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JOINT APPLIED PROJECT

Army Medical Command Handbook for the Government Purchase Card Program

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September 2008

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This project provides a "MEDCOM supplemental" to the AR-715 to assist the GPC Program Manager in doing their job. A supplemental is needed to interpret and clarify the current policy for the GPC Program Manager. This Joint Applied Project will be organized in a report and a project. The project will provide an AR-715 supplemental handbook specific to the MEDCOM activity. A supplemental is needed to interpret and clarify the current policy for the Government Purchase Card Program manager. This handbook will bridge that gap between the Department of Army AR-715 and the installation level and become an operational handbook for GPC Program Managers.

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ARMY MEDICAL COMMAND HANDBOOK FOR THE GOVERNMENT PURCHASE CARD PROGRAM

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Submitted in partial fulfillment of the requirements for the degree of

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from the

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ARMY MEDICAL COMMAND HANDBOOK FOR THE GOVERNMENT PURCHASE CARD PROGRAM

ABSTRACT

This project provides an Army Medical Command Handbook to the AR-715 to assist the GPC Program Manager. A supplemental is needed to interpret and clarify the current policy for the GPC Program Manager. This Joint Applied Project will be organized in a report and a project. The project will provide an AR-715 supplemental handbook specific to the MEDCOM activity. This handbook will bridge that gap between the Department of Army AR-715 and the installation level and become a supplemental handbook for GPC Program Managers.

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EXECUTIVE SUMMARY

This project provides an Army Medical Command (MEDCOM) supplemental to the Army Regulation-715 to assist the Government Purchase Card (GPC) Program manager. A supplemental is needed to interpret and clarify the current policy for the GPC Program manager. This Joint Applied Project will be organized in a report and a project. The project will provide an AR-715 supplemental handbook specific to the MEDCOM activity. This handbook will bridge the gap between the Department of Army AR-715 and the installation level and become a supplemental handbook for GPC Program Managers.

The report's response to the primary research questions will be limited to the areas most significant to effective and efficient Government Purchase Card Program management based on recent GAO reports; Department of Defense memos, policies and directives; and MEDCOM relevance. The project will be limited to providing a handbook specific to the Army Medical Command.

This Joint Applied Project is organized in the following way. Chapter I provides an introduction and background of the GPC Program and the need for the AR-715 supplemental handbook. Chapter II contains the response to the research questions and Chapter III consists of the actual handbook draft.

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I.   REPORT

A.   INTRODUCTION

The Army's purchase card program is part of the government-wide program established to streamline the Department of Defense (DoD) acquisition processes. The purchase card program provides the most effective way for obtaining goods and services directly from commercial vendors. The DoD has mandated the use of the purchase card for all purchases at or below the micro-purchase threshold of $3,000, and has authorized the use of the card as a method of payment against contracts and as the primary method of payment for all commercial training under $25,000. When the Government Purchase Card (GPC) is used for transactions that exceed the micro-purchase threshold of $3,000, the card is referred to as a payment card when it is utilized as payment against a legally executed contract, or as a training card when it is utilized to pay for commercial training.

The purpose of the Government Purchase Card Program is to simplify the process of making small purchases. It accomplishes this goal by allowing cardholders to make micro-purchases of $3,000 or less without having to execute contracts.

B.   BACKGROUND

The Government Purchase Card Program (GPC Program) was established in 1989. The GPC Program was promoted by the Federal Acquisition Streamlining Act (FASA) in 1994, which created a "micro purchase" category for goods and services under $2,500 (at that time). Then, in 1995, the Federal Acquisition Regulation (FAR) designated the purchase card to be the primary method of purchase for micro-purchases.

The General Services Administrations (GSA) Smart Pay program manages and negotiates the contracts for credit card services with five commercial banks (Bank of America, Mellon Bank, Citibank, JPMorgan Chase and USBank). These banks are contracted to provide federal employees with purchase cards. Such purchase card programs are widespread throughout the Department of Defense.

Figure 1 illustrates the dramatic growth in the use of the purchase card 1998 through 2006. According to David Shea, the Program Director, Office of Charge Card Management Federal Acquisition Services, in FY06 299,000 cardholders used the purchase card program for 25 million transactions with a total value of $17.7 billion.

