



# Defense Finance and Accounting Service

## INSTRUCTION

DFAS 4200.2-I  
March 9, 2011

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Enterprise Management Services

SUBJECT: Government Wide Commercial Purchase Cards and Convenience Checks

1. PURPOSE. This Instruction establishes policies and procedures for use of the Government Wide Commercial Purchase Cards (GPC) and Convenience Checks for Defense Finance and Accounting Service (DFAS). These policies and procedures ensure the DFAS Purchase Card Program is effective in providing needed supplies and services and in establishing safeguards for spending public funds.
2. APPLICABILITY. This Instruction applies to all DFAS elements using or requiring the services of the DFAS Purchase Card Program.
3. DEFINITIONS. Acronyms and definitions are provided in the Glossary at the end of the Instruction.
4. POLICY. This Instruction outlines policies, responsibilities, and procedures for the DFAS use of the Government Wide Commercial Purchase Card and Convenience Check. It supersedes previously issued DFAS 4200.2-R, July 2006, Reference (d).
5. RESPONSIBILITIES. See Appendices 1 and 2 to Enclosure 2.
6. PROCEDURES. See Appendices 1 and 2 to Enclosure 2.

7. EFFECTIVE DATE. This Instruction is effective immediately and applies to all DFAS organizational elements using the Government purchase card and convenience checks issued by a bank.

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Enclosures

1. General Information
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Glossary

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ENCLOSURE 1GENERAL INFORMATION1. REFERENCES.

- (a) Federal Acquisition Regulation (FAR), August 2, 2010.
- (b) General Services Administration SmartPay®2 Contract, GS-23F-T0003, 2008.
- (c) DFAS 5000.2-I, Conference Planning, May 15, 2009.
- (d) DFAS 4200.2-R, Government Wide Commercial Purchase Card and Convenience Check.
- (e) DoD 1400.25-M, Civilian Personnel Manual, Chapter 451.
- (f) e-Portal, Purchase Card Website:  
<https://eportal.dfas.mil/portal/server.pt?open=512&objID=330&PageID=794&cached=true&mode=2&userID=568057>.
- (g) DAU Continuous Learning Center website: <http://www.dau.mil/default.aspx>.
- (h) U.S. Bank Access Online (AXOL) system website:  
<https://access.usbank.com/cpsApp1/index.jsp>.
- (i) CAP Customer Service Office website: <http://www.tricare.osd.mil/cap>.
- (j) GSA website: [www.gsa.gov](http://www.gsa.gov).
- (k) Federal Prison Industries website: <http://www.unicor.gov>.
- (l) AbilityOne Procurement List website: [http://www.abilityone.gov/proc\\_list.html](http://www.abilityone.gov/proc_list.html).
- (m) State Tax Letter website: <http://www.fss.gsa.gov/services/gsa-smartpay/taxletter/letters08.cfm>.
- (n) DoD Charge Card Guide website:  
[http://www.acq.osd.mil/dpap/pdi/pc/policy\\_documents.html](http://www.acq.osd.mil/dpap/pdi/pc/policy_documents.html).
- (o) Section 508 website: <http://www.section508.gov/index.cfm?FuseAction=Content&ID=5>.
- (p) DFAS eLibrary website:  
<https://eportal.dfas.mil/portal/server.pt?open=512&objID=375&PageID=0&cached=true&mode=2&userID=641905>.

2. BACKGROUND.

a. The Government Wide Commercial Purchase Card (GPC) is intended to streamline payment procedures and reduce the administrative burden associated with purchasing supplies and services. The GPC provides “on the spot” purchasing, receiving, and payment authority for individuals other than contracting or purchasing officers. The GPC cardholder orders goods and services and validates receipt on behalf of the Government. The result is a more efficient, cost effective process for micro-purchases: \$3,000 or less for supplies, \$2,500 or less for services, and up to \$2,000 for construction services.

b. Convenience Checks (hereinafter referred to as the “Check”) provide a way to purchase supplies and services, the aggregate amount of which does not exceed \$3,000 from sources that do not accept the GPC and are not available from another vendor.

c. Under the Reference (b) contract the General Services Administration (GSA) awarded US Bank (hereinafter referred to as the “Bank”) a contract authorizing it to issue commercial purchase cards (VISA) and checks to authorized government personnel.

ENCLOSURE 2

POLICIES AND PROCEDURES

1. GENERAL.

a. Use of GPCs or Checks to purchase supplies and services is governed by this Instruction as well as the references shown on page 4.

b. FAR Part 13.201(b) directs use of the GPC as the preferred method to purchase and to pay for micro-purchases. If a vendor refuses to accept the GPC or other restrictions make use of the GPC impractical, a Check may be used if the following conditions are met:

(1) Before a Check is used, every effort must be made to use the GPC to make necessary purchases. Maximum efforts shall initially be made to find and use vendors that accept the GPC.

(2) Individual Checks shall not exceed the micro-purchase threshold of \$3,000 for supply type items, \$2,500 for services, and \$2,000 for construction for the same transaction or requirement.

(3) Checks shall be issued for the exact payment amount with a prohibition on splitting purchases, payments, or other amounts among more than one check to keep amounts below the micro-purchase threshold.

c. The GPC is authorized as a method of contract payment above the micro-purchase threshold by warranted contracting officers. Contracting officers are encouraged to use the GPC to place orders and to pay for purchases against contracts established under FAR Part 8 procedures, when authorized, and to place orders and/or make payments under other contractual instruments when agreed to by the contractor.

d. Individuals using the GPC or Check for other than official purposes are subject to criminal, civil, and/or administrative actions in accordance with applicable statutes and regulations (18 U.S.C. 287).

2. APPOINTMENT OF APPROVING OFFICIAL/CERTIFYING OFFICER AND CARDHOLDER/CHECK CASHIER DELEGATION OF AUTHORITY.

a. Appointment of Approving Official (AO)/Certifying Officer. Certifying officers must be appointed in accordance with DoD (31 U.S.C. 3325) and DoD Financial Management Regulation (FMR) Volume 5, Chapter 33, which provides for heads of DoD components (or their designees) to appoint certifying officers. Further, for the DFAS Purchase Card Program, the designated AO shall be collaterally appointed in writing as the certifying officer and a Letter of Appointment is issued after completion of the DD Form 577, Signature Card.

(1) Throughout this Instruction, unless there is a specific reason to identify the AO or certifying officer functions separately, the use of the term “AO” will mean the AO and certifying officer function collectively.

(2) A certifying officer is pecuniarily liable for payments in accordance with the provisions of 31 U.S.C. 3528.

b. Delegation of Authority for Cardholder and Check Cashier. FAR Part 1.603-1 provides for Agency Heads (or their designees) to delegate micro-purchase authority to individuals of an executive agency or members of the Armed Forces. Letters of Delegation of Authority to cardholders and check cashiers shall include the cardholder’s single purchase limit, monthly purchase limit, and types of supplies/services to be purchased with the GPC.

c. DFAS Memorandum, Delegation of Authority to Appoint Certifying Officers, March 21, 2008, delegated authority for the above appointments to the Contract Services Directorate (CSD), Level 3 Agency Program Coordinator (APC) or his/her designee. This authority has been further delegated to the DFAS Level 4 APCs.

### 3. TRAINING.

a. All prospective APCs, cardholders, approving officials, and cashiers must provide proof of the following training before they can be issued an AO, GPC or Check account. All training must be documented and retained by participants and their APCs for the duration of each participant’s appointment plus three years beyond.

(1) DFAS instructor-led one-day purchase card training course.

(2) Defense Acquisition University (DAU) CLG 001 DoD Government Purchase Card online training module.

(3) Section 508 Compliance training. Links to the training schedule and training courses are maintained on the [Reference \(f\) website](#).

b. Refresher training is due every two years or as directed by the APC. DAU has provided an online DoD GPC Refresher Training module (CLG 004) to assist in completing this requirement. To access this training module, log on to the [Reference \(g\) website](#). Additional instructions are available through the APC. Non-compliance with the training requirement will result in account suspension. The Cardholders and AOs are responsible for ensuring their training is current.

c. Cardholders and AOs shall attend the DFAS GPC on-site classroom training in lieu of on-line refresher training every four years.

4. STANDARDS OF CONDUCT. As acquisition officials, Approving Officials, Cardholders, and Cashiers occupy positions of public trust and their conduct must meet the highest ethical standards at all times. As with all DFAS employees, they are required to take the annual standards of conduct (ethics) training offered through the DFAS, Office of General Counsel.

Accepting gifts from outside sources offered to you because of your official position is prohibited. Please consult your Defense Agency Ethics Official on questionable ethical situations.

## 5. INTERNAL CONTROLS.

a. Oversight. Surveillance and oversight of the GPC is a shared responsibility by all stakeholders in the program, including Operational and Resource Managers, Logistics, and local audit and oversight organizations, such as US Government Accountability Office and Inspector General. They are responsible for ensuring that only authorized and necessary official purchases are made with the GPC. Monitoring GPC activity and conducting compliance reviews are examples of oversight. APCs will use Bank transaction reports to monitor account activity and determine if further inquiries are required. The AO is responsible for interviewing cardholders and reviewing their purchase files when questionable transactions are suspected and when requested by the APC or auditors.

b. Access On-line (AXOL). AXOL is a web-based electronic access system developed by US Bank. AXOL provides a means for managing the purchase card program, monitoring purchase card activity, and electronic invoicing and payment processing. The APCs, AOs, and cardholders/cashiers must obtain access to the system to review transactions, generate reports, and print statements. Users with a valid user ID and password can access the [Reference \(h\) website](#) from work or home.

c. The approving official reviews the “balance information” contained on the monthly billing statement. By comparing the current statement to the previous statement, the AO can determine if the bank received payment for the previous month’s balance. If the payment does not appear on the current invoice, the AO contacts the vendor payment office in Indianapolis to determine why the payment has not been processed. The APC monitors the delinquency report and will contact AOs with out of balance accounts to assist in resolving payment discrepancies.

d. Paper billing statements printed from AXOL shall be immediately stamped in the following manner: “RECEIVED, DATE, AGENCY DFAS”. Handwritten information is not acceptable. The current balance for payment must be paid in full except for unauthorized transactions. The cardholders shall formally dispute questionable transactions that cannot be resolved directly with the vendor (see paragraph 6 of Appendix 2). AOs shall retain invoices and supporting documentation for six years and three months.

e. DoD FMR Volume 5, Chapter 2, requires that the issuance of a Convenience Check be approved at a minimum of one level above the Check cashier, for example, at the AO level. The regulation also requires annual unannounced compliance reviews for each Check account.

f. DFAS APCs conduct annual compliance reviews of AO, cardholder, and check accounts. Those reviews are scheduled with the AOs in advance.

g. Separation of Duties. There must be a distinct separation of duties to ensure management controls are not circumvented. Key duties such as making purchases (Cardholder), authorizing

payments (AO), certifying funding (Resource Managers), processing of receipts (requesting activity), and reviewing and auditing functions (APC and property book officers) are assigned to different individuals to minimize the risk of loss to the government to the greatest extent possible.

