end of the billing cycle detailing all of the charges during that period.
- 17) Monthly Billing Statement. The monthly billing statement is the official invoice for payment purposes which is provided to the AO. The billing statement identifies all of the purchase card transactions of his/her CHs during a billing cycle.
- 18) Services. As relating to EBUSOPSOFFINST 4200.1, services are firm fixed priced (including unpriced orders with an established ceiling), non-personal, commercially available requirements in which a contractor's time and effort is directly engaged to perform a task. (e.g. repairs, maintenance, annual maintenance agreements, etc.).
- 19) Single Purchase Limit. The dollar threshold assigned to each CH for a single purchase/payment action.
- 20) Reconciliation. The process by which the CH/AO review their monthly statements, reconcile against available vendor receipts and purchase card log and authorize payment of those charges provided on the monthly statement.
- 21) Transaction Type. The transaction type is the method by which an order is placed when using the purchase card. Purchase card buys may be made over-the-counter, over-the-phone or via the internet.

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- c. Designation of offices under Purchase Card Program (This paragraph should be tailored to the specific command circumstances)
- 1) APC. (Insert local responsibilities of APC). At a minimum, the specific duties should include management and oversight of the local program.
 - 2) AO. Include as a minimum, duties as Certifying Officer and requirement to review CHs monthly purchase card statements.
 - 3) CH. Person authorized to use the purchase card to buy/pay for supplies or services.
 - 4) Designated Billing Office. Designated DFAS OPLOC (Insert supporting OPLOC).
 - 5) Comptroller. Financial/Comptroller is the person responsible for managing command funding. The Comptroller and APC should work together to ensure the funds approval process is streamlined to the maximum extent practicable. In addition, comptroller and APC must coordinate efforts to establish account limits for AOs and CHs.

2. Establishing Local Accounts

- a. The APC for **(insert name of command)** is Mr./Ms./Mrs XXXXX XXXXXX. He/she is the command POC for providing management and over-sight for the **(insert name of command)** Purchase Card Program. In addition, he/she is the command POC for establishing purchase card accounts.
- 1) Prior to establishing purchase card accounts for local command personnel the APC will ensure that the prospective CH has received proper training in;
 - Standards of conduct
 - DON purchase card training (CD ROM/classroom training/etc)
 - Internal operating procedures.
 - 2) Personnel wishing to become CHs shall;
 - Provide a request to the APC (Identify any required account limits)
 - Attend DON required training including training on local procedures (Contact APC for internal training requirements)
 - Obtain a Letter of Delegation or Contracting Officer's warrant (SF 1402) from the APC

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- b. CH Account Limits. Use of the purchase card at **(insert command name)** is subject to a single purchase limit normally \$2,500, a monthly CH limit and a monthly office limit. The purpose of these dollar limits is as follows;
 - 1) Single Purchase Limit. The single purchase limit is a limitation on the purchase authority delegated to the purchase CH by the HA (or designee). This dollar limit cannot be exceeded unless a revised delegation of authority is issued to the CH raising his/her limit.
 - 2) Billing Cycle Purchase Limit. The billing cycle CH limit is the spending limit assigned the purchase CHs cumulative purchases in a billing cycle.
 - 3) Billing Cycle Office Limit. The monthly billing cycle office limit is the limit assigned the AO for the cumulative totals of the CHs reporting to them.

3. Internal Processes

- a. Purchase Request Process. **(Insert command name)** CHs shall ensure that sufficient funds are committed by the financial manager and available to meet the requirement of the purchase card action. (If there is additional local command policy insert the local command policy here. At a minimum the local command policy should provide AOs/CHs guidance on how to obtain funding approvals.)
- b. Screening. **(Insert command name)** CHs are required to screen all requirements from the statutory sources of supply (e.g., JWOD/UNICOR). In addition, the screening must be documented on manual or automated log. **(Insert any command specific screening requirements in applicable)**
- c. Solicitation and Award Procedures
 - 1) Solicitation Procedures. **(Insert name of command)** CHs are authorized to use the purchase card either over-the-counter, over-the-phone or via the internet (APC can limit to one or authorize all). Quotations of price and delivery for mission requirements shall be obtained from contractors and documented in the manual or automated log. (See sample).
 - 2) Award Procedures. **(Insert name of command)** CHs shall only award purchase card orders to responsible contractors who offer fair and reasonable prices. In addition, all purchase card awards shall be documented on the CHs log (either manual or automated).

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- d. Receipt and Acceptance Procedures. **(Insert name of command)** CHs are responsible for verifying receipt of all transactions. Where the CH is billed but does not receive the supplies or services at the time of the receipt of the official invoice, the CH must fully certify the invoice with the anticipation that confirmation of receipt will occur within the next billing cycle. If the supplies or services are not received within the next billing cycle, the CH must dispute the item using established dispute procedures. The CH must also certify that the quantity and quality of the items furnished are in accordance with the agreement with the vendor. The CH must save all receipt documentation in order to properly reconcile the purchase card statement at the end of the billing cycle.

If receipt documentation is not available, the CH must contact the end user, central receiving department or other person or persons responsible for receipt to obtain verification that the supplies or services have been received. The purchase card log or purchase file must be documented to indicate that proper receipt and acceptance has been accomplished. **(Activity should insert any specific local receipt and acceptance guidance here)**

- e. Missing Documentation. If for some reason the CH does not have documentation of the transaction to send to the AO, he/she must attach an explanation that includes a description of the item, the date purchased, the merchants name and why there is no supporting documentation.
- f. Reconciling Purchase Card Accounts
- 1) CHs. **(Insert command name)** purchase CHs shall at the end of each billing cycle (the 21st of the month for DON CHs) reconcile the transactions appearing on his/her monthly statements by verifying their accuracy against CH records. The CH shall review all information on the monthly statement, verifying any changes, credits, outstanding disputes or refunds within five days of receipt. If the CH fails to review the monthly statement, including annotating any discrepancies, disputing improper charges, or signing and forwarding it to the AO or designated alternate within the five day period, the AO or designated alternate shall presume that all charges are proper and certify the monthly invoice for payment. The CH is ultimately responsible for purchase card transactions being proper and for notifying the AO of any information he/she has knowledge of that impacts the propriety of certifying the monthly invoice for payment. If transactions or credits are not included on the current statement, the CH must retain the applicable documentation until the transactions or credits appear and can be reconciled. The CH must then sign the statement and forward the package to his/her AO or alternate. If the CH is unable to review their statement in a timely manner, the AO or alternate or APC must review and certify the CHs monthly statement. The CH upon his return must review the monthly statement and resolve any discrepancies with the AO or APC.

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- 2) AO. **(Insert command name)** AOs unless otherwise specified shall be the certifying officer for his/her CHs monthly invoice. The AO/certifying officer is responsible for ensuring that all purchases made by the CHs within his/her cognizance were appropriate and the charges accurate. He/she must resolve all questionable purchases with the CH. In the event an unauthorized purchase is detected, the AO must notify the APC and other appropriate personnel within the command in accordance with the command's IOP.

After review, the AO will sign the CHs monthly statement of account and maintain the documentation in accordance with agency procedures.

In addition, the AO is also responsible for certifying the monthly invoice resulting from the purchase/transactions of the CHs within his/her account structure. The AO is responsible for reviewing and certifying the monthly purchase card invoice within five days of receipt from the CH and forwarding it to the appropriate OPLOC or billing office. As the certifying officer the AO is responsible for timely certification of the monthly invoice. The AO is to presume that all transactions on the monthly statement are proper unless notified in writing by the CH within five days of the CHs receipt of his/her monthly statement. The presumption does not relieve the AO from reviewing for blatant improper purchase card transactions and taking the appropriate action prior to certifying the invoice for payment.

4. Restrictions on the Use of the Purchase Card. (See EBUSOPSOFFINST 4200.1).
5. Unauthorized Uses of the Purchase Card
- a. A CH who makes unauthorized purchases or who uses the card in an inappropriate manner may be liable to **(insert the command name)** for the total amount of the purchases made in connection with misuse, fraud or negligence.
 - b. Unauthorized use of the card may also include the use of the card by anyone other than the CH identified on the front of the purchase card.
6. Lost or Stolen Cards
- a. Telephone Notification. If a purchase card is lost or stolen the **(insert name of command)** CH must immediately notify CitiBank at the following phone number. CitiBank Customer Service - 800.790.7206
 - b. Written Notification. In addition, on the next working day the CH must notify the APC and his/her AOs. The notification shall include the following information;

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- the card number;
- the CHs complete name;
- the date and location of the loss;
- if stolen, date reported to police and the date and time Citibank was notified;
- any purchases made on the card the day the card was stolen;
- any other pertinent information.