Figure 1: Purchase Card Expenditures, Fiscal Years 1989 through 2006

Source: GSA.
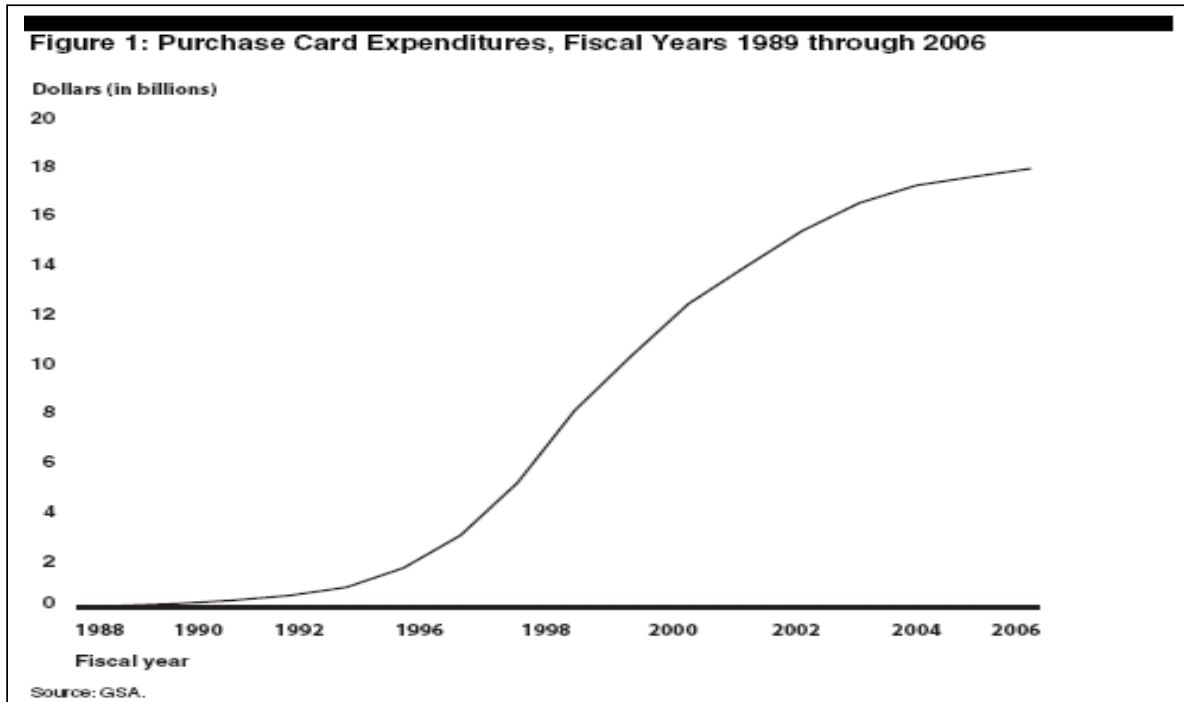
Figure 1.   Purchase Card Expenditures, Fiscal Years 1989 through 2006[1]

The General Accounting Office recognized the exponential increase in cardholder purchases over the ten years they tracked: "As shown in Figure 1, during the 10-year period from fiscal year 1996 through 2006, acquisitions made using purchase cards increased almost fivefold—from $3 billion in fiscal year 1996 to $17.7 billion in fiscal year 2006."[2]

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[1] GSA Smart Pay GSA Expo 2006-2007 Presentations, "What's New with GSA Smart Pay?," PowerPoint Presentation, Publications and Presentation, Slide #9, May 9, 2007, www.gsa.gov/gsasmartpay (accessed August 8, 2008).

[2] General Accounting Office GAO Report 08-333, "Government Wide Purchase Cards Actions Needed to Strengthen Internal Controls to Reduce Fraudulent, Improper, and Abusive Purchases," March 2008.

Figure 2 shows further information on the number of purchase card holder accounts, illustrating that even with a steady decline in the number of purchase card holders in the program, there is a steady increase in transactions and dollars spent within the Government Purchase Card Program. More recent projections from Office of Management and Budget (OMB) estimate that total spending for the Government Purchase Card Program in FY07-FY08 will total $27 billion.[3]
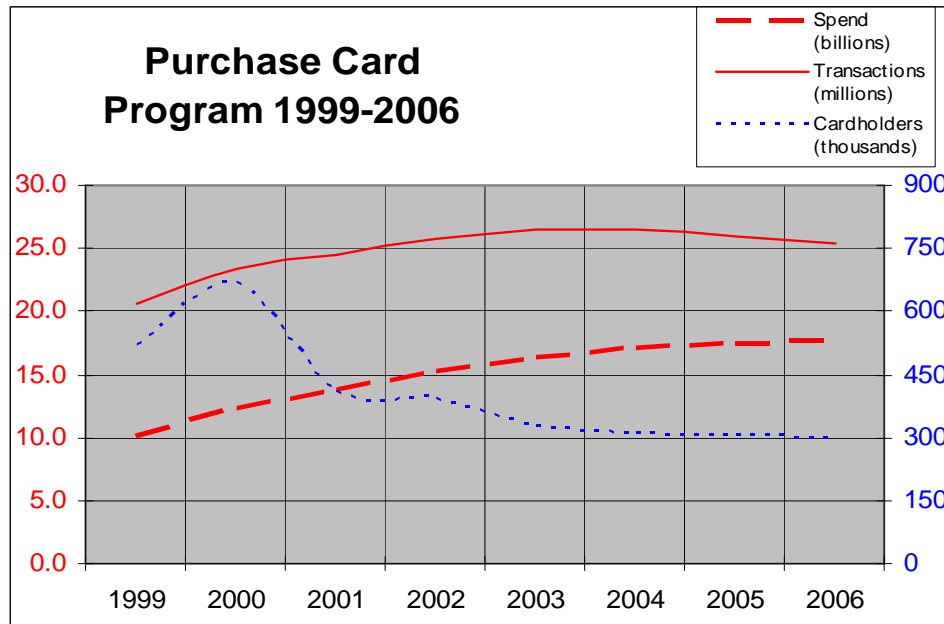
Figure 2. Purchase Card Program 1999-2006[4] (Not adjusted for inflation)

This same OMB report from April 2008 states that the Government Purchase Card Program played a critical role in improving the acquisition process and is estimated to have provided a $1.8 billion in annual savings to the Department of Defense.[5] OMB

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[3] Jim Nussle, Director, M-08-18 OMB MEMO, "Preventing Waste, Fraud and Abuse in Use of Government Charge Cards," April 15, 2008, www.whitehouse.gov/omb/memoranda/fy2008/m08-18.pdf (accessed August 8, 2008).

[4] GSA Smart Pay GSA Expo 2006-2007 Presentations, "What's New with GSA Smart Pay?," PowerPoint Presentation, Publications and Presentation, Slide #10, May 9, 2007, www.gsa.gov/gsasmartpay (accessed August 8, 2008).