6. ACCOUNT SETUP AND MAINTENANCE.

a. The requesting office prepares a written request for cardholder, check cashier, or AO account set-up and/or termination by completing the DFAS Form 4211, Purchase Card Nomination/Termination and Maintenance. Paragraphs 6a (1) through paragraph 6e (6) address considerations and informational components required on the DFAS Form 4211. Additional information can be obtained by contacting the APC.

(1) AO shall be the cardholder's supervisor or higher level official.

(a) Cardholder cannot be his/her own AO, nor can an individual be an AO for his/her supervisor.

(b) The AO and the APC cannot be the same individual.

(c) The AO cannot be a check custodian/cashier.

(d) The AO and the Cardholder cannot be responsible for issuing bulk funding documents.

(2) Nominations shall include all approval signatures and information requested on the DFAS Form 4211, which includes:

(a) Full description of the types of purchases to be made with the GPC such as DLA Document Services, supplies, services, contract payments, or training.

(b) Monthly Spending Limit (Cardholder or AO) and Single Purchase Limit (Cardholder). For the AO the monthly spending limit is the combined 30-day purchase limit (the maximum cycle charges allowed) for all the cardholder(s) assigned to the AO.

(c) Point of contact for the request.

(3) A copy of the DFAS Form 4209, Bulk Funding document with all Lines of Accounting (LOA) established by the Resource Manager shall be submitted with the DFAS Form 4211.

b. Appointments shall not be made until the prospective cardholder, cashier, or AO has successfully completed all purchase card training requirements. Proof of training must be submitted with the nomination form.

c. An individual may have both a GPC and a Check account, provided each account is established and maintained independent of the other. No individual may be assigned more than

one Check account. If approved by the APC, an individual may have more than one GPC account.

d. The APC notifies the requesting office in writing (through e-mail) if any cardholder, cashier, or AO nomination is rejected.

e. Government Wide Commercial Purchase Card Controls.

(1) Single Purchase Limit. This is the maximum dollar amount a Cardholder is authorized for a single transaction and applies to both the purchase card and Convenience Check. This amount is established by the APC in the Bank's AXOL electronic access system when a Cardholder's account is established. The single purchase limit for purchasing supplies may be set up to \$3,000, or when authorized a purchase card may be issued to exclusively pay for training up to \$25,000 or up to \$100,000 for DLA Document Services requirements. Training and DLA Document Services purchases under \$3,000 can be made with a supply purchase card. Separate GPC accounts are issued for Training and DLA Document Services for cardholders that receive recurring requirements which exceed \$3,000. The single purchase limit is \$2,500 for services and \$2,000 for construction.

(2) Cardholder, check cashier, and AO appointment letters must contain the Cardholder single purchase limit and the monthly purchase limit. The monthly spending limit is the maximum amount that can be spent during any 30-day billing cycle. The AO appointment letter will also contain the billing office limit, which is the aggregate monthly purchase limit for all Cardholders under its purview. The APC issues and maintains the AO appointment letter.

(3) Merchant Activity Type (MAT) Codes. Cardholders may be restricted to using the GPC with specific categories of merchants, such as merchants who sell office supplies. This limitation is enforced through MAT codes. MAT code restrictions are established with the Bank by the APC in conjunction with the AO. If a Cardholder attempts to purchase from a merchant outside his/her authorized MAT code(s), the transaction will be declined at the point of sale.

(4) Although dollar limitations and MAT codes are programmed by the Bank into each Cardholder's account to prevent unauthorized use, AOs and cardholders are responsible for using the GPC only as authorized. Unauthorized GPC use can lead to punitive actions (see Appendix 2, paragraph 4(d)).

(5) When requested by an AO, APCs may temporarily change a Cardholder's established monthly dollar limitations and MAT codes with the Bank within policy guidelines. This does not include changes to the Cardholder's single purchase limit which cannot be raised above the established limits.

(6) Permanent changes to Cardholder or AO limitations require approval and a revised appointment letter from the APC.

## 7. FUNDING.

a. Advance reservation of funds shall be used with all GPC purchases. Bulk funding shall be charged to the appropriate supply or training Object Class or other Object Class when necessary, and the DFAS Form 4207, Purchase Card Log, shall be used to document the bulk funding balance. Appropriated funds and Defense Working Capital Fund (DWCF) dollars are controlled by the Anti-Deficiency Act (Title 31 U.S.C., 1341). DoD FMR Volume 3 contains provisions for controlling DWCF funds. DoD FMR Volume 14, addresses administrative control of appropriations and provides for administrative disciplinary actions and/or criminal penalties for Anti-Deficiency Act violations.

b. No purchases shall be made with the purchase card without verification by the Cardholder that funds are available at the time of the purchase. The GPC can be used only for purchases of bona fide needs in the fiscal year for which the funds were appropriated.

(1) Prior to issuing a GPC to a Cardholder, the AO is responsible for obtaining bulk funding from his/her respective Resource Manager and assuring each Cardholder has a bulk funding line of accounting. This document shall be maintained in the Cardholder's file.

(2) The bulk funding authorization document, DFAS Form 4209, specifies the Cardholder's name, dollar amount of authorized funding, the period of funds availability, the accounting classification. It must be signed by the certifying/budget officer who issued the funds. This document shall be maintained in the Cardholder's file.

(a) DFAS 7040.1-M, Financial Management Defense Working Capital and General Funds, October 2005, Chapter 13, Paragraph C13.4.6, states that federal vendors must be on a separate bulk funding document for eliminations reporting. AOs shall obtain a separate Bulk Funding Document (DFAS Form 4209) for non-federal and federal trading partners. For each federal trading partner, a separate line of accounting shall be used.

(b) This information is also outlined in the Source Data Input Standard Procedures Guide - Version 1.5, dated April 2007, Chapter 11, Paragraph C11.3.3., as well as, the DoD Financial Management Regulation, Volume 6B, Chapter 13, Chapter 13, Paragraph 130201, dated June 2009.

(c) Memorandum, dated September 25, 1998, Under Secretary of Defense, subject: Use of GPCs, directs that DoD Non-appropriated Fund Instrumentalities (NAFIs) will use the GPC or other pre-existing commercial credit card for goods and services purchased with non-appropriated funds (NAF) at or below \$3,000 when to do so is appropriate and cost effective.

## 8. MANDATORY USES OF THE GPC.

a. Training. Memorandum, dated July 20, 1998, Secretary of Defense, subject: Purchase Card Program Reengineering Implementation Memorandum #6: Streamlined Payment Practices, directed use of the GPC as the method of payment for all training requests using the SF 182 valued at or below \$25,000. These payments are exempt from the restriction limiting use of the

GPC as a payment method to contracting officers. Personnel using GPC as a payment method for training shall follow all Learning and Development Directorate (LDD) policies and procedures in Reference (e) for proper funding and documentation of the SF 182, including verification of course completion. Contact the LDD for further instructions in processing the SF 182. Training requirements costing \$3,000 or less may be made by any Cardholder with an appropriate single-purchase dollar level threshold.

b. Printing. Public Law (PL 102-392) states that appropriated funds cannot be used to purchase printing from sources other than the Government Printing Office (GPO) unless a waiver from GPO is obtained. The only authorized source of printing is DLA Document Services. Memorandum, dated May 5, 1997, Deputy Secretary of Defense, subject: Purchase Card Reengineering Implementation Memo #4, Use of I.M.P.A.C. Card for Transactions with DLA Document Services mandates all printing and reproduction services from DLA Document Services be paid for using the GPC.

(1) DLA Document Services requirements costing \$3,000 or less may be made by any Cardholder with an appropriate single-purchase dollar level threshold.

(2) DLA Document Services requirements in excess of \$3,000 are made by selected Cardholders who are authorized higher dollar thresholds for DLA Document Services payments. DFAS activities having DLA Document Services requirements over \$3,000 shall contact the APC to establish separate GPC accounts.

## 9. PROHIBITED USES OF THE GPC AND ITEMS REQUIRING SPECIAL PRE-PURCHASE APPROVALS.

a. Prohibited Items and Items Requiring Special Pre-Purchase Approval. Reference (a) and 48 C.F.R. 13.301(a) provide that the GPC may be used only for purchases that otherwise are authorized by law or regulation. Therefore, a procurement using the purchase card is lawful only if it would be lawful using conventional procurement methods. Under 31 U.S.C. 1301(a), “appropriations shall be applied only to the objects for which the appropriations were made”. In the absence of specific statutory authority, appropriated funds may only be used to purchase items for official purposes, and may not be used to acquire items for the personal benefit of a government employee.

(1) A guideline for making a purchase is whether the item represents a “necessary expense”. A “necessary expense” of an agency is defined as one for the direct support of the agency’s mission. (See 54 Comp. Gen. 1075, 1076 (1975); 27 Comp. Gen. 679, 681 (1948).)

(2) The following lists the most common categories of requirements that are prohibited or require some form of special Pre-Purchase Approval. This list is not all inclusive. Cardholders shall contact their designated AO prior to purchasing any item that seems questionable or may have the appearance of being inappropriate. Prior to making a purchase that could cause one to question the appropriate expenditure of tax dollars, cardholders must obtain Special Pre-Purchase Approval from a designated official at least one level above the approving official or as otherwise designed in paragraph (b) or (c) below. Contact your APC for further guidance.

b. Prohibited Items.

(1) Cash Advances. Money orders, traveler checks, and gift certificates are also considered to be cash advances and shall not be purchased by Cardholders.