7. Separation of CH

Upon separation from **(insert command name)** or duties as a CH, the CH will notify his/her AO of the expected date of leaving. In addition, prior to final signing out from **(insert command name)** the CH will surrender his/her purchase card to the APC. The APC will notify Citibank to have the account(s) cancelled. To the greatest extent practicable, the cancellation should occur at least 30 days (one billing cycle) prior to the CHs separation.

8. Billing Errors and Disputes

- a. CHs should attempt to resolve all discrepancies or billing errors with the local merchant first.
- b. If a CH receives a monthly statement that lists a transaction for items that have not been received he/she should do the following:
 - 1) Under Pay and Confirm procedures, pay the invoice in full in anticipation that the supplies will be received within the next billing cycle. If the supplies are not then received, the CH will dispute the item using established dispute procedures.
 - 2) If the charges are not authorized or items have not been shipped, the CH must dispute the charges. All charges must be disputed within 60 days of the receipt of the invoice on which the charge first appeared.
- c. Defective Items. If the items purchased are defective the CH should attempt to obtain a replacement or correction of the item from the merchant as soon as possible. If the vendor refuses to replace or correct the defect or replace the item the CH must put the item in dispute.

9. Card Security. **(Insert command name)** CHs are responsible for the security of their purchase cards. The card is printed with the name of the employee who is the official Government representative authorized to use the purchase card. Only that person SHALL use the card.

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It is the CHs responsibility to safeguard the purchase card and account number at all times. The CH must not allow anyone to use or gain access to his/her card or account number.

10. Standards of Conduct/Ethics Training

- a. All **(insert command name)** AOs and CHs will receive ethics and standards of conduct training in accordance with agency and command policy prior to assuming their duties with the **(insert name of command)** purchase card program.
- b. All **(insert command name)** AOs and CHs hold a public trust. Their conduct must meet the highest ethical standards. All **(insert name of command)** CHs **SHALL** only use their purchase cards to obtain supplies and services that are for official Government business.

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36. Brief And Report Program Activity To All Levels Of Management When Required

The HA Desk Guide, section 2.6 includes a list entitled "Top Ten Purchase Card Management Tips". The number one tip is:

"Appoint an APC of appropriate grade and rank, motivation and people skills. Assign the APC as a full time duty where warranted considering the number of accounts and the span of control. Know your APC! Get a monthly briefing from your APC on the Purchase card program status with emphasis on delinquent accounts . "

APCs should expect frequent requests for briefings on the health of the activity's Purchase Card Program.

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37. Perform Team Leader Functions Based On Program Size And Staffing

The APC by definition is the “Agency’s Program Coordinator” and bears the responsibility for leadership of the program. The APC needs to exemplify the correct level of professionalism and accountability regarding the execution of purchase card business.

The APC is the focal point for the dissemination of information from the DON Program Management Office. Depending on the size and staffing of each program, the APC must establish reliable channels of communication to the other members of the activity’s purchase card program.

One of the APCs most important leadership responsibilities is to establish an atmosphere of zero tolerance for misuse, abuse or fraudulent use of the purchase card. The purchase card program is a valuable tool to assist an activity in meeting its goals. However, it is easily subject to misuse, abuse and fraudulent use. The APCs leadership position on this issue sets the tone for the rest of the activity’s program participants.

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38. Attend Semi-Annual And Yearly Conferences As Well As Any Other Meetings And Conferences Pertaining To The Program

The APC is the activity's primary focal point for its purchase card program. Therefore, it is the APCs responsibility to remain current in the issues and topics of the program.

The DON eBusiness Purchase Card Program Management Office presents semi-annual APC Conferences. All appropriate level APCs need to attend these conferences to ensure their having the latest information and direction to help effectively manage their program.

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Appendix A: Definitions

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

Accountable Property: A term used to identify property recorded in a formal property management or accounting system. Accountable Property includes all property purchased, leased (capital leases), or otherwise obtained, having a unit acquisition cost of \$5,000 or more (land, regardless of cost), and items that are sensitive, or classified. Additional and/or separate records or other record keeping instruments shall be established for management purposes, or when otherwise required by law, policy, regulation, or Agency direction, including, but not limited to pilferable items (Items that have a ready resale value or application to personal possession and which are, therefore, especially subject to theft).

Agency Program Coordinator (APC): An individual designated by the ordering agency/organization to perform task order contract administration within the limits of delegated authority and to manage the card program for the agency/organization. This individual shall have overall responsibility for the card program(s) within their agency/organization, and may determine who participates in the card program(s). Multiple levels of program coordinators exist within different hierarchies or at different hierarchical levels within the program for each agency/organization.

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

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

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(i.e. Monday through Friday) and as a result may adjust accordingly. The cycle end date will occur on the last business day of the normal cycle.

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

Billing Cycle Purchase Limit: An authorization control that limits an account's cumulative spending for purchases in a given billing cycle. This limit or the billing office limit shall be used to ensure cardholders do not exceed reserved funding (positive funds control). Any purchase limit may be assigned in increments of \$100 up to \$9,999,900. This limit may be adjusted as ordering DON activities deem appropriate and shall be established for each cardholder account. It should reflect normal usage by that cardholder and must not default to the maximum available limit.

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

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

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

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

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

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

Convenience Checks: Third party drafts issued using government purchase card account. Third party drafts may be used to acquire and to pay for supplies or services. Policies and regulations concerning the establishment of and accounting third party drafts, including the responsibilities of designated cashiers and alternates, are contained in Part IV of the Treasury Financial Manual for Guidance of Departments and Agencies,

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Title 7 of the General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies, and the agency implementing regulations. FAR 13.305 applies and the Department of Defense guidance is contained in the DOD Financial Management Regulation, Volume 5, Chapter 2, paragraph 0210.

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

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

Government Purchase Card: The purchase card is the charge card account established with the issuing bank that enables properly authorized government personnel to buy and pay for supplies and services in support of official government business.

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

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

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

Invoice: The monthly invoice is the official billing invoice for payment purposes, which is provided to the Certifying Officer by the issuing bank. The invoice identifies all of the purchase card transactions of his/her cardholders during a billing cycle. The invoice can be paper based or presented through the Electronic Access System of the issuing bank.

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

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

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

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

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

Purchase Card Log: A manual or automated log in which the cardholder documents individual transactions and screening for mandatory sources using the purchase card and/or convenience checks. Entries in the purchase log may be supported by internal agency documentation (i.e. request for procurement document, email request, etc.). The purchase card documentation should provide an audit trail supporting the decision to use the card and any required special approvals that were obtained. At a minimum, the log will contain the date the item or service was ordered, the merchant name, the dollar amount of the transaction, a description of the item or service ordered and an indication on whether or not the item was received.

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

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

Services: For the purposes of this instruction, services are firm-fixed priced (including unpriced orders with an established ceiling), non-personal, commercially available requirements in which the Government directly engages the time and effort of a

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contractor to perform a task (e.g. repairs, maintenance, annual maintenance agreements, etc.).

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

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

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

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

Tax Exempt: The elimination of state and local taxes from federal purchases in accordance with state and federal law. The phrase "U.S. Government Tax Exempt" is printed on the front of each purchase card.

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

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Appendix B: Review Sample Size for APC/AO

# of PC Transactions	Sample Size
2-15	2
16-25	3
26-90	5
91-150	8
151-280	13
281-500	20
501-1,200	32
1,201-3,200	50
3,201-10,000	80
10,001-35,000	125
35,001-150,000	200
150,001-500,000	315

90.0% Confidence Level

* APCs should use aggregate monthly total of all purchase card transactions, find range of PC Transactions in column #1 and then chose corresponding sample size to review in column #2.

**AO should use either the monthly total of each purchase card account or combined totals of all purchase card accounts, find range of PC Transactions in column #1, and then chose the corresponding sample size to review in column #2.