[5] Jim Nussle, Director, M-08-18 OMB MEMO, "Preventing Waste, Fraud and Abuse in Use of Government Charge Cards," April 15, 2008, www.whitehouse.gov/omb/memoranda/fy2008/m08-18.pdf (accessed August 8, 2008).

asserts that this savings is a direct result of streamlining the acquisition process. This savings is generated by the shift of purchasing from the contracting office to Government Purchase Card holders. Figure 3, from the Acquisition Solutions and Directions Advisory special issue on Purchase Cards, illustrates the benefit of the Government Purchase Card (GPC) has had on reducing procurement administrative costs by taking on 85% of the actions at the GPC user level.

Typical Procurement Profile

- 98% of dollars
- 15% of actions

Credit Card User

- 2% of the dollars
- 85% of the actions
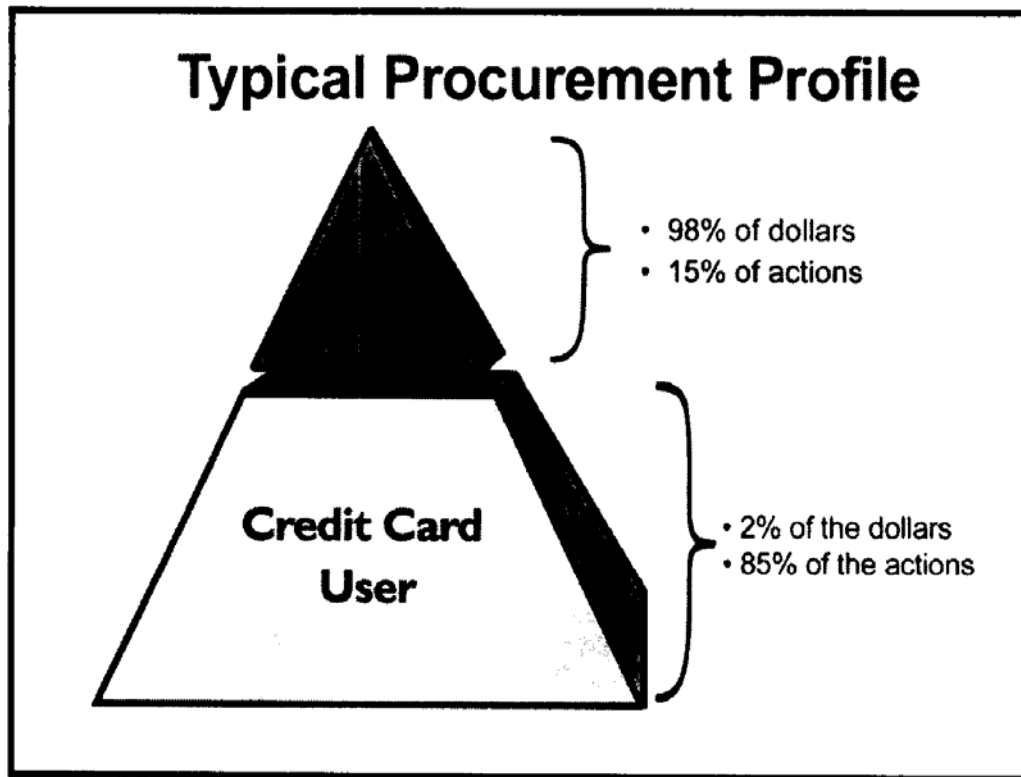
 Figure 3.   Typical Procurement File[6]

The figures and the OMB reports show that the Government Purchase Card program is a great benefit to the DoD Acquisition and vendor community in streamlining the acquisition process. However, over the past ten years, more than fifteen GAO reports on the DoD purchase card program have repeatedly found fraud, waste and abuse within

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[6] Catherine Poole and Bob Welch, "Acquisition Directions Advisory," *Acquisition Inc*., June 2002, http://www.dla.mil/j-3/j-336/LogisticsPolicy/welch602.pdf (accessed August 9, 2008).

the program. The overwhelming findings from GAO strongly emphasize the need for the GPC Program to have strong internal controls, easy to understand and comprehensive policies and procedures, and superior program management at the activity level.

In January 2006, in an effort to respond to the GAO reports, the Department of Defense Procurement Acquisition Policy, (DPAP) released the DoD Government charge card guidebook for establishing and managing purchase, travel, and fuel card programs. This guidebook was the first Department of Defense-wide standard operating procedure for the charge card program. Earlier, the individual DoD services produced service level policies in an effort to meet the GAO audit findings and recommendations. The Army had produced a Standard Operating Procedure for Government Purchase Card Management in 2002. However, there still remained a need for clarification as the insert from the GAO Report 02-732 states:

> A major contributor to the weak overall control environment and weak program management is informal and incomplete operating procedures. While existing government wide, DOD-wide, and Army-wide, procurement regulations are the foundation for the Army purchase card program the Army has not issued service wide regulations or operating procedures, but relies on ad hoc memorandums and other informal guidance. This informal guidance does not provide the purchase card program with consistent, comprehensive policies and procedures to guide those implementing the program. For example, the scope of responsibilities and specific duties of installation-level program coordinators, the primary focal points for managing the purchase card program, are not addressed in Army guidance. The major commands and installations we audited had established policies and procedures; however, these policies and procedures were inconsistent between commands and did not provide adequate guidance on key control environment issues.[7]

As discussed in the statement from the GAO 02-732 report, there is a need for consistent, comprehensive policies and procedures that ensure strong management of the Government Purchase Card program. As a further response to this report, the Army implemented the *Army Regulation AR-715-xx REVISED 21 March 2006, Procurement Policy and Procedures Government Purchase Card Program* (AR-715). AR-715

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[7] General Accounting Office GAO Report 02-732, "Purchase Cards Leave Army Vulnerable to Fraud, Waste and Abuse," June 2002, 4.

currently serves as the Army's primary regulation of the program, and it is supplemented by government acquisition laws and regulations and the Federal Acquisition Regulation.