(2) Travel Related Purchases. This includes rental/lease of motor vehicles associated with travel or temporary duty supported by travel orders (purchase of airline, bus, and train tickets), purchase of meals, drinks, lodging, or other travel or subsistence costs associated with official Government travel that are reimbursed on a travel voucher. This excludes conference rooms, meeting space, and authorized local transportation services considered to be an administrative expense (e.g., metro fare cards, subway tokens for office use).

(3) The Long-Term Rental or Lease of Land or Buildings. Long-term is defined as any rental or lease that is intended for more than a temporary basis (exceeding one year). The purchase card may be used as a payment mechanism in the case of space acquired for a month or several weeks, not to exceed one year. Appropriate purchase card use examples include renting a facility for a conference or meeting on a short-term basis (where a centrally billed travel card/account would not be appropriate), use as the payment mechanism in agency/organization acquisition of space for several weeks in case of an emergency such as responding to a natural disaster or act of terrorism, or where a unit is deployed and requires space for such a time period.

(4) Repair of Leased Vehicles. Repairs on leased or GSA fleet operated vehicles.

(5) Telecommunication Systems. Major telecommunication systems.

(6) Construction Services that are subject to the Davis-Bacon Act and construction services that exceed \$2,000.

(7) Wire Transfers.

(8) Savings Bonds.

(9) Foreign Currency.

(10) Salaries or Wages.

(11) Dating and Escort Services.

(12) Betting, Casino Gaming Chips, Off-Track Betting.

(13) Transactions with Political Organizations.

(14) Court Costs, Alimony, and Child Support.

(15) Fines.

- (16) Bail and Bond Payments.
- (17) Tax Payments.
- (18) Public Utility Bills.
- (19) Internet Auction Sites. For example: E-Bay.
- (20) Purchases from contractors or contractor agents who are military personnel or civilian employees of the Government.
- (21) Untreated Wood. Wood used for packaging and crating cannot be procured after October 1, 2002 unless it is treated for parasites.
- (22) Business Cards, to include Business Card Stock. This excludes purchase of Business Card Stock used for other reasons, such as making name tags.
- (23) Hand Held Electronic Devices (such as hand held mobile device equipment and services). These items shall be acquired utilizing a centralized DFAS contract. Contact Contract Operations for further instructions.
- (24) Bottled Water Services. Cardholders are prohibited from purchasing bottled water services with their purchase card. Limited Exception: If an agency has a report, from an outside water-testing agency, determining that the drinking water is harmful if consumed.
- (25) Individual Memberships. Cardholders are prohibited from purchasing individual memberships in an employee's name with their purchase card (e.g., health clubs, wholesale stores, etc.). Limited Exception: DoD FMR Volume 10, Chapter 4, Section 040113, Professional Societies states: Memberships in professional societies or associations acquired in the name of the DoD Component may be paid in advance. The purpose of the membership must be to acquire services required for that component, not an individual. The use of appropriated funds is prohibited for the individual benefit of any officer or employee of DoD.
- (26) Motor Vehicle, Long-Term Rental or Lease. Cardholders are prohibited from entering into contracts for rental/lease of motor vehicles. Limited Exception: Authorization may be granted for official nonrecurring Government functions no more than 30 days.
- (27) Fuel. Cardholders are prohibited from purchasing aviation, diesel, gasoline fuel, or oil for aircraft with their purchase card. Limited Exception: Sites performing their own grounds maintenance that purchase fuel for snow blowers, generators, lawn mowers, etc. shall obtain a waiver from their APC.
- (28) Hazardous Material (HAZMAT). Purchases of hazardous/dangerous materials must be approved by the DFAS Safety Officer. Limited Exception: HAZMAT commonly used in an office environment may be purchased without additional approvals. "Commonly used" means

hazardous materials or products that are currently sold to the general public to be used for non-governmental purposes. Commonly used materials or products include those required on a routine basis to meet daily operational needs (e.g., toner cartridges, batteries, lubricants, detergents).

(29) Broadband and Airtime Services. These items are available through a blanket purchase agreement (BPA). The requester shall submit a DD Form 1262, Administrative Service Request, along with an approved Information Technology Request (ITR) and Section 508 compliance checklist to Contract Services.

c. Items Requiring Special Pre-Purchase Approval. The following list of items requires special approving official or designated higher-level approval official documentation. Contact the APC for further guidance.

(1) Third-Party Payment Systems such as Pay Pal. Where it is identified that a purchase must be processed through a third-party payment merchant, the Cardholder shall make every attempt to find the requirement from another merchant. If, after conducting market research and finding no other vendor is available, the AO must document the file with the unsuccessful steps taken to obtain those goods or services from a different vendor and pre-approve the cardholder purchase.

(2) Director's/Commander's Coins. Director's/Commander's coins shall only be used as non-monetary awards to recognize DFAS associates for specific work-related accomplishments. The coins will not be employed as "giveaway" items. Coins purchased will bear the name of the agency and, if desired, the title of the applicable position distributing the award. The coins are not required to display the name of a specific person. Only certain positions within DFAS are authorized to purchase and distribute such coins. The purchase request shall provide written approval from one of the following:

- DFAS Director.
- Principal Deputy Director.
- Deputy Director, Operations.
- Deputy Director, Strategic Business Management.
- Site Directors.

(3) Any requirement purchased with representational funds requires special RM approval. Contact your APC for further guidance.

(4) Ergonomic Related and Low-Vision Equipment.

(a) If the site safety manager determines that an employee has a known disability, an established worker's compensation claim, or health condition that requires ergonomic accommodation, the Computer/Electronic Accommodation Program (CAP) shall be the first source considered for the purchase. The employee can contact the CAP Customer Service Office at email address: [cap@tma.osd.mil](mailto:cap@tma.osd.mil) or access the [Reference \(i\) website](#).

(b) If CAP cannot provide the requested equipment, the Cardholder shall document the purchase file accordingly and the ergonomic evaluation will be the substantiating document for purchase of ergonomic equipment through the purchase card process. The ergonomic evaluation shall be accomplished by a “competent person” as determined by the Site Safety Manager and must accompany the purchase request. No doctor’s statement or prescription will be necessary for either requesting an ergonomic evaluation or purchase of ergonomic equipment. Privacy information, such as medical information, shall not be maintained in the card files; however, the purchase request must state the ergonomic item, the recipient’s name, and why the ergonomic item was purchased. Address questions related to the required documentation and procedures to the DFAS Safety Manager.

(5) Honorary Awards. An award in which the recognition device is not a cash payment or time off, but rather an award of an honorific value (e.g., a letter, certificate, medal, plaque, or item of nominal value). Honorary awards may be purchased in accordance with applicable Federal Acquisition Regulation, DOD and HR regulations, and Corporate Supervisors Handbook Section 403, including the following guidance:

(a) The requirements document shall state the item is being purchased as a non-monetary award.

(b) The requirements document shall state the name of the individual receiving the award.

(c) The authority for the award and the printed name and signature of the supervisor authorizing the award.

(d) The honorary award shall be kept under the de minimis value of \$100.

(6) Headsets. Telephone headsets, as well as Bluetooth and similar hands-free devices for cellular and smartphones, must adhere to the following guidance.

(a) The acquisition of headsets for use with office telephones must:

1. Meet the Government’s bona fide need rule, meaning the purchase satisfies just the minimum requirement of the DFAS position for which the headset is being purchased.

2. Be justified as being essential to support the DFAS mission.

3. Not be a wireless model. Only wired, plug-in makes and models are authorized, unless a valid and documented medical condition exists.

4. Be priced at a fair and reasonable cost. Headsets that meet the minimum DFAS requirement are available with prices in the \$40-\$70 range, including those for digital phones. We cannot recommend a specific make/model because of the different types of phones in use throughout our agency.

5. Be approved in advance by the appropriate Approval Authority as follows:

a. For individuals with a Senior Executive Service (SES) rank, the Approval Authority is the DFAS Principal Deputy Director.

b. For individuals below SES rank, the Approval Authority is the requester's Director at the GS-15 level.

(b) Exception: Each purchase of a telephone headset in response to a medical or ergonomic condition must be supported by an ergonomic evaluation conducted by the DFAS Safety Office. A replacement for a headset previously purchased based on an ergonomic evaluation must have the employee's immediate supervisor's approval. If the condition that supported the original purchase still exists, no additional evaluation is required. A copy of the ergonomic evaluation must be maintained in the Cardholder's file. Headset purchases supported by ergonomic evaluations DO NOT require approval by the above Approval Authorities. However, any ergonomic headset purchase that appears to be an abuse of this exception will be referred to the Approval Authority for appropriate remediation.

(7) Purchases requiring agreement to a merchant's terms and conditions at any dollar value. This requires a purchase order, contract, or a contracting officer's signature. Examples include services to be billed other than fixed price, cancellation fees, liability and extended warranty terms, cellular/pager/hand held mobile device contracts, maintenance agreements, cable/satellite services, parking services, etc. Routine commercial agreements can be forwarded to your APC for review and if appropriate a warranted APC will sign the agreement as the Contracting Officer and the Cardholder can then proceed with the purchase.

(8) Information Technology Resources (IT). DFAS Memorandum, DFAS IT Policy – IT Acquisition Services, May 25, 2007 identifies requirements and procedures for coordination and approval of IT supplies and services. The end user (requester) is responsible for obtaining approval for IT requirements prior to submitting the request to a Cardholder.

(9) Accountable Property. In accordance with the DFAS 5335.1-I, Property Management Instruction, all purchases made with the DFAS GPC that fall into the following categories shall be reported to the Accountable Property Officer and recorded in the Defense Property Accountable Property System (DPAS):

(a) All items, owned or leased by the Government, with a value equal to or greater than the property accountability threshold, which is \$5,000.

(b) Controlled items that are classified as hazardous to human health, safety, or the environment, regardless of cost.

(c) Pilferable-Sensitive Items are recorded in DPAS regardless of value.

(d) Pilferable-Non-Sensitive Items are added to the DPAS database when the individual acquisition value exceeds \$2,500.

(e) The Cardholder shall notify his/her Property Custodian (formerly known as Hand Receipt Holder) when pilferable items are purchased by purchase card.

(f) The property book Property Custodians are appointed by a Branch/Division/Directorate; this may go down to office level. The appointment is usually based on the size of the area and amount of accountable equipment. The purchase Cardholder shall check with his/her supervisor to determine who was appointed for his/her Branch/Division/Directorate as Property Custodian.

