DEPARTMENT OF THE NAVY
NAVAL SUPPLY SYSTEMS COMMAND
5450 CARLISLE PIKE
PO BOX 2050
MECHANICSBURG PA 17055-0791

TELEPHONE NUMBER
COMMERCIAL
AUTOVON
IN REPLY REFER TO:
4200
Ser21B1/0003
PC 00-02
06 Mar 00

From: Commander, Naval Supply Systems Command

Subj: RECONCILING PURCHASE CARD ACCOUNTS

Ref: (a) ASN (FM&C) Memo of 3 Jun 99
(b) NAVSUPINST 4200.94, Chapter 1, Paragraph 5

1. References (a) and (b) provide specific guidance on the time constraints imposed on Department of Navy (DON) purchase cardholders and approving officials (AOs) to reconcile purchase card accounts. Recent queries from DON field activities have indicated that some confusion exists regarding the approved time frames for cardholders and AOs to reconcile purchase card accounts. Reference (a) specifically mandates that, "AOs will certify the purchase card invoice based on the presumption that all cardholders accounts are proper unless the AO has been notified in writing to the contrary within five working days of receipt of the purchase card invoice." In addition, reference (b) requires that, "the cardholder shall review all information on the monthly statement, verifying changes, credits, outstanding disputes and refunds within five days of receipt." "If the cardholder fails to review the monthly statement, including; annotating any discrepancies, disputing improper charges, or signing or 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 direction from references (a) and (b) to the cardholder and AO is clear. The cardholder has until prior to the close of business of the fifth working day after receipt of the invoice to identify to the AO any discrepancies identified on his/her monthly statement. At the close of business of the fifth working day the AO must certify the monthly invoice and forward it for payment. Neither reference should be interpreted to imply that the cardholder or AO have any additional flexibility in reconciling purchase card accounts.

2. Agency program coordinators and AOs are responsible for implementation of this policy. Strict adherence to the time frames mandated by references (a) and (b) are required in order for the department to improve the financial practices supporting the use of the purchase card.

3. NAVSUP is working with Defense Finance and Accounting Service (DFAS) to collect metrics on the amount of processing time it takes organizations from receipt of the purchase card invoice until it is certified for payment. These metrics will be reported to ASN(FM&C) to ensure successful implementation of

reference (a), which states that, "Organizations causing excessive interest penalties will be subject to the reallocation of their resources to reimburse the DON prompt pay interest centrally managed account. This reallocation will be reflected on your major command's current year operations and maintenance fund authorization document."

EVA M. ROBINSON
By direction