Although the AR-715 is an adequate response to the need to produce a service-level standard operating procedure (SOP), the Army has provided no other SOPs, guidance, or operational support to guide or provide interpretation at the activity or Major Command (MACOM) level.

1.   GPC Program Management

The Army recognized that there needed to be an Army-wide Standard Operating Procedures (SOP), but has not directed the major commands to produce standard operating procedures. The Army has also failed to direct the specific major command to provide consistent, comprehensive policies and procedures to ensure there is strong management of the Government Purchase Card program at the installation level. There is a need at the specific major command level to support the "installation program coordinators" or Government Purchase Card program managers with a purchase card guide or handbook. The GAO point out that

> …installation program coordinators (have) the responsibility for the implementation and execution of the purchase card program in accordance with established Office of the Secretary of Defense and applicable DOD component regulations, policies, and procedures. Thus, installation program coordinators, who act under the direction of the installation's director of contracting, are the pivotal officials in managing and overseeing the purchase card program.[8]

C.   JOINT APPLIED PROJECT PURPOSE, LIMITATIONS AND ORGANIZATION

1.   Joint Applied Project Purpose

This Joint Applied Project is organized in a report and a project. The report will answer primary research questions by providing an analysis of the AR-715. The project

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[8] General Accounting Office GAO Report 02-732, "Purchase Cards Leave Army Vulnerable to Fraud, Waste and Abuse," June 2002, 17-18.

will provide an AR-715 supplemental handbook specific to the MEDCOM activity. A supplemental is needed to interpret and clarify the current policy for the Government Purchase Card Program manager. This handbook will bridge that gap between the Department of Army AR-715 and the installation level and become an operational handbook for GPC Program Managers.

2. Primary Research Questions

- How can the management of the GPC Program be improved for MEDCOM?; and

- What elements and actions are needed to run a successful MEDCOM GPC Program?

To answer the research questions, information was gathered from numerous General Accounting Office (GAO) reports dealing with the Government Purchase Card program and multiple Office of Management and Budget (OMB) memos that discussed the GPC Program and policy. Additional information was reviewed from the GSA Smart Pay website and past and present GSA Smart Pay conference materials. Department of Defense directives and circulars discussing GPC policy were examined and relevant Government Purchase Card program websites were investigated. Department of Defense regulations and guidebooks produced by the Defense Purchase Card Program management office were researched. In addition, training classes from the Defense University web-based GPC training and the GSA Smart Pay GPC training were attended. Finally, the AR-715 from March 2006 was thoroughly reviewed and analyzed.

The information gathered was considered in detail to determine the essential policy and direction provided by the research that was not provided in the AR-715. The recommendations provided are a result of breaking down the research into additional elements or suggestions not covered by the AR-715 that are needed to run a successful GPC program and needed improvements for the MEDCOM GPC program.

3.   Limitations

The report's response to the primary research questions will be limited to the areas most significant to effective and efficient GPC program management based on recent GAO reports, DoD memos, policies and directives and MEDCOM relevance. The project will be limited to providing a handbook specific to the Army Medical Command.

4.   Organization

This Joint Applied Project is organized in the following way. Chapter I provides an introduction and background of the GPC Program and the need for the AR-715 supplemental handbook. Chapter II contains the response to the research questions and Chapter III consists of the actual handbook draft.

II.   PRIMARY RESEARCH QUESTIONS

The primary research questions are:

- What elements and actions are needed to run a successful MEDCOM GPC Program ?; and

- How can the management of the GPC Program be improved for MEDCOM?

This Joint Applied project will address the primary research questions and then provide an overview of the major discussion points. The recommendations are the result of the information gathered to answer the research questions and are supported by relevant GAO reports and audits, Department of Defense directives, and various industry training and publications. The following topics are critical to a successfully run GPC Program and have not been covered or corrected by AR-715 SOP:

- Level 4/GPC Program Manager Grade and Authority;

- Level 4/GPC Program Manager Training;

- Span of Control Transaction Standards;

- Developing and implementing local procedures;

- Nomination Issues: Billing Official and Cardholders; and

- Independent Receipt and Acceptance purchases made with the GPC.

A.   LEVEL 4/GPC PROGRAM MANAGER GRADE AND AUTHORITY

The first element in running a successful GPC Program is the Level 4/GPC Program Manager's position and authority. Numerous recommendations from GAO and DoD policies have pointed out that Level 4/GPC Program Managers need to be appointed at an appropriate rank and position to exercise their authority. AR-715 states that the Level 4/GPC Program Manager will be appointed at a grade that will depend on the responsibilities, complexity, and volume of the program and that Level 4/GPC Program Managers must be of a sufficient grade/rank to exercise their authority.[9]

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[9] AR-715, 29.