(g) Once the Cardholder is aware of his/her Property Custodian, he/she shall forward a list of equipment purchased on his/her card. The list shall include a description, make, model, and serial number of the asset. They shall also include any Unique Identifier (UIID), which would be a manufacturer's bar code label.

(10) Cardholders are prohibited from purchasing giveaway items without Business Line Director level and Office of General Counsel approval. Examples of giveaway items include pens, notepads, calendars, and pins for recruitment or *any* other purpose with Government Funds. These purchases shall be examined carefully to ensure that any expenditure authorized is reasonable, prudent, and beneficial to the agency and would not give rise to a public perception of inappropriateness.

(a) Prior to the purchase of any giveaway item, the AO shall provide the following information on the proposed purchase to his/her APC.

1. Description of the item(s) being requested;
2. Specific purpose in which the item(s) will be used;
3. The unit and total cost of the item(s); and
4. Business Line Director written approval.

(b) The APC will submit this information to the Office of General Counsel (OGC) on behalf of the AO for review. If approved, the APC will notify the AO of the legal opinion and advise that he/she may proceed with the purchase. Documentation of the approval will be maintained in the CH file for compliance review purposes.

(11) Appropriated funds are not available to pay for food or refreshments (e.g., conferences, parties, receptions). Limited Exceptions: (1) Reference (c) states that light refreshments may only be purchased for conferences held at Southbridge Conference Center, where all participants are in a temporary duty (TDY) status. (2) Formal Ethnic Awareness Program where food samples relating to the particular ethnicity are served as part of an education program. (3) Senior Site Director may authorize the use of refreshments in connection with agency employee award ceremonies, if the agency determines that a reception with refreshments

would enhance the recognition value of the awards. For further information/clarification on specific situations, contact your APC.

(12) Personal Purchases. Cardholders are prohibited from purchasing items for personal convenience/not for official Government use with the purchase card. This includes all appliances (e.g., refrigerators, microwaves, space heaters, coffee pots), as well as other personal use items including silverware (plastic ware), paper plates, napkins and tissues, handheld/portable electronic devices, clothing, and seasonal decorations. These items must be purchased through employee collections and/or personal funds. Limited Exception: If an AO believes that an item, which under normal circumstances is “personal” in nature, is mission essential and/or is a necessary expense of operating the facility, he/she may submit all pertinent information regarding the item to his/her APC. Once the APC has the information, it will be submitted to the Office of General Counsel (OGC) for a determination on whether the item meets the criteria for a limited exception. Once approval is received, APC will notify the AO. Documentation of the approval will be maintained in the Cardholder’s file for compliance review purposes.

(13) Commercial Printing. FAR 8.802 prohibits using commercial sources for government print jobs. DLA Document Services is the mandatory source for all printing/reproduction services, unless a written waiver is obtained.

#### 10. REQUIRED SOURCES OF SUPPLY AND SERVICES.

a. FAR, Subpart 13.2 designates the GPC as the preferred method to purchase and pay for micro-purchases. Micro-purchases are not exempt from FAR, Part 8, Required Sources of Supplies and Services. When considering purchases to be made by the GPC, agencies shall satisfy the requirements for supplies and services from or through the sources and publications listed below in descending order of priority. The FAR establishes the following priorities.

b. The priority for purchasing supplies.

(1) Agency Inventories.

(2) Excess from other agencies (contact GSA at [Reference \(j\) website](#)).

(3) Supplies/services may be purchased from Federal Prison Industries (FPI) if they represent the best value to the government in terms of price, quality, or delivery. The schedule is available online at the [Reference \(k\) website](#), or through Federal Prison Industries, Inc., Department of Justice, Washington, DC 20534.

(4) AbilityOne (formerly titled Javits-Wagner-O’Day (JWOD) Program) participating nonprofit agencies. The AbilityOne/JWOD agencies are the National Industries for the Blind (NIB) or “NISH” which is the designation representing JWOD agencies serving people with severe disabilities other than blindness.

(a) AbilityOne (JWOD) is a Congressional mandate that has been enacted to law (41 U.S.C. 46-48c and 41 CFR Chapter 51) and applies to all federal Government agencies. There are no waivers or exemptions to the requirement to buy AbilityOne/JWOD Program supplies. This requirement applies at any dollar amount. The AbilityOne Program (JWOD) creates jobs and training opportunities for people who are blind or who have other severe disabilities, empowering them to lead more productive and independent lives. Its primary means of doing so is by requiring Government agencies to purchase selected products and services from nonprofit organizations employing such individuals.

(b) Supplies available from AbilityOne/JWOD agencies are listed on the Procurement List. Many items are in the General Services Administration (GSA) Supply Catalog, GSA's Customer Service Center Catalogs, DOD eMall website merchants, and commercial vendor catalogs and are identified by the acronyms, JWOD/NIB/NISH. An up-to-date list is available at the [Reference \(1\) website](#).

(5) Mandatory/Optional Federal Supply Schedules. The DoD is not a mandatory user of Federal Supply Schedules; however, maximum use of these schedules is recommended by the DFARS. Orders, the aggregate amount of which does not exceed \$3,000, may be placed with any Federal Supply Schedule contractor.

(6) Commercial Sources. When the required supplies are not available from any of the above sources, commercial sources may be used. These sources must be rotated among all commercial sources that offer the same supplies and services.

c. The priority for purchasing services.

(1) AbilityOne (JWOD) Program participating nonprofit agencies (NIB/NISH) (see Paragraph 10b(4) of Enclosure 2).

(2) Mandatory/Optional Federal Supply Schedules (see Paragraph 10b(5) of Enclosure 2).

(3) Federal Prison Industries (FPI; trade name UNICOR (Federal Prisons Industries, Inc.)) (see Paragraph 10b(3) of Enclosure 2).

(4) Commercial sources which include educational and non-profit institutions.

11. PURCHASE REQUEST. A purchase request (PR) is the source document for all micro-purchases. PRs may be a DFAS Form 4206, Government Purchase Card Requisition Form (optional), an e-mail, or any form unique to the individual activity. At a minimum a PR shall include the following information:

- a. Date of request;
- b. Quantity, description (nomenclature), and unit of issue;

- c. Required delivery date and address;
- d. Point of contact and telephone number;
- e. Line of accounting, if other than the Cardholder's bulk funding is used;
- f. Special approvals and waivers, when applicable (ITR, safety and health, DLA Document Services); and
- g. Signature of approving official.

12. CARD VIOLATIONS, SUSPENSION, AND CANCELLATION.

a. Delinquent accounts (billing statements not paid on time) will not be tolerated within DFAS. APCs and AOs are responsible for monitoring and reporting delinquent conditions.

b. The Bank automatically suspends any GPC account with an outstanding balance 61 days past the billing date. Suspensions will not be lifted until the Bank receives payment.

c. An entire APC (Level IV) account will automatically be suspended by the Bank whenever one or more AO accounts within the APC account has an outstanding balance beyond 151 days. The entire APC account remains suspended until the Bank receives payment of the delinquent AO account(s).

d. The Bank is authorized to cancel any GPC account suspended twice within a consecutive 12-month period.

e. APCs may also suspend and/or cancel accounts (Cardholder and/or AO) for delinquent payments, improper purchases, etc. Suspensions or cancellations will not normally occur without first providing the account holder(s) an opportunity to correct known deficiencies.

f. If, as a result of findings from a compliance review, or by any other means, it is discovered that the AO or Cardholder is in violation of the procedures herein, a letter signed by the APC (Level III) or program manager will be sent to the Cardholder's director, with copies to the Cardholder and AO. The APC will then take the appropriate action to protect the Government's interest. Further offenses will be grounds to revoke the GPC privileges of the AO or Cardholder.

13. SEPARATION/TRANSFER OF EMPLOYEES.

a. When a Cardholder separates from his/her organization, retires, or is otherwise no longer in need of a GPC, his/her account must be closed. The DFAS personnel departure checklist shall include the requirement to turn in all government charge cards.

b. The AO sends a written notification to the respective APC requesting termination of the Cardholder's account. If the Cardholder is transferring to another AO, his/her account will be

terminated and a new account is established under the respective AO. The AO nominates a replacement for the departing Cardholder if applicable.

c. The Cardholder must surrender the GPC to the AO for destruction and make every attempt to reconcile all statements prior to separation from the Agency. All files and supporting documentation shall be turned over to the AO; any outstanding balances are reconciled and certified by the AO during the next billing cycle.

d. When an AO separates, the departing AO must submit by e-mail or fax a written request at the earliest point in time for termination or transfer of AO account. If the account is to be terminated, contact the APC for further instructions. If the account is being transferred, a nomination letter (DFAS Form 4211) must be issued by the APC for the new AO. If an AO is not appointed prior to departure of the previous AO, the APC may suspend all GPC and Check accounts under the departing AO until a new appointment is made.

e. The transfer of an AO's account, or the termination of a Cardholder's account and the creation of a replacement Cardholder account, shall be accomplished at least 30 days prior to the separation/transfer in order to avoid a disruption in service of the AO's or Cardholder's customers.

14. PAYMENTS OF BILLING ACCOUNT STATEMENTS. DoD maintains a "pay and confirm" policy for the Card program. This policy means that all billing account statements received from the Bank are to be paid in full for all authorized charges. Discrepancies and/or disputes with the billing account statement are handled in accordance with procedures described in Appendix 1 and Appendix 2, but shall not interfere with prompt payment of the billing account statement.

15. TRANSACTION PROCESSING ACTIVITY. The Transaction Processing Activity process copies of billing account statements within three days of receipt from the AO/certifying officer. The AO/certifying officer is responsible for sending a certified copy of his/her billing account statement to the DFAS Indianapolis Payment Office and ensuring that complete payment is made to the Bank. DFAS vendor pay offices have the authority to make early payments for GPC purchases before the 30 day period (Prompt Pay waiting period) regardless of the dollar amount.