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

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

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

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Appendix D: DOD/DON Standard MCC Code Blocks

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

<u>MCC Code</u>	<u>Name</u>
4011	Railroads - Freight Home Supply
4121	Taxicabs/Limousines
4761	Telemarketing of Travel Related Services
4829	Wire Transfer-Money orders
5441	Candy, Nut Confectionery Stores
5681	Furriers and fur shops
5813	Drinking Places (Alcoholic Beverages) Bars, Taverns, Nightclubs
5921	Package Stores, Beer, Liquor
5932	Antique shops
5933	Pawn shops
5937	Antique reproductions
5944	Jewelry stores
5960	Direct Marketing Insurance
5993	Cigar Stores and Stands
6010	Financial Institutions Manual Cash Advances
6011	Financial Institutions Automatic Cash Advances
6051	Non-financial Institution-Foreign currency, money orders, traveler's checks
6211	Security brokers/Dealers
6381	Insurance-Premiums
6399	Insurance - Not Elsewhere Classified
6529	Remote Stored Value Load – Member Financial Inst. - MC
6531	Payment Service Provider
6532	Payment Transaction - Member Financial Inst
6533	Payment Transaction Merchant
6611	Overpayments
6760	Savings bonds
7012	Time shares
7273	Dating and escort services
7321	Consumer Credit Reporting Agencies
7332	Blueprint and Photocopying Services
7341	Window Cleaning Services
7511	Truck Stop Transactions
7524	Express Payment Service Merchants - Parking Lot
7833	Express Payment Service Merchants - Motion Pict
7994	Video Game Arcades/Establishments
7995	Betting, casinos, gaming chips, off – track betting
8651	Political organizations
9211	Court costs, alimony, and child support
9222	Fines

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

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Appendix E: Sample Letter of Delegation

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

From: Commanding Officer/APC

To: John Doe

Subj: DELEGATION OF AUTHORITY TO USE PURCHASE CARD

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

1. In accordance with references (a) through (c), you are hereby appointed a contracting officer for the United States of America, limited to the use of the Government Purchase Card. The specific limits of your authority are established below. You may use your card as a procurement method or as a method of payment in accordance with reference (c), up to your single purchase limit. You are reminded that you are personally accountable for strict adherence to DON Purchase Card policies and procedures when using the card.
 - a. Dollar Thresholds:
 - \$2,500 single purchase limit
 - \$XXX monthly purchase limit
 - b. Authorized purchases are (include appropriate categories):
 - Stand-alone procurement method.
 - Method of payment against contract documents issued by a contracting officer.
 - Oral orders against Government contracts, such as IDIQs, GSA, Schedules/GSA Advantage, JWOD, etc.
 - DAPS
 - Blanket Purchase Agreements / LOA
 - Purchase of Training (DD1556)
 - c. Purchase restrictions (if any): (i.e., purchase cardholder cannot use purchase card over the Internet or over the counter)
 - d. Merchant Category Code Blocks (if any).

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

Signed by Commanding Officer

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Appendix F: Criteria For Selecting APCs, AOs And CHs

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

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Appendix G: Training Requirements

1. Navy/Marine Corps Purchase Card Training and Interactive Customer Assistance CD ROM (web-based).
 - a. **All** prospective Agency Program Coordinators, Approving Officials and Cardholders are required to successfully complete this training prior to appointment.
 - b. **All** program participants are required to successfully repeat this training as a refresher every two years.
 - c. Documentation of successful completion of the training must be retained by the individual and the Agency Program Coordinator for the duration of the individual's appointment.
2. Additionally, purchase cardholders who have been delegated contracting/purchase authority via an SF 1402 (Certificate of Appointment) must complete one of the following courses:
 - a. NAVSUP Simplified Acquisition Course;
 - b. CON 101, Contracting Fundamentals or CON 202, Intermediate Contracting.

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Appendix H: List of Prohibited And Special Attention Items

Prohibited Items:

Advance Payments
Advertising
Asbestos and Asbestos-Containing Materials
Black Oxide Coated Brass Threaded Fasteners
Buildings or Land, Long-Term Rental or Lease of
Business Cards
Cash Advances
Christmas and Other Seasonal Decorations
Coffee Pots, Coffee, Refreshments
Commercial Vehicles, Purchase of
Commercial or GSA Vehicles, Rental/Lease of (Without Drivers)
Employee Identification Tags
Federal Information Processing Resources/Y2K
Fireworks Display
Fuel, Oil, Services, Maintenance, Repairs
Hazardous material and Hazardous Waste Disposal
Incentive Music and Equipment
Lodging and Meals
Luggage
Medical and Dental Care at Civilian Non-Federal Sources
Membership Dues
Ozone Depleting Substances
Personal Services
Pesticides
Plaques, Ashtrays, Paperweights, and Other Mementos As Give-away Items
Printing and Duplication

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Purchase from Government Employees or Business Owned or Controlled by
Government Employees
Reprographic Equipment
Sensitive Compartmented Information in Contracts
Shipboard Habitability Equipment, Including Furniture, Laundry/Dry Cleaning and
Food Service Equipment
Transportation, Purchase of Travel or Travel Related Expenses
Uniform Items
Visual Information (VI) Equipment
 Shipboard Digital Photo Lab (DPL)
 Visual Information-Audiovisual (VI-AV) Production Including Interactive Video
 Acquisition
 Commercial Off-the-Shelf Visual Information-Audiovisual (VI-AV) Production
 Acquisition
 Commercial VI Production
Withdrawal of Tax-Free Ethyl and Specially Denatured Alcohol

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

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

This information applies to Department of the Navy Agency Program coordinators, approving officials and purchase cardholders with established purchase card programs. For a full explanation, and/or background information on prohibitions referenced in this enclosure, refer to the NAVSUPINST 4200.85 (series), enclosure (1). Not all of the prohibitions found in this enclosure require special approvals. Some may be procured using traditional purchase methods (e.g. purchase orders, BPA calls, etc) and paid for using the purchase card. Detailed procedures for using the purchase card as a method of payment may be found in Chapter 4 of this instruction.

Advance Payments

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

Advertising

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

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

Asbestos and Asbestos-Containing Materials

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

Black Oxide Coated Brass Threaded Fasteners

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

For information regarding this prohibition contact
Mr. Scott Stanko, Naval Inventory Control Point, Code 0541, at 717.605.1361, DSN
430.1361 or via Internet: scott_a_stanko@icpmech.navy.mil.

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

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

Business Cards

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

Cash Advances/Cash Refunds

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

Christmas and Other Seasonal Decorations

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

Coffee Pots, Coffee, Refreshments

General rule: Unless the purchase of coffee pots, coffee, or refreshments is for an authorized mess, as discussed in NAVSUP Publication 486 Vol-1, Ch1 to Rev 3, and BUPERINST 1710.13 the purchase of these items are prohibited. Purchase cardholders are also prohibited from buying refreshments for other government employees.

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

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

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Commercial Vehicles, Purchase of

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

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

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

Employee Identification Tags

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

Federal Information Processing Resources/Year 2000 (Y2K) Project

General rule: Purchase cardholders should ensure all procurements of IT are Y2K compliant.

Fireworks Display

General rule: Purchase cardholders may not use appropriated funds to buy fireworks for on ground displays.

Fuel, Oil, Services, Maintenance and Repairs

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

HAZMAT and Hazardous Waste Disposal

General rule: Except for commonly used hazardous material, the purchase of HAZMAT by cardholders is prohibited. (See Chapter 5.5 of the EBUSOPSOFFINST 4200.1)

Incentive Music and Equipment

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

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

Lodging and Meals

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

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

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Luggage

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

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

Medical and Dental Care From Civilian Non-Federal Sources

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

Membership Dues

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

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

Ozone Depleting Substances (ODS)

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

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

Personal Services

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

Pesticides

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

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

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

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

Printing and Duplication

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

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

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

Reprographic Equipment

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

Sensitive Compartmented Information In Contracts

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

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

General rule: Except for furniture, laundry, dry cleaning, and food service equipment listed in the following catalogs purchase cardholders are prohibited from purchasing of these items.

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

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

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

Transportation, Purchase of

General rule: The purchase card cannot be used to pay for transportation charges.

Travel, or Travel Related Expenses

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

Uniform Items

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

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Visual Information (VI) Equipment

General rule: VI production equipment may not be provided to, acquired for, or used by, non-VI activities or personnel (See Definitions). Requests for VI equipment that exceed the dollar thresholds listed below, must be forwarded to the appropriate Major Claimant Visual Information Management Office (MCVIMO) for approval. The MCVIMO must certify that acquisitions are in accordance with activity authorizations prescribed by OPNAVINST 3104.1 and 3104.2. Requests for VI equipment that support VI functions that are not authorized for the activity can not be approved at MCVIMO or local levels and must be held pending N09C1 approval of the new function.

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

For VI equipment policy and MCVIMO information, contact: CNO (N09C1) VI Equipment and Activities Policy Officer at 202.433.3790; DSN 288.

Exceptions: The following types of equipment are exempt.