In Appendix II, Status of Army Actions to Implement GAO report for 2004, the GAO recommended to Congress that GPC Managers and Billing Officials require an appropriate grade and authority position to,

> …help ensure that program coordinators and approving officials have the needed authority, including grade level, to serve as the first line of defense against purchase card fraud, waste, and abuse by issuing a policy directive that specifically addresses their positions, roles, and job descriptions. Policies should also be established that hold these officials accountable for their purchase card program duties through performance expectations and evaluations.[10]

In 2004, in response to GAO recommendations, the Army reported that it intended to ensure that the minimum position and grade for a Level 4/GPC Program Manager would be a GS-11. Specifically, the GAO stated

> The Army Issued Memorandum endorsed by General John Keane, Vice Chief of Staff articulating the focus on the number of purchase card organizations for each card account (300), and the skill sets typically require a GS-11 and also required in-depth skills in financial and contracting policy and procedures with strong verbal communications skills. The DOD Concept of Operations (CONOPS) report has been updated to further identify skill sets for the billing official and cardholders.[11]

1.   Grade and Authority

The recommendation ensures that Level 4/GPC Program managers are recognized as program managers and are expected to utilize the same skill set as team leaders. Since team leaders generally hold a GS-12 grade within regional contracting offices, requiring the Level 4/GPC Program manager to be a GS-12 would provide a recognized grade and authority within the contracting office as well as to the customers.

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[10] GAO 04-156, Purchase Cards Steps Taken to Improve DOD Program Management, but Action Needed to Address Misuse, December 2003.

[11] Ibid.

2.   Training

The second element in running a successful GPC Program is to ensure that Level 4/GPC Program Managers are provided additional training to support the program. This additional training allows the Level 4/GPC Program Manager to cultivate the skills needed to manage a successful GPC program. Additional training is needed to meet the following skill categories:

Auditing: The AR-715 requires multiple and frequent reviews of accounts. In order to meet the AR-715 standard the Level 4/GPC Program Manager needs to know how to properly audit cardholder and billing official accounts.

Customer Communication: The AR-715 requires the Level 4/GPC Program Manager to disseminate information to the customers within the GPC program. The Level 4/GPC Program manager needs training on how to effectively communicate with their customers in an efficient and effective method. Web Pages and Web Sites are an effective method and efficient way keep a large customer base current on issues and processes relevant to the GPC program. The Level 4/GPC Program manager needs training on how to create and maintain web pages.

Training: The AR-715 requires the Level 4/GPC Program manager to create and facilitate local training courses for cardholder and billing officials. At the installation level the Level 4/GPC Program manager researches and produces the required training materials and presentations. The Level 4/GPC Program Manager needs to be trained on training material preparation and facilitating classroom training.

Customer Service: The Level 4/GPC Program manager services a large customer base and is normally the primary point of contact and the only resident subject matter expert. Customers demand efficient and exceptional service form the GPC program. In this customer service climate, the Level 4/GPC Program Manager needs the ability to manage sometimes difficult and urgent customer issues.

3.   Span of Control

a.   *Reduce Span of Control*

The third element in running a successful Government Purchase Card program is to ensure that a billing official can effectively review all cardholder's transactions per the AR-715. This can be accomplished by reducing the AR-715 standard to one to five cardholders instead of the current seven cardholders per billing official. Acquisition Advisory guidance recommends following the "General Rule of thumb of approximately five to seven cardholders to each billing official."[12] Recent presentations from GSA support this recommendation by acknowledging that the standard for Span of Control should begin at five cardholders and be such that the billing official can provide a sufficient review of all transactions.

The GSA Smart Pay Publications and Presentations slide show presentation addressed the issue by stating that "Best practices have shown that billing official's span of control should not exceed 5-10 Cardholders. The number of cardholders and the volume of transactions a billing official has should be reasonable so that the official may conduct review in a timely manner."[13]

b.   *Recommendation 2-Transaction Span of Control*

Recommendation: Level 4/GPC Program managers need an Army Level mandated transaction span of control in addition to the seven cardholders to one billing official span of control. An Army-wide transaction span of control will assist in the many cases where large numbers of transactions occur for one billing official. This would help insure that the required internal controls for transaction review will be followed. The AR-715 notes, as the statement below indicates that sometimes the regulation standard span of control may be to numerous however it fails to provide a clear standard.

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[12] Catherine Poole and Bob Welch, "Acquisition Directions Advisory: Published," *Acquisition Inc.*, June 2002, http://www.dla.mil/j-3/j-336/LogisticsPolicy/welch602.pdf (accessed August 9, 2008).

[13] GSA Smart Pay Publications and Presentations: Purchase Cards Best Practices, 2006.

The total number of transactions as well as the number of assigned Cardholders must be considered when determining an acceptable Cardholder to Billing Official ratio. In some cases, seven cardholders may be too many for a particular Billing Official if the total number of transactions a month is excessive.[14]

MEDCOM needs to provide the GPC Program Manager with maximum number of monthly transactions allowable on one managing account. This transaction span of control allows billing officials to comply with the AR-715 internal controls intent.

4.   Developing and Implementing Local Procedures

The fourth important element in running a successful GPC Program is to ensure that the Level 4/GPC Program manager has support and input from the local command on the developing and implementing local procedures. The AR-715 requires the Level 4/GPC Program managers to identify and train cardholders on local command policy or prohibited GPC purchases. A local listing of prohibited items requires input from numerous command stakeholders. The local command needs to assist the Level 4/GPC Program manager in the creation of the local policy and provide endorsement by the local command Resource Management Office, Property Manager, Information Management Division, and Legal Office.

5.   Nomination and Minimum Qualifications for Cardholder and Billing Officials

The fifth important element in running a successful GPC Program is the implementation of an updated process to nominate and appoint cardholders. This issue is discussed in length within the handbook under Cardholder: Nomination, Selection, and Appointment and Billing Official: Nomination, Selection, and Appointment pp. 24-27.