16. RETENTION OF FILES.

a. Cardholders and Check Cashiers will retain copies of their monthly statements of account and supporting paperwork (purchase logs, purchase requests, receipts/shipping documents, and CSQIs) for a period of six (6) years and three (3) months after the end of the fiscal year involved.

b. AOs retain copies of the monthly billing account statements, CSQIs, and cardholders' statements of account for a period of six years and three months after the end of the fiscal year involved. Retention date (month/year) is annotated on the outside of the monthly files.

c. AOs retain copies of all training certificates, appointment letters, signature cards, and bulk funding documents for their own account as well as their Cardholders within the purchase card files for compliance review purposes (paragraph 6 of Appendix 1).

d. Follow agency and local procedures for file retention, documentation, and shipment and storage of hard copy files.

17. ACCOUNT COMPLIANCE REVIEWS.

a. Informal Reviews. AOs informally review each newly established Cardholder and Check Cashier account within 60 days of account setup and semi-annually thereafter. AOs utilize the DFAS Form 4212, Compliance Review Checklist for the Purchase Card Program when performing their informal reviews. The review identifies any major problems and the AO will conduct a follow-up review if the initial review shows major problems. The AO signs the completed form and sends a copy to the Purchase Card Office or respective APC.

b. Formal Reviews of AO/certifying officers and Cardholders:

(1) The respective APC formally reviews all AO and Cardholder accounts on an annual basis. The formal review may be conducted at the AO's site or in Indianapolis. The APC will coordinate the date and time or mailing instructions for the documents required for the review directly with the AO.

(2) The APC provides an entrance briefing initially and then an exit briefing of preliminary formal review results. Final reports are published within 30 working days. Formal responses from AOs addressing corrective action(s) to be taken and/or comments on findings are due within 30 working days of receipt of the final report from the Purchase Card Office.

c. Review of Check account AO/certifying officers and custodians/cashiers. The APC, independent of the office maintaining the account, reviews each Check account yearly on an unannounced basis.

APPENDIX 1RESPONSIBILITIES AND PROCEDURES FOR APPROVING OFFICIALS/CERTIFYING OFFICERS

1. GENERAL. This Appendix provides procedural guidance to AOs and certifying officers on their duties and responsibilities. This appendix is not a stand-alone document and must be used in context with the entire Instruction.

2. APPOINTMENT.

a. AOs will complete initial and refresher training to keep current in the latest policy, procedures, and systems used by the Purchase Card Program. AOs shall attend the mandatory DFAS instructor-led training and complete the refresher training (available on-line), which is required every two years. Electronic links to the training courses can be found on the Purchase Card Website.

b. The APC will appoint the AO/certifying officer in writing. The appointee is required to provide the APC the signed letters of appointment, DD Form 577, Signature Card (see Paragraph 2 of Enclosure 2), and proof of training. The designated AO shall be collaterally appointed as the certifying officer. A certifying officer is pecuniarily liable for erroneous payments resulting from the performance of his/her duties in accordance with the provisions of 31 U.S.C. 3328.

3. RESPONSIBILITIES. AOs:

a. May request the establishment of new accounts and/or the modification of existing accounts for Cardholders and Check Cashiers through the APC.

b. Shall

(1) Nominate an alternate approving official.

(2) Ensure bulk funding line(s) of accounting is/are available for newly appointed Cardholders prior to issuance of their GPC (see Paragraph 7 of Enclosure 2).

(3) Ensure all purchases made by Cardholders within their cognizance are proper and necessary and are for official government purposes.

(4) Ensure timely receipt of each Cardholder's statement of account and back-up documentation for review and processing of the billing account statement.

(5) Obtain the billing account statement from the Bank's AXOL system on the first business day after the end of each billing cycle (20<sup>th</sup> of each month).

(6) Reconcile and certify the monthly billing account statement no later than five (5) business days after the end of the billing cycle. After certification, the billing statement is submitted to the Vendor Payment Office.

(7) Maintain files and supporting documents of GPC and Check purchases (see paragraph 6 of Appendix 1).

(8) Provide immediate notification of lost or stolen GPCs to the Bank and his/her APC (see paragraph 7 of Appendix 1).

#### 4. APPROVAL OF PURCHASES.

a. The first level of review and oversight is the AO. The AO will review each Cardholder's purchase to ensure compliance to policy and procedures. This includes but is not limited to reviewing for use of mandatory sources, transaction and merchant type data, funds control, and for authorized uses of appropriated funds.

b. The AO pre-approves all purchases. The AO may issue a written blanket authorization to a Cardholder for low dollar recurring specific categories of supplies or services. The AO will also make sure that any special approvals are obtained and documented in the purchase file.

c. The AO shall discuss any questionable purchases with the Cardholder and ensure appropriate documentation supports each approved purchase. Unauthorized items will be returned to the vendor and the Cardholder will provide proof of credit.

d. The AO shall consult an APC whenever potential misuse of the purchase card is suspected. When requested, the APC will assist the AO with automated data mining and manual transaction and purchase reviews.

#### 5. PROCESSING THE BILLING ACCOUNT STATEMENT.

a. The AO must obtain an account for the servicing bank's electronic access system (EAS) AXOL in order to receive the billing account statement. This billing account statement is a composite statement of all of the AO's cardholder accounts and is the "official invoice" from which payment is made to the Bank. Follow the instructions provided at the Bank's website found at [Reference \(h\)](#) to establish an account.

(1) The AO will download the billing account statement no later than the first business day following the end of the DFAS billing cycle (19th of each month). The billing account statement must be date stamped with the actual date of receipt at the time of receipt. A handwritten date is not acceptable (see Enclosure 2, paragraph 5(d)).

(2) The billing account statement contains a certification statement which must be signed by the AO after the AO reviews and reconciles the statement with the Cardholder documents.

b. The AO shall review and approve each Cardholder or Check Custodian statement, and reconcile these with the AO's billing statement. The AO shall sign and certify the billing statement and fax to Vendor Pay within five (5) business days following cycle end – normally the 25th of each month. If local procedures require additional offices to participate in the reconciliation process the AO will need to consider the additional time needed to get the billing statement to Vendor Pay on time.

(1) Each Cardholder is responsible for retrieving his/her monthly statement of account from AXOL bank system at the end of the billing cycle, which contains a listing of all items purchased by the Cardholder in the previous billing cycle. Cardholders and Check Custodians provide their signed and reconciled account statement with the supporting back-up documentation to the AO within three (3) business days following cycle end – normally the 23rd of each month.

(2) If the Cardholder leaves the organization, is on leave, TDY, etc., the AO is responsible for ensuring the Cardholder's statement of account review is completed. Prior to a Cardholder's departure, he/she goes over any purchases and receipts/shipping documents with the AO. All back-up paperwork and CSQI forms shall be left with the AO so the Cardholder's statement of account can be reviewed and any corrections made. Cardholder statements of account must be processed even if the AO or the Cardholder(s) is absent. If both are absent, the AO is responsible for ensuring an alternate AO properly processes the statements of account for payment.

c. AO/certifying officer must sign, date, and certify the billing account statement and provide a copy of the billing account statement to his/her supporting Transaction Processing Activity (TPA) to record the receipt in the Agency's accounting system. The certified statement shall then be faxed by the AO to the DFAS Indianapolis Vendor Pay Office.

(1) The AO ensures the billing account statement is received by the paying office within five (5) business days of receipt to avoid late payment penalties. Prompt processing of the billing account statement can result in refunds earned from the Bank.

(2) Procedures for payment of account statements. If your business office or Transaction Processing Activity (TPA) handles this submission for you, it is your responsibility to ensure the submission follows the prescribed procedures and arrives in Vendor Pay within the five-day time limit.

d. Purchase Card Billing Account Statements.

(1) Fax all billing statements to 877-869-6304. This is a toll-free number that feeds directly into Vendor Pay's EDM server. Do not send statements directly to Vendor Pay personnel unless instructed by them to do so. Transmit only one account statement per fax. DO NOT fax multiple statements at one time. Please identify a POC on your fax cover page in case of questions or problems.

(2) Ensure each statement includes the complete line(s) of accounting pertaining to that payment. Incomplete LOAs or just showing document numbers will cause your statement to reject.

(3) Ensure each statement has a signed certification statement page.

(4) Ensure each statement is certified only for the amount of the “current billing activity” as shown on the statement, not for the “account balance”. Certifying for any amount other than current charges will result in overpayments to the bank. (EXCEPTION: If the “total amount due” is less than the “current billing activity”, certify the statement for the lesser amount.)

(5) If for any reason you must fax your payment to Vendor Pay a second time, write across the top of the first statement page (not the fax cover sheet) either “SECOND SUBMISSION” or “CORRECTED COPY”. That notice alerts our Vendor Pay partners that this is a resubmission. Otherwise, the system will classify the statement as a duplicate submission and will reject it.

(6) AOs shall track the status of certified invoices for payments for amounts other than the account balance by calling Vendor Pay and checking the Bank’s EAS to ensure payments have been posted. This will allow the AO to identify payment problems prior to the account becoming delinquent.

e. After completion of processing, the AO returns the Cardholder statements of account and all back-up documentation to the Cardholder for file retention.

6. RECORDKEEPING AND FILE MAINTENANCE. Maintain manual and/or electronic records as follows:

a. AOs shall maintain a copy of their appointment letters and training certificates as well as their cardholders’.

b. Bulk funding document (DFAS Form 4209) for Cardholder(s).

c. Informal compliance reviews of Cardholder(s).

d. Formal compliance reviews of Cardholder(s) and AO/certifying officer with responses.

e. Annual audit of Check Cashier(s).

f. Copy of the certified billing account statement, accompanying CSQI(s) (if applicable), and any documentation necessary to support all transactions certified on the billing account statement. Cardholder statement(s) of accounts and original source documents (purchase requests, etc.) shall be returned to the respective Cardholder(s) for retention.

g. Monthly source document files of separated/transferred Cardholders or Cashiers as prescribed in Paragraph 13 of Enclosure 2.

h. Appointment/Termination Record - Authorized Signature, DD Form 577.

7. LOST OR STOLEN CARDS.

a. If a GPC or Check is lost or stolen, the Cardholder/Cashier notifies the Bank immediately. The Cardholder/Cashier must notify AO within one working day after discovering the loss. The AO notifies the APC and reports the following information:

- (1) Cardholder's card number/Cashier's account number.
- (2) Cardholder's/Cashier's complete name.
- (3) Date the lost/stolen card/Check was discovered.
- (4) Known information on the loss/theft.
- (5) Location, if known, where the loss/theft occurred.
- (6) Information on all purchases made the day the GPC was lost/stolen.
- (7) Other relevant information.

b. Bank will provide the Cardholder with a new card within 10 business days after the loss/theft is reported along with instructions for identifying authorized charges on the compromised account to be transferred to the new account.