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

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- i. VI equipment acquired for Video Teleconferencing (VTC) activities managed per OPNAVINST 2015.1
2. Timing and synchronization apparatus related to instrumentation recording.
3. Radiographic equipment (industrial, medical and dental (x-rays)).
4. Office-related support equipment including: word processing equipment; transcribing and intercom equipment; telephone answering devices; xerographic equipment; and microform production and using (viewing and printing) equipment.

Definitions:

VI Equipment

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

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

Shipboard Digital Photo Lab (DPL)

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

For questions regarding this policy, contact: CNO (N09C1) VI Equipment and Activities Policy Officer at 202.433.3790; DSN 288.

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

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

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appropriate Major Claimant Visual Information Management Office (MCVIMO) for approval and or assignment.

For questions regarding this policy, contact: CNO (N09C1) VI/AV Production Policy Officer at 202.433.3714; DSN 288.

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

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

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

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

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Definitions (OPNAVINST 3104.1):

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

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

Withdrawal of Tax-free Ethyl and Specifically Denatured Alcohol

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

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Appendix I: Acronyms

AO	Approving Official
APC	Agency Program Coordinator
ASN(RD&A)	Assistant Secretary of the Navy (Research, Development and Acquisition)
AUL	Authorized Use List (HAZMAT)
BCA	Business Case Analysis
BOA	Basic Ordering Agreement
BPA	Blanket Purchase Agreement
BUMED	Bureau of Naval Medicine
CH	Cardholder
CNO	Chief of Naval Operations
CO	Commanding Officer
CONUS	Continental United States
DAPS	Defense Automated Printing Service
DFAR	Defense Federal Acquisition Regulation
DFAS	Defense Finance and Accounting Service
DOD	Department of Defense
DON	Department of Navy
EBUSOPSOFF	Electronic Business Operations Office
EC/EDI	Electronic Commerce/Electronic Data Interchange
EFT	Electronic Funds Transfer
EIT	Electronic and Information Technology
EPA	Environmental Protection Agency
FAR	Federal Acquisition Regulation
FMR	Financial Management Regulation
FMS	Foreign Military Sales
FOB	Free-on-Board
FPI	Federal Prison Industries
FSS	Federal Supply Schedule
GAO	General Accounting Office
GSA	General Services Administration
HA	Head of the Activity
HAZMAT	Hazardous Material
HCA	Head of Contracting Authority
HRSC	Human Resources Service Center
IDTC	Indefinite Delivery Type Contract
IMM	Integrated Material Manager
IOP	Internal Operating Procedure
JWOD	Javit's-Wagner-O'Day Act
LCM	Life Cycle Management
LOA	Letter of Agreement
MCC	Merchant Category Code
MOU	Memorandum of Understanding

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MSDS	Material Safety Data Sheet
MWR	Morale, Welfare and Recreation
NAF	Non-appropriated Fund
NAPS	Navy Acquisition Procedure Supplement
NMCI	Navy-Marine Corps Intranet
OCONUS	Outside Continental United States
OEM	Original Equipment Manufacturer
PMP	Pest Management Plan
PPMAP	Procurement Management Assessment Program
PSICP	Program Support Inventory Control Point
RO	Reviewing Official
SAT	Simplified Acquisition Threshold
SES	Senior Executive Service
USD(C)	Under Secretary of Defense (Comptroller)
VIXS	Video Info Exchange System
VTC	Video Teleconferencing

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Appendix J: Business Case Analysis (BCA) Requirements

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

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

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

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

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Appendix K: Transportation Considerations

1. General.
 - a. When purchasing material from commercial vendors using the Purchase Card, cardholders must ensure that external labeling requirements are clearly conveyed to the vendor. In some instances, cardholders may request that material be shipped to either CONUS or OCONUS locations. Additionally, items that are purchased from non-local vendors or via the Internet may require shipping to the cardholder or other ultimate destination. In order to ensure that items and material purchased using the purchase card are properly routed through the Defense Transportation System or through the local receiving activity, the external shipping information must be sufficiently detailed and in accordance with standard DoD shipping guidelines.
 - b. This section provides the purchase cardholder with:
 - 1) Shipping services available from GSA using the purchase card
 - 2) general labeling guidance
 - 3) other standard shipping references for more detailed information.
 - c. In all cases the purchase cardholder should contact their local Transportation Officer (TO) for detailed assistance.
 - d. Transportation Terms
 - 1) Free-on-Board (FOB) Destination. FOB destination means the vendor pays the cost of transportation and includes it in the cost of the item. Cardholders should attempt to obtain FOB destination shipment terms.
 - 2) FOB Port of Embarkation. FOB Port of Embarkation (POE) means the vendor pays the cost of transportation to the Defense Transportation Regulation (DTR) Aerial/Water POE, or Defense Distribution Depot San Joaquin, CA (DDJC) for shipments destined OCONUS. Transportation charges from the Aerial/Water POE or DDJC to the overseas destination are paid using TAC N820.
 - 3) FOB Origin. FOB origin or pre-pay and add means the vendor bills for shipping and adds the cost as a separate line item. Cardholders should not accept FOB origin terms. In cases where the cardholders must accept FOB origin terms, any transportation charges will be paid from the procurement line of accounting.
2. CONUS Shipments.
 - a. General Services Administration (GSA) Small Package Express Contract. The GSA Contract authorizes DON purchase cardholders to use their purchase card to ship items INCONUS when using the established contract carriers (Airborne, DHL Worldwide Express, Federal Express (FedEx), United Parcel Services) and to obtain the GSA negotiated contract rates when shipping administrative small packages under 150 pounds under FOB Origin terms. Administrative shipments are generally defined as shipments consisting of:

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- 1) general correspondence
- 2) personnel/payroll records
- 3) laboratory samples (except for samples paid for by the Service-wide transportation (SWT) fund)
- 4) electronic storage media (computer tapes, floppy discs, videos, etc.)
- 5) blueprints
- 6) legal, financial and contracting documents.

- b. Activities wishing to establish new accounts or convert existing accounts to allow use of the purchase card must contact the contract carriers. The following is a list of the most common contract carriers:

Airborne 1.800.247.2676 <http://www.airborne.com/home/home.asp>

DHL Worldwide Express 1.800.225.5345 http://www.dhl.com/main_index.html

FedEx Government Customer Account Services 1.800.645.9424

<http://www.fedex.com/us/government/?adobj=weekendshipping&pgsrc=services>

United Parcel Services 1.800.742.5877 <http://www.ups.com/>

- c. DON purchase cardholders are not authorized to use their purchase card to ship logistics items using a bill of lading or airway bill, or pay for cargo shipments, except for emergency shipments when the activity or base Transportation Officer is not available. In those instances, the purchase card may be used to pay for logistics shipments and these purchases shall be funded with activity or command operating funds.

3. Labeling of material.

- a. Shipping Labels. When a contractor within CONUS is shipping material, the contractor should be advised to include the following information on the shipping label:

- 1) Complete MARK FOR (M/F) address including the cardholder's Unit Identification Code (UIC), address, and departmental name or code for which the material is being procured.
- 2) Requisition/order number.
- 3) Merchant's name, address, and telephone number.

- b. Packing Slip. Additionally, a shipping document or packing slip should be included both on the outside and inside of each package with the following information:

- 1) Merchant's name, address, and telephone number.
- 2) Date of order.
- 3) Requisition number/job order number.
- 4) Date of shipment.
- 5) Required delivery date.
- 6) Itemized list of supplies furnished, including quantity.
- 7) Cardholder's name, code, and telephone number.
- 8) Complete MARK FOR (M/F) address including UIC and address of end user.

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4. OCONUS Shipments to U.S. Navy Ships, Navy Mobile Units or Overseas Activities. The preferred method for the shipping of purchase card procured material overseas is the U.S. Postal Service (USPS) using the destination Fleet Post Office (FPO) address. If shipment is not made via USPS, cardholders are strongly encouraged to use the Defense Transportation System (DTS). The following information should be provided for the applicable transportation method/customer:
- a. U.S. Postal Service (USPS). When material is being shipped via USPS, the following information should be included:
 - 1) Shipping Label:
 - a) Complete MARK FOR (M/F) address including the cardholder's UIC, FPO address, departmental name or code, and telephone number (if available) for which the material is being procured.
 - b) Requisition/order number.
 - c) Merchant's name, address, and telephone number.
 - 2) Packing Slip. Additionally, a shipping document or packing slip should be included both on the outside and inside of each each package with the following information:
 - a) Merchant's name, address, and telephone number.
 - b) Date of order.
 - c) Requisition number/job order number.
 - d) Date of shipment.
 - e) Required delivery date.
 - f) Itemized list of supplies furnished, including quantity.
 - g) Cardholder's name, code, and telephone number.
 - h) Complete MARK FOR (M/F) address including UIC and address of end user.
 - b. Defense Transportation System (DTS) to OCONUS. Purchase cardholders shipping items OCONUS should follow guidance on packaging and labeling of OCONUS cargo moving in the Defense Transportation System (DTS) as defined by the Defense Transportation Regulation (DTR), Part II, Cargo Movement (DOD 4500.9-R), which is available electronically at <http://www.transcom.mil/J4/j4lt/dtr.html>. In addition, country specific customs clearance requirements are contained in the Foreign Clearance Guide (FCG) and the DTR, Part V, Customs. Contracting officers and purchase cardholders shall ensure that OCONUS shipments are prepared in accordance with the DTR guidance.