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[14] AR-715, 55.

a.   *Recommendation*

Utilize the processes of nomination memos, minimum qualification assurances, and credit worthiness statements for cardholders and billing officials.

The nomination memo serves three purposes. First, the nomination memo provides a standard of minimum qualifications for cardholder and billing officials. Secondly, the liability statement within the memo ensures that the cardholder and billing official clearly recognize the liability of being a cardholder or billing official. Thirdly, the implementation of a mandatory credit worthiness statement will ensure the nomination and appointment of the most qualified and trustworthy cardholders and billing officials. Further discussion of this process and drafts of nomination memos can be located in the Appendices A and B of the handbook.

6.   Receipt and Acceptance

The MEDCOM Level 4/GPC Program Manager should begin to implement the recent recommendations from the GAO report 08-333 that clearly indicate that property accountability is a priority for upcoming reviews:

- Provide agencies guidance on how cardholders can document independent receipt and acceptance of items obtained with a purchase card; and
- The guidelines should encourage agencies to identify minimum dollar amount that separates purchases into two types. Those that do require documenting independent receipt and acceptance and those that do not[15] states that cardholder must be: "Verifying receipt/acceptance of purchased goods or services."

This issue was first addressed in GAO-02-732, Army Purchase Card Control. Although concurring with the recommendation for an Army-wide standard operating procedure directing the implementation of specific internal control activities, DOD took exception to a broad application of advance approval of purchases and independent receiving and acceptance of goods and services in an Army-wide standard operating procedure.[16]

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[15] AR-715, 25.

[16] GAO-02-732 Army Purchase Card Control.

The army failed to recognize the importance of this issue in 2002, but is now finding it needs to respond to the recent GAO-08 333 report. This new report has identified receipt and acceptance reform among its thirteen recommendations to the GPC program in 2008.

7.   MEDCOM Government Program Management

a.   *Updated and Finalized AR-715*

The Government Purchase Card program requires clear and detailed policy to ensure that program managers can implement and effectively manage their program. The AR-715 was released in 2006 and needs to be updated and clarified to include recent GAO report findings, OMB Memo recommendations and DoD Directives. The GPC program has not always had the needed policy or procedures to support effective management. The AR-715 provides clear direction is some instances, such as the roles and responsibilities of the key players, but then is outdated or unclear in other cases, such as billing official span of control.

b.   *MEDCOM Government Purchase Card Program Website*

MEDCOM needs to create and maintain a relevant website that provides support to all the regional contracting offices. This website should communicate recent and relevant MEDCOM specific policy updates or changes. The MEDCOM web site should maintain a frequently asked questions (FAQ) list, a listing of all updated policy changes and points of contact.

The MEDCOM GPC program management requires a better method of communicating policy and procedures to the regional contracting offices. Just as the Level 4/GPC Program manager needs to communicate frequently and effectively with their customers, MEDCOM needs to provide that type information flow to the regional contracting offices its supports.

c. *Quarterly VTC or Tele- Conferences*

Quarterly Level 4/GPC Program manager conferences are needed. The AR-715 mandates a yearly attendance for the Level 4/GPC Program manger at the GSA Smart Pay conference. This yearly conference is ineffective in providing management support and updates that the Level 4/GPC Program manager needs. The Level 4/GPC Program manager holds a position that is highly specialized and remotely located. It is vital that the regions meet quarterly to discuss and brainstorm on program management issues. The quarterly conferences can serve to provide exchange of ideas and best practices and provides a sounding board for issues and concerns for the Level 4/GPC Program manager.

8. Summary

The recommended items discussed are the most relevant to the research questions, what elements are needed to have a successful GPC program and how can MEDCOM improve its management. These recommendations are a result of research and analysis of GAO reports, DoD Directives and OMB memos. The next section of this Joint Applied Project is a handbook to assist the Level 4/GPC Program manager. The handbook is a result of research and analysis to answer the primary research questions. The handbook will describe the processes, policy and key players in and out of the GPC Program according to the guidelines of the AR-715. Next, the MEDCOM specific best practices will be explained and finally, recommend implementation of processes and policy per additional resources will be discussed. Combined the final product will be a comprehensive, current and useful resource to the Level 4/GPC Program manger at the Army Medical Command Regional Contracting Offices.

III. ARMY MEDICAL COMMAND HANDBOOK FOR THE GOVERNMENT PURCHASE CARD PROGRAM

This supplemental utilizes the AR-715 as a foundation to provide guidance and policy for implementation and management of the Government Purchase Card Program at the MEDCOM level. There have been three versions of the AR-715. The original AR-715 was released in 2004, revised in 2005, and revised again in March 2006. The Army Regulation 715 draft version is the primary source of information for the Army Purchase Card Program.

A. WHO DOES IT APPLY TO?

This regulation applies to Active Army, Army National Guard, U.S. Army Reserve.

B. WHO CREATED THIS REGULATION?

The (proponent or promoter) of the AR-715 is the Assistant Secretary of the Army (AT&L). This regulation was authored and released by the Department of Defense (DoD) Purchase Card Program Management Office (PCPMO). The PCPMO currently falls under the Defense Procurement Acquisition Policy (DPAP).

C. ARE THERE EXCEPTIONS TO THIS REGULATION?

The PCPMO has the authority to allow exceptions to the AR-715 regulation and may also delegate written authority to approve exceptions to a Colonel (O-6) or to a GS-15.

D. FORMS

The forms in the AR-715 shall not be changed without formal approval of the Assistant Secretary of the Army (AT&L) per AR-715, 4.