APPENDIX 2RESPONSIBILITIES AND PROCEDURES FOR CARDHOLDERS

1. GENERAL. This appendix provides additional guidance to Cardholders regarding their duties and responsibilities. This appendix is not a stand-alone document and must be used in conjunction with the entire regulation.

2. APPOINTMENT.

a. A Delegation of Authority memorandum is issued to each Cardholder and authorizes a Cardholder to purchase supplies and services and to make payments using the GPC. The delegation of authority includes the respective Cardholder's single purchase limit, the monthly billing cycle purchase limit, and any applicable restrictions on use of the GPC. The GPC is mailed to the work address submitted on the Cardholder application. The card shall be activated immediately upon receipt by following the procedures on the front of the GPC. Transaction authorization coding is incorporated into the GPC by the Bank and APC. The Cardholder's name is embossed on this unique government VISA card. It may only be used by the Cardholder. Misuse of this authority shall result in immediate suspension of the Cardholder's purchase authority.

b. Cardholders shall complete the DFAS purchase card training as prescribed in Paragraph 3 of Enclosure 2 and provide proof of successful completion with the application.

c. A Cardholder shall protect the card by storing it in a secure place, such as a safe, lockable file drawer, or a cabinet that is accessible only to the Cardholder.

3. RESPONSIBILITIES.

a. Only use the GPC for authorized purposes, which follow the acquisition procedures described in this Instruction.

b. Prior to any purchase transactions an approved bulk funding document (DFAS Form 4209) must be obtained for the Cardholder by his/her respective AO. A Cardholder must ensure that funds are available and shall have an AO's approval and signature on the purchase request prior to making all purchases. Cardholders will track their bulk funding balance on a purchase log.

c. Document all transactions at the time of purchase on the purchase log and timely reconcile the monthly statement of account (see Paragraph 6 of Appendix 2).

d. Each Cardholder is responsible for accessing the Bank's on-line system, Access On-Line (AXOL), by self-registering at the [Reference \(h\) website](#), and retrieving the monthly account statement no later than the first business day following the end of the DOD billing cycle (19th of each month). Normally, the first business day is the 20th of each month; however, if the 20th falls on a weekend or holiday, the statements will be available on the first business day thereafter. This statement will include all purchases, credits, and other transaction data that the

Cardholder has made during the billing cycle. The Cardholder's statement of account is not the official invoice for payment but must be reconciled and sent to the AO for reconciliation with the official invoice (Billing Account Statement).

e. Maintain files and supporting documents of GPC purchases for six (6) years and three (3) months (see Paragraph 16 of Enclosure 2).

#### 4. AUTHORIZED USE OF THE GPC.

a. The GPC can only be used for authorized purposes which are in accordance with the acquisition procedures described herein as well as bona fide need rule and appropriated funds laws and regulations. Use of the GPC must meet the following conditions: the total single purchase amount may include multiple items but cannot exceed the Cardholder's authorized single purchase limit; purchases shall not be split to stay within the Cardholder's single purchase limit.

b. Purchase only authorized items.

c. The Bank and/or vendors may ask the cardholder to verify his/her single purchase limit, billing address, or other data contained in the Bank's EAS before authorizing transactions. A cardholder shall ensure this information is accurate and current in the Bank's EAS. If the information in the EAS needs to be revised, a DFAS Form 4211, Purchase Card Nomination/Termination and Maintenance form shall be submitted to the APC.

d. Intentional use of the GPC for other than official Government business is considered as an attempt to commit fraud against the Government and may result in immediate cancellation of the GPC, administrative disciplinary action, or other appropriate action pursued in a court of law, including personal liability for the full amount of any unauthorized purchases and a fine or imprisonment (18 U.S.C. 641).

#### 5. ACQUISITION PROCEDURES FOR USE OF THE GPC.

a. The Cardholder's AO performs a monthly review of the Cardholder's purchases for the following: proper use of mandatory sources, merchant types, fund availability, and authorized use. AO shall provide prior written approval (signed purchase request) for all Cardholder purchases including (if appropriate) a blanket approval for routine, low dollar purchases.

b. Before any purchase the Cardholder must:

(1) Ensure funds are available and the item(s) being purchased will be received in the current billing cycle. Cardholder shall track bulk funding balance on a purchase log.

(2) All purchases must adhere to the use of mandatory sources of supply (see Paragraph 10 of Enclosure 2).

c. All supplies purchased must be available at the time of the transaction. Back ordering is not allowed. In general, services cannot be paid for in advance with limited exceptions including training and certain subscriptions. Cardholders may use the GPC to reserve/hold a conference room; however, the Cardholder is responsible for ensuring the vendor does not charge the GPC until after the event is held. Confirm the vendor agrees to charge the GPC only when shipment is made or services rendered so that the receipt of supplies/services may be certified on the current monthly statement of account.

d. Before making any purchase the Cardholder must notify vendor that purchase is for official U.S. Government purposes and, therefore, it is not subject to state or local sales tax. Each GPC is imprinted with “U.S. Government Tax Exempt” for additional clarification. Tax is one item that cannot be disputed with the Bank, i.e., a CSQI may not be submitted to the Bank. If taxes appear on the Cardholder monthly statement, the Cardholder is responsible for obtaining the credit directly from the vendor. Additional information on each State’s tax exemption is available from the [Reference \(m\) website](#).

e. Micro-purchases are not subject to the Buy American Act or Small Business restrictions. But to the greatest extent practicable, micro-purchase shall be distributed equitably among qualified suppliers, as referenced in FAR 13.202. This requires Cardholders to rotate commercial vendors.

f. Confirm prices include all shipping/delivery costs. (*NOTE: Shipping/delivery charges cannot be disputed through the Bank, i.e., a CSQI may not be submitted.*) The vendor price shall be Free on Board (FOB) Destination, meaning the price shall include all shipping and handling charges. If the vendor refuses to give FOB destination pricing and the items or services are not available from another vendor, the Cardholder shall document the purchase file accordingly. If these charges are not authorized by the Cardholder when ordering, the Cardholder is responsible for obtaining the necessary credit directly from the vendor. Shipping and handling charges cannot be identified as separate line items in the Cardholder’s monthly billing statement.

g. When using the GPC to purchase items with delivery to an OCONUS destination, contact the Purchase Card Office for instructions. Refer to the DoD Charge Card Guide ([Reference \(n\) website](#)) for instructions for dealing with frustrated freight.

h. Section 508 of the Rehabilitation Act of 1973 requires Electronic and Information Technology (EIT) acquired by the federal government be accessible by people with disabilities. EIT includes fax machines, printers, desktop copiers, cell phones, VCRs, TVs, DVDs, scanners, laptop/desktop computers, conference services, etc. Before any EIT may be purchased, DFAS Form 1411 (Electronic and Information Technology (EIT) Requirements Checklist for Section 508 Compliance) and/or DFAS Form, 1412 (EIT Commercial Non-Availability Determination) shall be completed, signed by the requiring official, submitted with the purchase request (including applicable IT approvals), and retained in the Cardholder’s files. For further information on Section 508, online training is available at the [Reference \(o\) website](#).

i. Cardholders shall document all GPC transactions using an electronic or manual DFAS Form 4207, Purchase Card Order Log. In addition to the DFAS Form 4207, the Cardholder

maintains copies of receipts/shipping documents and AO written approval (see paragraph 6 of Appendix 1) for each purchase.

j. Micro-purchases may be made without competing prices if the Cardholder considers the price is reasonable.

(a) Price reasonableness must be verified, however, if:

(1) The Cardholder suspects or has information indicating the price may not be reasonable (e.g., comparison with previous price paid or knowledge of current prices); or

(2) No comparable pricing information is readily available; or

(3) Competitive prices were obtained and purchase was made from other than the low priced vendor. Document the purchase by identifying the vendors offering prices and an explanation why the item was purchased from other than the low priced vendor.

(b) Contact your APC for further instructions on how to determine price reasonableness.

k. To maintain a proper separation of duties, someone other than the Cardholder shall receive and accept the supplies or services by verifying kind, count, and quantity and signing and dating the shipping document. Receipts (cash register tickets, vendor invoices, shipping/packing documents or receiving reports, or electronic purchase confirmations) for each purchase and other supporting documentation such as special approvals shall be maintained in the Cardholder's purchase file and be available for review by the AO, APC, and auditor upon request.

## 6. DISPUTES, DOCUMENTATION, RECONCILIATION, AND PAYMENT PROCEDURES.

a. Discrepancies and Disputes. If the statement lists a transaction for merchandise that has not been received, the Cardholder will contact the vendor to discern if the item is in transit. If the item has been shipped, pay the statement charge. If the item is not received by the next month's billing, a CSQI is prepared and sent to the Bank. The Bank will credit the amount of the disputed transaction on the account statements until the disputed is resolved.

(1) If an item has been billed twice and the vendor has agreed to give a credit for the double charge, the statement charge shall be paid. If the next month's statement does not have the credit for the double charge, a CSQI shall be prepared and sent to the Bank. If the vendor does not agree to give a credit, the cardholder shall file a formal dispute.

(2) If an item purchased is defective, the item may be paid for, and the Cardholder is responsible for obtaining a replacement item or correction of the item as soon as possible. If the vendor refuses to replace or correct the faulty item, the purchase is considered a dispute. Prepare a CSQI and send it to the Bank.

(3) Cardholders have 60 days from the date of their statement to officially dispute a transaction through the Bank. Mail or fax CSQIs directly to the Bank with copies retained for reconciling the statement of account. Call 1-888-994-6722 for a CSQI form.

(4) DFAS Form 4208, Dispute/Discrepancy Transactions, are maintained to monitor all disputes, discrepancies, and credits due.

b. Documentation. The cardholder shall maintain the following documentation: Copy of training certificates; appointment letters; bulk funding document; purchase requests; DFAS Form 4206 or equivalent; DFAS Form 4207, Purchase Card Order Log; list of sources solicited; market research/price analysis information; receipts and shipping documents; and special approvals, as required, for IT purchases, conferences, questionable items, etc.

c. Reconciliation.