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

Due to the oral nature of purchase card orders, purchase cardholders should positively establish that the vendor understands and will comply with the

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labeling, packaging, documentation and air/water clearance requirements prior to placing the order.

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

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

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

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

- d. Overseas Shore Activities. If the procured item is shipped via the DTS (i.e. using the Air Mobility Command (AMC) Channel missions or scheduled sealift container services to overseas destinations) to Overseas Shore Activities the purchaser must provide the following information for the merchant to place on the shipping label:
- 1) Mark FOR (M/F) Address. Complete MARK FOR (M/F) address (an in-the-clear address when possible), including the cardholder's UIC, FPO address and departmental name or code of the activity for which the material is being procured.
 - 2) Transportation Control Number. Transportation Control Number (TCN) (which normally consists of the procuring activity's requisition number, and three character Defense Transportation Regulation (DTR) suffix), requisition number (if not provided in TCN), and order number.
 - 3) Transportation Account Code (TAC). The TAC utilized for purchase card procured material through DTS is N820, a Navy Service-Wide Transportation First Destination TAC. The use of TAC N820 is strictly limited to the movement of purchase card procured material items, from a DTR-designated Aerial or Water Port of Embarkation (APO/WPOE) or the Container Consolidation Point (CCP) at San Joaquin, CA (DDJC), to a cardholder activity when the activity is overseas, including deployed ships or mobile units. This TAC shall not be used for payment of transportation charges for domestic (including Alaska, Hawaii or Puerto Rico) shipments. The funding account paying for the purchase will pay for any associated transportation charge that has been added by the

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vendor. Its use is strictly limited to the movement of a purchase card procured item, from a DTR-designated APOE/WPOE or DDJC, to a cardholder activity when the activity is overseas including deployed ships and mobile units. It shall NOT be used for payment of transportation charges for domestic (including Alaska, Hawaii and Puerto Rico) shipments.

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

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

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

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

SHIP TO: W62N2A
DDJC San Joaquin Site
TCN/TAC/TP/RDD/ M/F UIC**
Building B1
Lathrope, CA 95330-0130

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

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

Advance notification of the information contained in paragraph 6.c. above should be forwarded via Naval message, fax, or email by the cardholder to the appropriate transshipment point to ensure proper routing upon material receipt and to preclude frustration of material.

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

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Appendix L: Training Resources

1. DON Purchase Card CD-Based Tutorial	L-2
2. DON Purchase Card Online Tutorial	L-2
3. CitiDirect Interactive Tutorial	L-2
4. WinSALTS Navy Purchase Card Guide	L-3
5. SALTS Training Classes, Lecture/Demo Format	L-3
6. SALTS Users Manuals – Volumes 1 – 6	L-4
7. STARS/FL Users' Course	L-4
8. Naval Supply Corps Schools – Athens, GA	L-5
9. Procurement Management Review (PMR) Classes	L-5
10. AK/SK Supply Corps School, A-School, Meridian, MS	L-6

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1. DON Purchase Card CD-Based Tutorial:

The Government Purchase Card Training/Certification Course is the primary training resource for the on-going support of this program. Successful completion of this training certifies the student to participate in the Purchase Card Program.

Distribution Method: Initial distribution from NAVSUP and EBUSOPSOFF to all APCs. Additional copies can be ordered through EBUSOPSOFF.

Status: Over 30,000 copies have been distributed.

Contact: Linda Bailey, EBUSOPSOFF, linda_k_bailey@fmso.navy.mil, DSN 430.3114, (717.605.3114)

Adequacy: This tutorial's strength is high availability and in depth coverage of Navy/Marines Purchase Card policy. While the training discusses CitiDirect and WinSALTS aspects, its main weakness is lack of hands-on practice with the invoice certification tools – WinSALTS and CitiDirect.

2. DON Purchase Card On-Line Tutorial:

The Government Purchase Card Training/Certification Course is the primary training resource for the on-going support of this program. Successful completion of this training certifies the student to participate in the Purchase Card Program.

This on-line tutorial includes the same content as the CD-ROM tutorial discussed in paragraph 1 above.

Distribution Method: Internet: <http://www.don-ebusiness.navsop.navy.mil> and access the Purchase Card Policy section of the web site

Status: Currently available

Contact: Linda Bailey, EBUSOPSOFF, linda_k_bailey@fmso.navy.mil, DSN 430.3114, (717.605.3114)

Adequacy: This on-line tutorial provides in depth coverage of the Navy/Marines Purchase Card policy. While the training discusses CitiDirect and WinSALTS aspects, its main weakness is lack of hands-on practice with the invoice certification tools – WinSALTS and CitiDirect. It's availability can be limited for deployed Fleet members. The CD-ROM is highly recommended as the training tool of choice in this situation.

3. CitiDirect Interactive Tutorial:

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

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system. After completing the tutorial, you will be able to utilize CitiDirect to reduce administrative time associated with managing your card program.

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

Distribution Method: Internet

Status: Currently available to logged in users.

Contact: <http://www.citidirect-gcs.com>

Adequacy: The CitiDirect tutorial is a good training tool for all levels of Purchase Card participants as an introduction to the CitiDirect-PC interface. However, the tutorial needs to be updated to include new topics such as, Dynamic Reporting.

4. WinSALTS Navy Purchase Card Guide:

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

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

Status: Currently downloadable

Contact:

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

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

5. SALTS Training Classes, Lecture/Demo Format:

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

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

DON Purchase Card Program
Agency Program Coordinator (APC)
Desk Guide
(WinSALTS)



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

Status: Currently available

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

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

6. SALTS Users Manuals – Volumes 1 – 6:

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

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

Status: Currently available

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

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

7. STARS/FL Users' Course:

This 4-day lecture, hands-on class, presented by Diverse Technologies Corporation (DTC), is for new **STARS/FL** users or as a refresher for trained users. The format of the class consists of formal presentation, hands-on activities, team exercises, informal question and answers, and job aids as well as a comprehensive up-to-date student manual.

Distribution Method: Classes are scheduled on request and can be conducted as on-sites. Eight attendees is the recommended class size.

Status: Must be schedule for a group; not public offerings

Contact: Marie Leshher, DTC lesherm@diversetech.com 717.691.9450

DON Purchase Card Program
Agency Program Coordinator (APC)
Desk Guide
(WinSALTS)



Adequacy: This class is designed for financial personnel who require an extensive understanding of the STARS/FL system. Not recommended for board usage in the PC Program – suitable for financial management to track invoices through the system. Availability is a problem.

8. Naval Supply Corps Schools – Athens, GA:

The Naval Supply Corps School in Athens, GA, has integrated Purchase Card topics into the Supply Officer Department Head Course (SODHC). The content includes policy information and practical hands-on experience with both WinSALTS and CitiDirect.

Distribution Method: Content included in the standard NSCS curriculum.

Status: Currently available

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

Adequacy: Hands on is covered in optional labs; all students complete the tutorial.

9. Procurement Management Review (PMR) Classes:

The Fleet and Industrial Supply Center, FISC, conducts regularly scheduled, one day Purchase Card classes. These class schedules are published on an annual basis.

The content of the classes includes appropriate topics on both CitiDirect and WinSALTS based versions of the Purchase Card Automation System. Hands on exercises are also included.

Distribution Method: Class schedules are published by FISC PMR groups on an annual basis. The San Diego FISC schedule is available at:

http://www.sd.fisc.navy.mil/contracts/proc_train.htm#cpc

The Norfolk FISC schedule is available at:

http://www.nor.fisc.navy.mil/Contracts/PMRStuff/PMR_training.htm

Status: FY02 Schedules currently available

Contact: Karen Davis, FISC, San Diego, Karen_L_Davis@sd.fisc.navy.mil
Liz Lewis, FISC, Norfolk, Elizabeth_V_Lewis@nor.fisc.navy.mil

Adequacy: These PMR FISC classes are excellent and provide a comprehensive coverage of the topics both policy and hands-on certification. Only major drawback would be individual scheduling issues – i.e. deployed.