E.   SUGGESTIONS

User may send comments regarding the AR-715 to the Deputy Assistant Secretary of the Army (Policy and Procurement) via the Department of Army primary point of contact, Mr. Dan Schwimmer. Send comments via email to Dan.Schwimmer@us.army.mil.

F.   ARMY REGULATION AR-715-XX, REVISED REGULATION

1.   What is the Purpose of the Army Regulation AR-715-xx, Revised Regulation?

This regulation establishes policies and procedures required to implement, maintain, and operate a Government Purchase Card program within the Department of the Army, excluding non-appropriated fund (NAF) activities.

2.   What Are the References for this Regulation?

All references used for Army Regulation AR-715-xx, revised are listed in its Appendix A. The Appendix to the AR-715 contains the <u>required publications</u> that the user will need to read to fully understand or comply with AR-715, such as the Federal Acquisition Regulation (FAR), Defense Federal Acquisition Regulation (DFAR), and Army Federal Acquisition Regulation (AFAR) references; it also contains <u>related publications</u> that reference additional information, including other Army Regulations, DoD Policy Memos and United States Codes (USC).

3.   Is There an Explanation of Abbreviations and Terms within the Army Regulation AR-715-xx, Revised?

Abbreviations and special terms used in this regulation are explained in the glossary. The AR-715 provides a glossary consisting of three sections.

- Section I-Abbreviations;
- Section II-Terms; and
- Section III-Special Abbreviations and Terms (none listed).

4.   **Authority-Who/What Has the Authority to Implement the GPC Program?**

In 1998, GSA awarded a multiple award schedule contract for US Government commercial purchase card services. USBANK has been awarded the Smart Pay 2 contract for the performance period of 2008 to 2012, and will service all of MEDCOM. USBANK is considered the servicing bank and issues the GPC Cards. USBANK created, maintains and manages the ACCESS Online Banking System.

The Government Purchase Card Program is ultimately managed by the DoD Purchase Card Program Management Office (PCPMO). You can access this office through the following websites:

- http://www.aca.army.mil/army
- http://www.acq.osd.mil/dpap/pdi/pc/index.html

5.   **Background**

a.   *The Federal Acquisition Regulation (FAR), FAR 13.301-13.301 Government Wide Commercial Purchase Card*

The government-wide commercial purchase card is authorized for use in making and/or paying for purchases of supplies, services, or construction. It may be used by contracting officers and other individuals designated in accordance with 1.603-3. The card may be used only for purchases otherwise authorized by law or regulation.

Agencies using the government wide commercial purchase card must establish procedures for the use and control of the card that comply with the Treasury Financial Manual for Guidance of Departments and Agencies (TFM 4-4500) and are consistent with the terms and conditions of the current GSA credit card contract.

b.   *Contract Payment Type Cards*

Agency procedures should not limit the use of the government wide commercial purchase card to micro-purchases. Agency procedures should encourage use of the card (in greater dollar amounts) to place orders and to pay for purchases against

contracts established under FAR Part 8 procedures. When utilized as a method of payment under a contractual instruments, the card can be utilized for values up to the dollar limit of the contracting officers warrant. See 32.1110(d) for instructions for use of the appropriate clause when you make a payment with the card under a written contract.

The Government wide commercial purchase card is used to:

- Make micro-purchases;

- Place a task order or delivery order (if authorized in the basic contract, basic ordering agreement, or blanket purchase agreement); or

- Make contract payments when the contractor agrees to accept payment by the card.

The Federal Acquisition Streamlining Act (FASA) in 1994 created a micro-purchase category for goods and services under $2,500. The micro-purchase definition set forth in FAR 2.101 was updated in March 2007 and reflects a new micro-purchase threshold of $3,000 except for the acquisitions of:

- Construction subject to the Davis-Bacon Act: $2,000;

- Services subject to the Service Contract Act: $2,500;

- Supplies or services that, as determined by the head of the agency, are to be used to support a contingency operation or to facilitate defense against or recovery from nuclear, biological, chemical or radiological attack as described in 13.201(g) (1), except for construction subject to the Davis-Bacon Act (41 U.S.C. 428a)--

  - $15,000 in the case of any contract to be awarded and performed, or purchase to be made, inside the United States; and

  - $25,000 in the case of any contract to be awarded and performed, or purchase to be made outside the United States.[17]

c. Army Regulation AR-715-xx, Revised Scope

FAR 13.301, provides the Government Purchase Card Program the authority for use in paying for supplies, services and construction under the micro-

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[17] FAR 2.101.

purchase threshold. The card may be used only for purchases authorized by law or regulation.[18] Agencies are encouraged to the greatest extent possible to delegate this micro-purchase authority at the lowest level.

The FAR encourages and authorizes use of the Government Purchase Card as a method of payment for:

- Supplies under $3,000;
- Services under $2,500;
- Construction under $2,000;
- All Commercial Training under $25,000. and
- Contracts (The single transaction dollar limit for contract payments shall be indentified in the contract).

d. Who Can Be Issued the Card?

The following are eligible for GPC card issue:

- Active Duty Army Employees;
- Army Civilians;
- Contracting Officers; and
- Contractor personnel are not eligible to be issued a GPC Card.

e. Are There Any Exceptions to the Micro-Purchase Threshold?

(1) Payment Card. The Contracting Officer makes a written determination that a Government Purchase Card should be used for contract payments because it is the most cost effective way to make payment on the contract.

An ordering officer is appointed when use of the Government Purchase Card is written into the contract as a payment instrument against GSA/FSS contracts, Orders against Blanket Purchase Agreements, and Orders against IDIQ contracts.