(1) Each Cardholder is responsible for accessing the Bank's on-line system, Access On-Line (AXOL) by self registering at the [Reference \(h\) website](#), and retrieving the monthly account statement no later than the first business day following the end of the DoD billing cycle (19th of each month). Normally, the first business day is the 20th of each month; but, if the 20th falls on a weekend or holiday, the statements will be available on the first business day thereafter. This statement will include all purchases, credits, and other transaction data that the Cardholder has made during the billing cycle. The Cardholder's statement of account is not the official invoice for payment but must be reconciled and sent to the AO for reconciliation with the official invoice (billing account statement).

(2) Each account holder then shall perform all of the review, reconciliation, approval, and processing functions described in this Instruction. Cardholders and Check Custodians shall perform those functions and provide the reconciled statement, signed Cardholder certification page, purchase requests, and supporting documentation to the AO. Proper reconciliation includes all of the following information on the description line of each purchase: item name, quantity, line of accounting, and order number as listed on DFAS Form 4207. After reconciling the statement, the Cardholder signs and dates the required Cardholder certification page.

(3) The reconciled Cardholder statement of account shall be signed by the Cardholder and submitted to the AO along with all supporting documentation within three (3) business days after the cycle closes.

(4) If the Cardholder is not available to reconcile his/her statement of account within the allotted time, the AO proceeds with reconciling and certifying the billing account statement (invoice) without the Cardholder's statement of account. The AO shall document each statement to reflect the reason for Cardholder not approving his/her statement. Upon return, the Cardholder is responsible for reconciling his/her statement of account and forwarding it to the AO. Cardholders who consistently fail to timely reconcile their statements of account or fail to maintain adequate documentation may have their account suspended or cancelled.

d. Payment and Refunds.

(1) Prompt Payment Act provisions apply. The paying office makes immediate payment from the billing account statement received from the AO.

(2) Refund Program. Refunds based on total spend and file turn are given to DFAS by the Bank. "File turn" is the period from when a purchase is made and the time a payment is received. Refunds are credited to the Cardholder's account on a quarterly basis and posted with the statement as "Government Purchase Card Refund". The purchase card transaction log shall be annotated with the credited refund and date received. Any refund Checks received from vendors are forwarded to the APC for further coordination.

APPENDIX 3CONVENIENCE CHECKS1. GENERAL.

a. This appendix provides requirements to establish and use Convenience Check accounts. Although portions of this Instruction may be repeated here for continuity, this appendix is not a stand-alone document and must be used in context with the entire Instruction.

b. The preferred method for DoD payments is Electronic Funds Transfer (EFT), and shall be used to the maximum extent possible. When EFT is not practical, the preferred method for payment is the GPC. If a vendor refuses to accept the GPC and the supply or service is not available from another vendor, or other restrictions make use of the GPC impractical, Checks may be used.

2. REQUIREMENTS AND PROCEDURES TO ESTABLISH CHECK ACCOUNT.

a. Convenience Check accounts are only established at locations designated by the Director of Financial Management and Comptroller (FM&C). Requests for Check accounts must include adequate justification of the need for the account, the recommended location, and be submitted through the designated APC.

(1) The number of Convenience Check accounts shall be kept to a minimum.

(2) DoD FMR Volume 5, Chapter 2, requires that locations requesting a Check account must also have an active (i.e., in good standing) GPC account before receiving approval for a Check account.

b. Designation of Check account AO/certifying official:

(1) To maintain effective internal controls, the Check account AO/certifying official may not function as the Check Custodian or Cashier.

(2) Appointment of the Check account AO/certifying officer shall be in writing and signed by a warranted APC. The Check AO/certifying officer shall sign and submit the letter of appointment, a completed DFAS Form 4211 with the nominating supervisor's signature, and a completed DD Form 577, Signature Card with original signature to his/her APC. The appointment letter specifically identifies the individual appointed. This individual will obtain the check account billing statement from the Bank's EAS, certify it for payment, and forward to the DFAS payment office.

(3) The certifying officer is pecuniarily liable for erroneous payments resulting from the performance of his/her duties in accordance with the provisions of 31 U.S.C. 3328.

c. Delegation of Authority as Check Custodian/Cashier:

(1) Each Check account shall be under custody of one individual who is not responsible for originating, approving, and processing the requirement for a Check.

(2) Check Custodian is appointed to order, receive, store, issue, inventory, reconcile, and dispose of check stock.

(3) Check Cashier is appointed to print, sign, and issue Checks.

(4) Check Custodian is collaterally appointed as the Check Cashier.

(5) Check Custodian/Cashier may also be a Cardholder as long as the policies and procedures established for each responsibility and the Check and Card accounts are maintained separately and independently.

(6) A Delegation of Authority memorandum is issued to the Check Custodian/Cashier that authorizes him/her to sign and issue Checks.

### 3. CHECK ACCOUNT OPERATING PROCEDURES.

a. The DoD FMR Volume 10, Chapter 23, Section 2305, Convenience Checks provides guidance on the requirements and limitations for the use of Convenience Checks. If there is a need to write a Check for more than \$3,000, seek further guidance from the Purchase Card Office. Checks shall not be issued for more than \$3,000. An exception to this policy may be allowed when Convenience Checks are utilized for contingency operations. Check cashier shall contact his/her APC for further instructions before writing checks over \$3,000 for contingency operations.

b. The Bank provides a supply of Checks to the Check Custodian. They contain standard preprinted information: the U.S. Government seal, the statements "For Official Use Only", and "U.S. Government Tax Exempt". Checks include the maximum dollar limit per check (\$3,000) as well as space for the date and amount of the Check. Additionally, Checks have other preprinted information including the Check Cashier's name (as the account holder) and the DFAS location name and address. Only the named Cashier may issue Checks.

c. The Bank processes and pays Checks as they are presented through the Bank clearing system within authorization parameters established by the APC.

d. Bank offers "stop payment" and Check retrieval capabilities in addition to an audit trail which permits tracing of transactions.

e. The Check requesting location is responsible for the 1.7 percent Bank administrative fee (of the written value of the check) associated with use of the Check. Cardholders must ensure this amount is included in the funding for the purchase and is deducted from their bulk funding document balance. The administrative charge is reflected in the monthly Cashier's statement of account and Check account AO's billing account statement.

f. Checks shall not be requested as an “exchange for cash” vehicle to establish cash (imprest) funds.

#### 4. PROCEDURES FOR AUTHORIZING AND ISSUING CHECKS.

a. The Cardholder shall make every effort to purchase required supplies or services, (including surveying vendors and offers of alternative supplies) from vendors who accept the GPC.

(1) Repetitive Check purchases from the same vendor without adequate justification shall not be made. The Cardholder shall make every attempt to find another vendor who accepts the GPC.

(2) Supplies or services shall normally be available within 30 calendar days from the date of purchase either at the vendor’s location or at the ship-to destination.

b. Following the determination and documentation by Cardholder that required supplies or services are only available from a vendor who refuses to accept the GPC, the Cardholder prepares and signs DFAS Form 4210, Request for Issuance of a Convenience Check, hereinafter referred to as “Request”.

c. Cardholder presents Request and supporting documentation to his/her respective AO.

d. The Cardholder AO reviews the submitted Request and supporting documentation. If adequate justification is presented, AO signs the Request, which authorizes and certifies issuance of a Check by the Cashier.

e. The Cardholder submits original, signed Request to respective Cashier along with all supporting documentation. For Checks written for services, a tax identification number (TIN) or social security number (SSN) is required for Internal Revenue Service (IRS) 1099 reporting purposes. If the SSN or TIN of the vendor is required and the vendor has neither an SSN nor TIN, an IRS Form W9, Request for Taxpayer Identification Number and Certification shall be completed by cardholder and used by Cashier for entry into the 1099 reporting system. The APC or Tax Compliance Office can provide additional guidance and access to the 1099 system.

f. Cashier reviews Request for adequate information/documentation, required signatures, and bulk funding line of accounting. Questions shall be addressed and resolved by Check account AO with Cardholder’s AO.

g. If all required documentation is submitted, the Cashier prepares Check for the exact payment amount only, made payable to the vendor provided on the Request. Partial payments are not authorized. Splitting requirements to stay under the \$3,000 single purchase limit is prohibited. Cashier shall maintain an electronic or manual Check account log similar to DFAS Form 4207 to record Check transactions. The Check account log is used to reconcile the Cashier’s monthly statement of account.

h. Cashier presents Check to Cardholder along with original Request. Cardholder acknowledges receipt of Check by signing the Request and noting the check number, total amount of Check, and date Check is received. Cashier retains original completed Request and provides a copy to the Cardholder.

i. Cardholder makes required purchase using the Check.

(1) Per DFAS 4200.2-I, if mailing the Check to the vendor, the Cardholder ensures the method of delivery includes the ability to track and confirm the delivery (cheapest traceable means).

(2) The Cardholder documents purchase order log under the “description” column, with the check number and date mailed.

(3) Cardholder obtains the date and signature of the individual receiving and accepting the supplies or services purchased with the Check, and forwards it to the Check Cashier. The signature and date shall be written on the sales receipt, packing slip, etc. whenever possible.

(4) Cardholder retains copies of purchase request and all supporting documentation in a separate Check folder.

#### 5. ADDITIONAL CHECK ACCOUNT RESPONSIBILITIES.

a. Cardholders are responsible for safekeeping of Checks formally signed over to them. Cardholder immediately notifies the Cashier, Check Account AO, the respective APC, and his/her AO if an issued Check is lost.

b. The Bank considers transactions processed with a Check to be the same as cash and cannot be disputed. The Cardholder is responsible for resolving any discrepancies such as wrong items, partial shipments, exchanges, returns, refunds due, etc. directly with the merchant.

c. Cardholder documents all discrepancies on DFAS Form 4208, Dispute/Discrepancy Transaction. The Check number is placed in the “Statement Date” block.

d. Check Custodian/Cashier keeps unused Checks locked in a secure place; e.g., a safe or lockable cabinet. Only the Check Custodian/Cashier shall have access to the Checks.

e. Cashier retains the original request and all supporting documentation to include a receipt and acceptance document, (i.e., training certificate, training roster, supply receipt) for reconciliation of the monthly statement of account.

f. All Check payments for services are required to be reported to the IRS. Failure to report such payments transfers liability to the Cashier for issuing a Form 1099-Miscellaneous Income and an electronic file to the IRS. Any tax fines levied by the IRS for not reporting payments are the respective command’s responsibility. Cashiers use DFAS-developed software to enter check

transactions for service payments. The APC shall provide further instructions for 1099 reporting, including the collection of a TIN or SSN of an individual if a TIN is not available, after appointment of the Check Cashier/Custodian. IRS Form W-9 will be used to collect the SSN when applicable. Contact the DFAS Tax Compliance Office for access to the 1099 electronic reporting system.

g. Cardholder and/or AO ensure check amounts are deducted from appropriate bulk funding, to include the **1.7 percent administrative fee**.

h. Cardholder and/or AO shall, during reviews of Cardholders' accounts, check DFAS Forms 4207 and 4208 to ensure there are no unresolved discrepancies involving purchases made via a Check.