DON Purchase Card Program
Agency Program Coordinator (APC)
Desk Guide
(WinSALTS)



10. AK/SK Supply Corps School, A-School, Meridian, MS:

The Supply Corps School, A-School, in Meridian, MS is merging the AK and SK curricula which will include a brief introduction to the Purchase Card Program. This introduction will be at a very elementary level and will be an appropriate introduction for the A-School students.

Distribution Method: Regularly scheduled classes at the Supply Corps school in Meridian, MS.

Status: Planned for inclusion in the modified AK/SK curriculum.

Contact: The Supply School's website includes information about the plan to merger the AK and SK curricula. Check here for details

<https://www.cnet.navy.mil/meridian/nttc/schoolhouses/supply/sk-akmerg.htm>

Adequacy: The current Storekeeper curriculum has minimal content related to the Purchase Card. The combined curricula will include a basic introduction suitable for the level of student.

DON Purchase Card Program
Agency Program Coordinator (APC)
Desk Guide
(WinSALTS)



Appendix M: WinSALTS NPC Desk Guide

The WinSALTS Navy Purchase Card Guide can be accessed through WinSALTS by (1) accessing WinSalts, Data Services, Request files from Salts, Salts standard files, Navy Purchase Card, and selecting Desk Guide; or (2) accessing WinSALTS, Data Services, Navy Purchase Card, Get latest Purchase Card information. It may also be viewed or downloaded from the web at:

http://www.salts.navy.mil/main/files/pdf/npc_desk_guide.pdf. For problems accessing the Guide contact SALTS as indicated below.

WinSALTS_{/32} Navy Purchase Card Guide

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

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

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

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

AUGUST 6, 2001

DON Purchase Card Program
Agency Program Coordinator (APC)
Desk Guide
(WinSALTS)



Appendix N: Citibank Forms

1. Government Agency/Organization Program Coordinator (APC) Setup/Maintenance Form N-2
2. Guide to Government Agency/Organization Program Coordinator (APC) Setup/Maintenance Form N-3
3. Government Cardholder Dispute Form N-4
4. Guide to Government Cardholder Dispute Form..... N-5
5. Navy Approving Official Account Set-up/Maintenance Form N-6
6. Guide to Navy Approving Official Account Set-up/Maintenance Form..... N-7
7. Navy Purchase Card Maintenance Form N-8
8. Guide to Navy Purchase Card Maintenance Form..... N-9
9. Navy Purchase Card Setup Form N-10
10. Guide to Navy Purchase Card Setup Form..... N-11

These forms can be used if unable to access the DON eBusiness website <http://www.don-ebusiness.navsop.navy.mil>. The CitiDirect forms are in the Card Management section under Financial Cards, Purchase Card, Citibank Forms.

**GUIDE TO
GOVERNMENT AGENCY/ORGANIZATION PROGRAM COORDINATOR
SETUP/MAINTENANCE FORM**

Form used to add approved A/OPCs.

Section I – Instructions

Section II – A/OPC Information

1. **Name of Agency/Organization Program Coordinator:** Program Coordinator's full name – Last, First and Middle Initial.
2. **Street Address:** Physical mailing address for the Program Coordinator.
3. **Business Phone:** Area code and business phone number.
4. **Fax Number:** Area code and fax number.
5. **Verification:** A/OPC to provide identification password (i.e., a control number). This will be requested when the A/OPC contacts Citibank Customer Service for assistance.

Section III – Reporting Parameters

6. **Agency/Organization Name:** Please provide complete name of agency/organization of A/OPC.
7. **Reporting Hierarchy:** The five-digit reporting code assigned to each level within the organizational hierarchy that defines the Cardholder's relationship within your Agency's reporting structure. Up to seven five-digit codes may be assigned to your Agency. Contact your Client Account Specialist for your Agency's specific codes.

Section IV – Terms and Conditions

8. **Terms and Conditions:** Each Agency/Organization Program Coordinator listed must sign

Section V – Internal Use Only

This section is for bank use only.

GOVERNMENT CARDHOLDER DISPUTE FORM

INQUIRER'S NAME: (1) _____ DATE: (2) _____

CARDHOLDER'S NAME: (3) _____

ACCOUNT NUMBER: (4) _____

CARDHOLDER: PLEASE PROVIDE A COPY OF ANY INFORMATION/FORMS REQUESTED BELOW ALONG WITH THE STATEMENT THE DISPUTED CHARGE APPEARS ON.
 PLEASE FAX TO 605-335-1417 or MAIL TO Citibank Government Card Services, P.O. Box 6125, Sioux Falls, SD 57117-6125.
 This form must be filled out completely and forwarded to Citibank and the appropriate Agency officials (as determined by your internal procedures) within 60 calendar days of receipt of your invoice.

DATE: (5) _____ DOLLAR AMOUNT OF CHARGE: \$ (6) _____ MERCHANT: (7) _____

CARDHOLDER SIGNATURE:

Please read carefully each of the following descriptions and check the one most appropriate to your particular dispute. If you have any questions, please contact us at 1-800-790-7206 (overseas call collect at 904-954-7850). We will be more than happy to advise you in this matter.

(9)

- **UNAUTHORIZED MAIL OR TELEPHONE ORDER**
 I have not authorized this charge to my account. I have not ordered merchandise by phone or mail, or received any goods or services.
 - **DUPLICATE PROCESSING - THE DATE OF THE FIRST TRANSACTION WAS _____.**
 The transaction listed above represents a multiple billing to my account. I only authorized one charge from this merchant for this amount. My card was in my possession at all times.
 - **MERCHANDISE NOT RECEIVED IN THE AMOUNT OF \$ _____.**
(Please provide a separate statement detailing the merchant contact, and the expected date to receive merchandise.)
 My account has been charged for the above transaction, but I have not received the merchandise. I have contacted the merchant, but the matter was not resolved.
 My account has been charged for the above listed transaction. I have contacted this merchant on _____ (date) and canceled the order. I will refuse delivery should the merchandise still be received.
 - **MERCHANDISE RETURNED IN THE AMOUNT OF \$ _____.**
 My account has been charged for the above listed transaction, but the merchandise has since been returned.
A copy of the postal or UPS receipt is enclosed.
 - **CREDIT NOT RECEIVED**
 I have received a credit voucher for the above listed charge, but it has not yet appeared on my account.
A copy of the credit voucher is enclosed.
 - **DIFFERENCE IN AMOUNT**
 The amount of this charge has been altered since the time of purchase. Enclosed is a copy of my sales draft showing the amount for which I signed. The difference of amount is \$ _____.
- COPY REQUEST**
 I recognize this charge, but need a copy of the sales draft for my records.
- SERVICES NOT RECEIVED - Please enclose a separate statement with the date of the merchant contact and response.**
 I have been billed for this transaction; however, the merchant was unable to provide the services.
- PAID FOR BY ANOTHER MEANS**
 My card number was used to secure this purchase; however, the final payment was made by check, cash, or another credit card. Enclosed is my receipt, canceled check (front and back), copy of credit card statement, or applicable documentation demonstrating that payment was made by other means.
- NOT AS DESCRIBED**
 The item(s) specified do not conform to what was agreed upon with the merchant. (The Cardholder must specify what goods, services, or things of value were received. The Cardholder must have attempted to return the merchandise and state so in his/her complaint.)

IF NONE OF THE ABOVE REASONS APPLY:

Provide a complete description of the problem, attempted resolution and outstanding issues. Use a separate sheet of paper and sign and date your description statement.

Numbers in parentheses correspond to numbers on guide sheet on next page.

**GUIDE TO
GOVERNMENT CARDHOLDER DISPUTE FORM**

Form required when disputing a charge(s).

1. **Inquirer's Name:** Name of individual submitting dispute, i.e., Dispute Officer or Cardholder.
2. **Date:** Day, month and year for the day the dispute is being filed (i.e., today's date).
3. **Cardholder's Name:** List the name that appears on the account where the charge in dispute resides.
4. **Account Number:** 16-digit account number.
5. **Date:** Indicate the date the transaction in dispute was made.
6. **Dollar Amount of Charge:** Indicate the dollar amount of the transaction in dispute.
7. **Merchant:** Name of the merchant for the transaction in dispute.
8. **Cardholder Signature:** Cardholder must sign.
9. **Error Description:** Check the box that most appropriately relates to your type of dispute.



NAVY APPROVING OFFICIAL ACCOUNT SETUP/MAINTENANCE FORM

SECTION I

INSTRUCTIONS

- To add or change an Approving Official, the A/OPC must complete all sections and sign in Section V. Signatures are required only if submitted by fax or mail.
- Type of request: New (Complete entire form) Change Approving Official Information (Complete Reporting Hierarchy and only the items requiring a change) Close Approving Official Account (Provide Approving Official's Corporate Account Number)
- Maintain a copy in the Approving Official and Agency/Organization Program Coordinator's files.
- Fax completed form to your Client Account Manager at (904) 954-7700.

SECTION II

APPROVING OFFICIAL INFORMATION (Please Print)

*Last Name of Approving Official (maximum 24 characters)		*First Name	*Middle Initial
*Approving Official Corporate Account Number (mandatory 16 characters for changes only)			
*Agency/Organization Name (maximum 24 characters)		*Verification Information	
*Business Mailing Street Address Line 1 (maximum 36 characters)		*Business Phone	
Business Mailing Street Address Line 2 (maximum 36 characters)			
*City	*State	*Zip Code	Country
E-mail Address			
Fax Number		*Navy Unit Identification Code and Obligation Indicator (e.g., N12345B or N34567T or N12345S))	
*Master Accounting Code (LOA) Is this account NAFI: Yes <input type="checkbox"/> No <input type="checkbox"/>		*Number next to field description is required length of field.	
{ GA: 2	BFYEFY: 8	APPN: 4	SBHD: 4
OBJCLS: 4	BCN: 5	SA: 1	AAA: 6
TT: 2			
PAA: 6	CC: 12 }	{ } = Required for all activities.	
(MCC: 2) () = STARS HCM only	[FA: 2	BESA: 2	CAC: 4
BRC: 2	RON: 3	RBC: 1	FC: 2] [] = USMC only

SECTION III

REPORTING PARAMETERS

*Reporting Hierarchy:

SECTION IV

AUTHORIZATION PARAMETERS

*Dollars per Cycle Limit \$ _____ Number of Transactions: Cycle _____ Day _____

SECTION V

AGENCY/ORGANIZATION PROGRAM COORDINATOR SIGNATURE (Required for paper submission only.)

*Approving Agency/Organization Program Coordinator's Signature _____ Date _____

Full Name (Please print) _____ Business Phone _____ Fax Number _____

CB022 1/2 F9 6/17/02 *Fields marked with asterisk must be completed prior to submission of the form or it will be returned. Instructions are provided on back of form. LOA instructions are on LOA GUIDE Form.

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A member of citigroup

**GUIDE TO
NAVY APPROVING OFFICIAL
ACCOUNT SETUP/MAINTENANCE FORM**

Form used to add approved A/O's.

Section I – Instructions

1. **Instructions**
2. **Type of Request, NEW or CHANGE or CLOSE:** Mark box "New" if requesting a completely new Approving Official (Invoice). Mark box "Change" if new A/O is replacing old A/O with an existing account number (Corporate Account Number-Invoice). Mark box "Close" if the Approving Official's account is to be closed. **Remember:** If you close the Approving Official's account, all Cardholder accounts connected to the Approving Official's account will be closed as well.

Section II – Approving Official Information

3. **Approving Official Name:** Approving Official's full name. Last, First and Middle Initial. Write all information ABOVE the lines in this section.
4. **Approving Official Corporate Account Number:** Must supply 16-digit account number if requesting change to existing profile. Leave blank if new request.
5. **Agency Organization Name:** Name of Agency or Department.
6. **Business Street Address:** Physical mailing address for the Approving Official.
7. **Business Phone:** Area code and business phone number.
8. **Fax Number:** Area code and fax phone number.
9. **Verification Information:** A/OPC to provide identification password (i.e., a control number). This will be requested when the A/O contacts Citibank Customer Service for assistance.
10. **Navy Unit Identification Code and Obligation Indicator:** Seven characters only: supply full Unit Identification Code (six characters) with bulk obligation indicator at end: **B** for Bulk, **T** for Transactional or **S** for SALTS obligation (one character).
11. **LOA:** Check YES if NAFI (Non-Appropriated Fund Instrumentality) account, NO if appropriated funds. Must supply Line of Accounting for Approving Official. See LOA guide for further definition.

Section III – Reporting Parameters

12. **Reporting Hierarchy:** Must supply Reporting Hierarchy level one through level 5.

Section IV – Authorization Parameters

13. **Dollars per Cycle Limit \$:** Must supply 30-day cycle limit.
14. **Number of Transactions per Cycle:** Number of transactions per cycle is optional.

Section V – A/OPC Signature

15. **Approving Agency/Organization Program Coordinator's Signature:** Provide signature and printed name of A/OPC.



NAVY PURCHASE CARD MAINTENANCE FORM

NOTE: This form should be completed by the Agency/Organization Program Coordinator with the required information input from the Cardholder.

SECTION I

INSTRUCTIONS

1. To change information for existing accounts:
 - a. Complete Section II with the type of request. *******Fill in only the applicable fields to be updated.*******
 - b. Fill in the individual Government Account number:
 - c. Fill in the Cardholder's name as it appears on his/her Government Card:
- Approved copy to be maintained in Agency/Organization Program Coordinator's files.
2. Fax completed form to **605 357-2092** or mail to Citibank® Government Services, P.O. Box 6125, Sioux Falls, SD 57117-6125.
 3. All changes will be completed within 3 business days unless requesting to move a particular Cardholder from one billing site to another. These changes will be made the next business day after the Agency/Organization's cycle date.

SECTION II

TYPE OF CARDHOLDER MAINTENANCE REQUEST ("X" all applicable)

- | | |
|---|---|
| <input type="checkbox"/> A. Cardholder Information Change (Section III) | <input type="checkbox"/> F. Cash Advance Limit Change (Section V) |
| <input type="checkbox"/> B. Hierarchy Change (Section IV) | <input type="checkbox"/> G. Transaction Limit Change (Section V) |
| <input type="checkbox"/> C. MCC/Blocking Change (Section V) | <input type="checkbox"/> H. Account Closure (Section VI) |
| <input type="checkbox"/> D. Monthly Limit Change (Section V) | <input type="checkbox"/> I. Other Changes: |
| <input type="checkbox"/> E. Single Purchase Limit Change (Section V) | |

SECTION III

CARDHOLDER INFORMATION (Please Print)

Last Name of Cardholder	*First Name	*Middle Initial (maximum 20 characters)
Agency/Organization Name (maximum 24 characters)		Verification Information, Benefit Start Date (MMYY)
*4th Line Embossing		Activation Information (Last 4 digits of SSN)
Business Mailing Street Address Line 1 (maximum 36 characters)		Business Phone
Business Mailing Street Address Line 2 (maximum 36 characters)		
City	State	Zip Code Y <input type="checkbox"/> or N <input type="checkbox"/>
E-mail Address		City Pair Program (circle one)
Fax Number	Navy Unit Identification Code and Obligation Indicator (e.g., N12345B or N34567T or N12345S)	
Master Accounting Code (maximum 75 characters) *Valid LOA append from Navy table		

SECTION IV

REPORTING PARAMETERS

Current Reporting Hierarchy:
 New Reporting Hierarchy:

SECTION V

AUTHORIZATION PARAMETERS

New Monthly Limit \$	Convenience Checks Y <input type="checkbox"/> N <input type="checkbox"/> 2 Bks <input type="checkbox"/> 6 Bks <input type="checkbox"/>
New Single Dollar Transaction Limit \$	(If you have Convenience checks complete new Cash limit)
New Cycle Number of Transaction(s)	New Cash Advance %
New Daily Number of Transaction(s)	New MCC Template Name

SECTION VI

ACCOUNT CLOSURE INSTRUCTIONS

1. You need to destroy your Card(s).
2. If you have convenience checks, please destroy any unused checks.

SECTION VII

Approving Agency/Organization Program Coordinator's Signature _____ Date _____

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***If these fields are filled out for corrections/changes, a new card will automatically be sent. Instructions are provided on back of form. LOA instructions are on LOA GUIDE Form.**

GUIDE TO NAVY PURCHASE CARD MAINTENANCE FORM

Form used for changes on existing accounts.

Note: only those data elements requiring changes need to be completed.

Section I – Instructions

Indicate account number and Cardholder's full name.

Section II – Type of Cardholder Maintenance Request

Mark the appropriate type of maintenance requested.