6. SEPARATION OR TRANSFER OF CASHIER OR CHECK ACCOUNT AO/CERTIFYING OFFICER. Check accounts cannot be transferred; they must be terminated. AO must inventory the Check stock for terminated accounts and then shred the remaining Checks. Follow the Cardholder procedural guidance contained in Paragraph 13 of Enclosure 2.

GLOSSARYPART I. ABBREVIATIONS AND ACRONYMS

AO	Approving Official
AOB	Annual Operating Budget
APC	Agency Program Coordinator
AXOL	Access On-Line
Bank	US Bank
BPA	Blanket Purchase Agreement
CAP	Computer/Electronic Accommodations Program
CH	Cardholder
Check	Convenience Check
CSD	Contract Services Directorate
CSQI	Cardholder Statement of Questioned Item
DAU	Defense Acquisition University
DFARS	Defense Federal Acquisition Regulation Supplement
DFAS	Defense Finance and Accounting Service
DoD	Department of Defense
DPAS	Defense Property Accountability System
DWCF	Defense Working Capital Fund
EAS	Electronic Access System
EFT	Electronic Funds Transfer
EIT	Electronic and Information Technology
FAR	Federal Acquisition Regulation
FM&C	Financial Management and Comptroller
FMR	Financial Management Regulation
FOB	Free-on-Board
FPI	Federal Prisons Industries, Inc
GPC	Government wide Commercial Purchase Card
GSA	General Services Administration
HAZMAT	Hazardous Material
IRS	Internal Revenue Service
IT	Information Technology
JWOD	Javits-Wagner-O'Day

LOA	Line of Accounting
MAT	Merchant Activity Type
MCC	Merchant Category Code
NAF	Non-Appropriated Funds
NAFI	Non-Appropriated Fund Instrumentalities
NIB/NISH	Committee for Purchase From People Who Are Blind or Severely Disabled
OGC	Office of General Counsel
OUSDC(C)	Office of the Under Secretary of Defense (Comptroller)
PCOLS	Purchase Card Online System
PR	Purchase Request
RM	Resource Management
SES	Senior Executive Service
SSN	Social Security Number
TDY	Temporary Duty
TIN	Tax Identification Number
TPA	Transaction Processing Activity
UNICOR	Federal Prisons Industries, Inc.

## PART II. DEFINITIONS

1. Access On-Line (AXOL). An electronic interface with the Bank which provides functional capabilities including transaction review and approval, reconciliation and certification, transaction reallocation, dispute and payment processing. AXOL assists in reporting, program management, communication, data management, and expense management.  
<https://access.usbank.com/cpsApp1/index.jsp>.
2. Agency Program Coordinator (APC). Oversees the purchase card program for the respective DFAS organization or business line. Serves as the focal point for GPC applications, and conducts Account Compliance Reviews.
3. Approving Official (AO). The individual who (a) approves GPC purchases, (b) reviews and approves the Cardholder's monthly statement of purchases charged to the GPC, (c) serves as liaison with the APC and the Cardholder/Check Cashier, and (d) is responsible for notifying the APC when a GPC is to be cancelled. The AO is collaterally appointed as a certifying officer to certify the monthly billing account statement.

4. Billing Account Statement. A listing of purchases made during the billing cycle by all Cardholders or Check Cashiers assigned to an AO. The billing account statement is the “official invoice” from the Bank, serves as the payment request document, and is certified for payment by the certifying officer. The billing account statement is available for downloading in AXOL.
5. Billing Cycle. The DoD and DFAS billing cycle runs from the 20th day of one month through the 19th day of the next month. For example, a normal billing cycle would include all purchase transactions processed by the Bank from February 20, 20XX through March 19, 20XX.
6. Billing Office Dollar Limit per Month. The aggregate dollar amount authorized to be spent by all Cardholders assigned to a given AO for a specific month. This limit is not a funds authorization. Also referred to as the Billing Office Billing Cycle Dollar Limitation.
7. Blanket Authorization. Advance written approval by a Cardholder’s AO to purchase a specific commodity or commodities for a defined aggregate amount during a specified time period.
8. Bulk Funding. Advance reservation of funds received in the form of an Annual Operating Budget (AOB) from Resource Management (RM) where a commitment and obligation is recorded in total rather than by individual transactions.
9. Cardholder. Individual issued a Delegation of Authority letter for purchasing micro-purchases with the GPC.
10. Cardholder Dollar Limit per Month. The spending limit assigned each Cardholder’s cumulative purchases and transactions within a given billing cycle.
11. Cardholder Single-Purchase Limit. The dollar threshold assigned to each Cardholder for a single transaction.
12. Cardholder Statement of Account. Statement issued by Bank that summarizes the billing cycle activity and transactional information by the individual Cardholder, including posting dates, merchant name, city and state, and debit/credit amount.
13. Cardholder Statement of Questioned Item (CSQI). A Bank form used to notify the Bank of a questioned or disputed transaction.
14. Certifying Officer. An individual appointed in writing by the APC to certify the monthly billing account statement (invoice) is legal, proper, and correct for payment. For the GPC program, the designated AO is collaterally appointed as the certifying officer.
15. Check Cashier. The individual appointed to print, sign, and issue Convenience Checks. The Check Cashier is collaterally appointed as the Check Custodian.
16. Check Custodian. The individual appointed to order, receive, store, issue, inventory, reconcile, and dispose of Check stock.

17. DPAS. The Defense Property Accountability System (DPAS) is the DFAS Accountable Property System of Record. DPAS interfaces with eBiz, the DFAS Accounting System.
18. Dispute. Occurs when a transaction on a Cardholder's statement of account does not agree with the purchase card log or retained receipts. This may include circumstances where the Cardholder did not make the transaction, the amount of the transaction is incorrect, supplies/services were not received, or the quality of the supply or service received is an issue.
19. Electronic Access System. The charge card Contractor's Internet-based system that provides account access and a variety of reports which assist in the effective management of the charge card programs.
20. File Turn. The average number of calendar days between the time a charge (purchase) is posted and payment is received by the issuing bank.
21. Frustrated Freight. Shipment retained at military transit ports and staging areas as the result of incorrect shipping information.
22. Government Wide Commercial Purchase Card (GPC). 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.
23. Merchant Activity Type (MAT) Code. Term given to grouping of merchant category classifications into general categories or types of goods and services offered. MAT Codes may be used to block Cardholders from using Cards to purchase from specific types of merchants.
24. Merchant Category Code (MCC). Bank code identifying a vendor according to its industry classification. Certain MCCs, including jewelry stores, dating & escort services, political organizations, etc., are blocked by the Bank.
25. Micro-Purchase. An acquisition of supplies or services, the aggregate amount of which does not exceed \$3,000 for supply items, \$2,500 for services, and \$2,000 for construction.
26. Pilferable-Sensitive Items. Items include electronic computer or telecommunications equipment such as computers, Personal Digital Assistant devices, and cell phones.
27. Pilferable-Non-Sensitive Items. Items with a ready resale value and easily application to personal possession and use including printers, scanners, monitors, memory typewriters televisions, audio visual projection devices, cameras, FAX machines, laminating devices, radios, telephones, pagers, telephone headsets, dictating machines, tape recorders and telephone answering devise; hand and power tools, maintenance equipment, and material handling equipment.
28. Price Reasonableness. A price is reasonable if it does not exceed that which would be incurred by a prudent person in the conduct of competitive business.

29. Purchase Card Order Log. A manual or automated log in which the Cardholder documents his/her individual transactions and screening for mandatory sources when using the purchase Card and/or Convenience Checks. The purchase Card documentation shall 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 on which the item or service was ordered, the merchant's name, the dollar amount of the transaction, a running balance of funds, a description of the item or service ordered, and date received.
30. Reconciliation. The processes by which a Cardholder and AO review transactions on monthly statements, reconcile them against available documentation, and authorize payment of charges included on the AO's billing account statement.
31. Refund. A deduction from the amount charged or a return of part of the price paid.
32. Representational Funds. Representational funds are appropriated funds used to host official receptions, dinners, and similar events, and to otherwise extend official courtesies to guests of the United States and the Department of Defense for the purpose of maintaining the standing and prestige of the United States and the Department of Defense.
33. Required or Mandatory Sources of Supply. The priority of sources is dictated by FAR Part 8, Required Sources of Supplies and Services, Subpart 8.001, Priorities for Use of Government Supply Sources, and DFARS Part 208. Mandatory sources must be considered before an open-market purchase can be made.
34. Services. Non-personal, commercially available work efforts for which the Government directly engages the time and resources of a contractor to perform a task (e.g., repairs, maintenance, annual maintenance agreements, etc.).
35. Single purchase limit. The maximum dollar amount a Cardholder is authorized for a single transaction using either the purchase Card or Convenience Check.
36. Split Purchase. Separating a requirement that exceeds a Cardholder's single purchase limit or threshold into two or more buys as a means of circumventing the Cardholder's purchase limit is a split purchase. No government purchase Cardholder may fragment/split purchases that exceed the Cardholder's limit or threshold as a means to use the purchase card. To do so is a violation of federal procurement law.
37. Unauthorized Commitment. The term used to describe an agreement that is not binding on the Government solely because the Government representative who made it lacked the authority to enter into that agreement on behalf of the Government.
38. Unauthorized Use. (1) Purchases made by Cardholders in excess of the written authorization delegated to the Cardholder. (2) Use of a Card by someone other than the individual to whom the GPC was issued. (3) Using Checks to purchase items other than those for which the Checks were issued.