Section III – Cardholder Information

1. **Name of Cardholder:** Full name of Cardholder – Last, First and Middle Initial.
2. **Agency /Organization Name:** Name of Cardholder's Agency.
3. **4th Line Embossing:** Agency, Bureau or Operating Administration name (maximum 20 characters including spaces, i.e., GSA). This appears on the card under the Cardholder's name.
4. **Social Security Number (Travel Card Only):** Cardholder's Social Security Number.
5. **Home Mailing Street Address:** Address where the card and statements will be mailed (Travel Card Only).

OR

6. **Business Mailing Street Address:** Address where the card and statements will be mailed.
7. **City Pair Program:** Indicate whether Cardholder is a participant of the City Pair Program for government rates on airline tickets.
8. **Navy Unit Identification Code and Obligation Indicator:** Seven characters only: supply full Unit Identification Code (six characters) with bulk obligation indicator at end: **B** for Bulk, **T** for Transactional or **S** for SALTS obligation (one character).

Section IV – Reporting Parameters

9. **Current Reporting Hierarchy:** The five-digit reporting code assigned to each level within the organizational hierarchy that defines the Cardholder's relationship within your Agency's reporting structure. Up to seven five-digit codes may be assigned to your Agency. Contact your Client Account Specialist for your Agency's specific codes.
10. **New Reporting Hierarchy:** When a Cardholder moves from one area to another within the Agency, new five-digit reporting codes are assigned. Contact your Client Account Specialist for your Agency's specific codes.

Section V – Authorization Parameters

11. **New Dollars per Cycle Limit \$:** Monthly spending limit.
12. **New Dollars per Transaction Limit \$:** Single transaction limit, i.e., \$500; this would restrict a Cardholder from purchasing more than \$500 for a single purchase.
13. **New Number of Transactions per:** Number of transactions a Cardholder can perform per monthly cycle or per day.
14. **New MCC Template Name:** Merchant blocking schemes. For example, Agency/Organization Program Coordinator may want to block certain types of merchants from being accessed by the Cardholder. Contact your Client Account Specialist for your Agency's MCC template names.
15. **Convenience Checks (Purchase):** Indicate access to convenience checks. Indicate number of checkbooks to be issued.
Note: Each checkbook contains twenty-five checks.
16. **If eligible for convenience checks, maximum payment amount:** Indicate "not to exceed" dollar amount to be printed on the check. This serves as notification for the merchant.
17. **ATM Access:** Indicate access to cash advances at Automated Teller Machines.
18. **ATM Access Limit:** Indicate dollar limit per day, week or monthly cycle.
19. **Travellers Cheques (Travel):** Indicate access to purchase Travellers Cheques.

Section VI – Account Closure Instructions

Section VII – A/OPC Signature

20. **Approving Agency/Organization Program Coordinator's Signature:** Program Coordinator must sign for approval



NAVY PURCHASE CARD SETUP FORM

SECTION I**INSTRUCTIONS**

1. To add a new account, the A/OPC must complete all sections and sign in Section VI.
2. Maintain a copy in the Cardholder and Agency/Organization Program Coordinator's files.
3. Fax completed form to **605 357-2092** or mail to Citibank® Government Services, P.O. Box 6125, Sioux Falls, SD, 57117-6125.
4. If A/OPCs have access to the CitiDirect® Card Management System, please fill out online application and submit electronically.

SECTION II**CARDHOLDER INFORMATION** (Please Print)

*Last Name of Cardholder *First Name *Middle Initial (maximum 20 characters total)

*Name of Approving Official *Approving Official Account Number

*Agency/Organization Name (maximum 24 characters) *Verification Information, Benefit Start Date (MMYY)

4th Line Embossing *Activation Information (Last 4 digits of SSN)

*Business Mailing Street Address Line 1 (maximum 36 characters) *Business Phone

Business Mailing Street Address Line 2 (maximum 36 characters)

*City *State *Zip Code

E-mail Address Fax Number

*ID Verification Code 1 - Unit Ident. Code (UIC) e.g., N12345 *Master Accounting Code (LOA) Is this account NAFI: Yes No Number next to field description is **required** length of field.

{ GA: 2 BFYEFY: 8 APPN: 4 SBHD: 4 OBJCLS: 4 BCN: 5 SA: 1 AAA: 6 TT: 2

PAA: 6 CC: 12 } { } = Required for all activities.

(MCC: 2) () = STARS HCM only [FA: 2 BESA: 2 CAC: 4 BRC: 2 RON: 3 RBC: 1 FC: 2] [] = USMC only

SECTION III**REPORTING PARAMETERS**

*Reporting Hierarchy

Corp. ID # (maximum 5 characters)

SECTION IV**AUTHORIZATION PARAMETERS***Cycle Limit \$ Convenience Checks Y N 2 Bks 6 Bks
*Single Dollar Transaction Limit \$ (If you checked Y for Convenience Checks fill in cash percentage below)

Cycle Number of Transaction Cash Advance (for convenience checks only) %

Daily Number of Transaction(s) *MCC Template Name

SECTION V***PLASTIC TYPE** (Please check one of the following)Government Standard**SECTION VI**

The agency agrees to abide by the procedures established in the Citibank Government Card guidelines. We understand that it is our responsibility to notify Citibank at 1-800-790-7206 (overseas call collect 011-904-954-7580) immediately if a card is lost or stolen.

*Approving Agency/Organization Program Coordinator's Signature _____ Date _____

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*Fields marked with asterisk must be completed prior to submission of the form or it will be returned.

Instructions are provided on back of form. LOA instructions are on LOA GUIDE Form.

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GUIDE TO NAVY PURCHASE CARD SETUP FORM

Form used for a new Purchase Card Applicant.

Section I - Instructions

Section II – Cardholder Information

1. **Name of Cardholder:** Full name of Cardholder – Last, First and Middle Initial.
2. **Agency /Organization Name:** Name of Cardholder's Agency or Department.
3. **Verification Information:** Benefit Start Date (SF50 Form). This information will be requested of the Cardholder when he/she contacts Citibank Customer Service for assistance.
4. **4th Line Embossing:** Agency, Bureau or Operating Administration name (maximum 20 characters including spaces, i.e., GSA). This appears on the card under the Cardholder's name.
5. **Activation Information (Last Four Digits of Social Security Number):** Used for card activation. Cardholder provides the last four digits of his/her Social Security number.
6. **Business Mailing Street Address:** Address where the card and statements will be mailed.
7. **ID Verification Code:** Information required is the full six-character UIC (Unit Identification Code).
8. **Master Accounting Code:** Must mark YES if NAFI (Non-Appropriated Fund Instrumentality) account. If appropriated funds, must mark NO. Must fill in Default LOA (Line of Accounting) for this Cardholder's transactions. See LOA guide for more definition.

Section III – Reporting Parameters

9. **Reporting Hierarchy:** The five-digit reporting code assigned to each level within the organizational hierarchy that defines the Cardholder's relationship within your Agency's reporting structure. Up to seven five-digit codes may be assigned to your Agency. Contact your Client Account Specialist for your Agency's specific codes.
10. **Corp. ID#:** Five-digit ID code used if card(s) will be shipped to central address(es). Bulk Shipment. Contact your Client Account Specialist for your Agency's specific codes.

Section IV – Authorization Parameters

11. **Cycle Limit \$:** Monthly spending limit.
12. **Dollars per Transaction Limit \$:** Single transaction limit, i.e., \$500; this would restrict a Cardholder from purchasing more than \$500 for a single purchase.
13. **Number of Transactions per Cycle:** Number of transactions a Cardholder can perform per monthly cycle.
14. **Number of Transactions per Day:** Number of transactions a Cardholder can perform per day.
15. **Convenience Checks:** Indicate access to convenience checks. Indicate number of checkbooks to be issued.
Note: Each checkbook contains twenty-five checks.
16. **If eligible for convenience checks, maximum payment amount:** Indicate "not to exceed" dollar amount to be printed on the check. This serves as notification for the merchant.
17. **MCC Template Name:** Merchant blocking schemes. For example, Agency/Organization Program Coordinator may want to block certain types of merchants from being accessed by the Cardholder. Contact your Client Account Specialist for your Agency's MCC template names.

Section V – Plastic Type

18. **Plastic Type:** Card type selection: 1) Government Standard: GSA-designed standard card. US Government is printed on the card; 2) Quasi-Generic: Plain silver plastic embossed with Government-assigned account number; 3) Non-POS (White): Issued for centrally billed accounts, CANNOT be used at the Point-of-Sale.

Section VI – A/OPC Signature

19. **Approving Agency/Organization Program Coordinator's Signature:** Program Coordinator must sign for approval.