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[18] Army Regulation AR-715-xx, Revised 21 March 2006, Procurement Policy and Procedures, Government Purchase Card Program, Department of the Army, Washington, DC, 13.

(2)   Training Cards. The Government Purchase Card is the mandated method of purchase for all commercial training under $25,000.

(3)   Other Government Sources. When using the GPC to pay for government performed services (Dining Facility) or supplies (Government Owned material) received from other government sources, the thresholds do not apply. These sources are DAPS, GSA, and DLA.[19]

f.   Applicability- To Whom Does the AR-715 Regulation and Policy Apply to?

AR-715 applies to all Government Purchase Card program purchases that use Army-appropriated funds. Non-Army tenant organizations that have been issued Army Government Purchase Cards by an Army contracting office are also subject to this regulation. All billing officials, cardholders, A/OPC's (GPC Program Managers), resource managers, logisticians and other stakeholders that participate in the GSA Smart Pay Purchase Card Program under the Army Level II hierarchy are subject to this regulation. AR-715 supersedes any previous guidance issued by the Army Level II A/OPC. Any non-tenant agencies such as all Regional Veterinary Commands, all Regional Dental Commands and MEDCOM Warrior Transition Units issued under an Army GPC are subject to the AR-715.

G.   ESTABLISHING AND MAINTAINING GPC ACCOUNTS

1.   Cardholder: Nomination, Selection, and Appointment

The Army Regulation AR-715-xx, Revised (AR-715) specifies that an installation, unit, or Head of Local Activity must provide a nomination letter for a cardholder to the MEDCOM Regional Contracting office. This memo will explain why

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[19] Army Regulation AR-715-xx, Revised 21 March 2006, Procurement Policy and Procedures, Government Purchase Card Program, Department of the Army, Washington, DC, 15.

the nominee needs a Government Purchase Card (GPC), and will verify the individual's trustworthiness and reliability in carrying out the responsibilities inherent in holding a GPC.[20]

a.   MEDCOM Best Practices

The process of selection, nomination, training, and application is the most important portion of managing the GPC program at the activity level. Based on a GSA Get Smart Newsletter, the pre-issuance phase in the GPC Program is the foundation of success of any GPC Program. The recommendation from GSA is to "be selective when issuing cards to employees"[21]

The GAO report on Internal Controls stated that a positive control for management within the Government Purchase Card (GPC) program at the cardholder level is a "commitment to competence." Cardholder competence is determined by the possession of a business sense and ability to be a good steward of the government resources. Cardholder commitment means that personnel need to possess and maintain a level of competence that allows them to accomplish their assigned duties.[22] GAO notes that to prevent fraud and abuse the issuance of cards must be controlled: "Carefully controlling the issuance of cards and continually reassessing the need and justification for outstanding cards are important issues in controlling the governments risk in the purchase card program."[23]   The billing official should only nominate individuals who have demonstrated trustworthiness and possess the business sense to be entrusted with a GPC.[24]

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[20] Army Regulation AR-715-xx, Revised 21 March 2006, Procurement Policy and Procedures, Government Purchase Card Program, Department of the Army, Washington, DC, 33.

[21] GSA Get Smart, "The GSA SmartPay Newsletter," Volume 1, Number 3, August/September 2005.

[22] GAO/AIMD 00-21.3.1, "Standards for Internal Control in the Federal Government," November 1999.

[23] General Accounting Office GAO Report 02-732, "Purchase Cards Leave Army Vulnerable to Fraud, Waste and Abuse," June 2002.

[24] Army Regulation AR-715-xx, Revised 21 March 2006, Procurement Policy and Procedures, Government Purchase Card Program, Department of the Army, Washington, DC, 33.

Best management of the Government Purchase Card program ensures that the authority to nominate a cardholder is limited to the cardholder supervisor or billing official. According to an OSD Memo discussing the internal controls of the Government Purchase Card program, "only the supervisor of an individual can request the opening of a new cardholder account."[25]

One best practice for the selection of a cardholder should require a credit worthiness determination for each nominee. This best practice is supported by the Acquisition Advisory Best Practices number three: "Ensure that employees authorized to use government purchase cards have demonstrated credit worthiness and financial integrity."[26]

b.   MEDCOM Implementation

Based on the above best practices, the selection and nomination of a cardholder should include the following:

- Nomination memo from the activity (Appendix A);

- Nomination cardholder application and completion of the DD FORM 2883, JUL 2004;

- Implementation of a minimum qualifications list for cardholders to be verified by the billing official;

- Assurance that the billing official is within the cardholder's supervisory chain or the identification and signature of the supervisor on the nomination letter (manual version of the PCOLS process);

- GPC application form to include signature and approval line for Resource managers, the cardholders supervisor and billing official;

- Completion of all training requirements as listed in Appendix C; and

- Signed copy of delegation letter from the Chief of the Regional Contracting Office.

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[25] OSD Memo dated December 19, 2005, "Internal Controls for the Purchase Card Program," and FMR, Volume 5, Chapter 33.

[26] Catherine Poole and Bob Welch, "Acquisition Directions Advisory," *Acquisition Inc*., June 2002, http://www.dla.mil/j-3/j-336/LogisticsPolicy/welch602.pdf (accessed August 9, 2008).

Appendices A and C of this handbook provide an implementation tool for the Government Program Manager for MEDCOM.

2. Billing Official: Nomination, Selection, and Appointment

a. MEDCOM Best Practices

MEDCOM activities must apply high standards to the selection and nomination of a billing official. The billing official is nominated by the Head of Activity and is recommended to be in the cardholder's supervisory chain as referenced in the cardholder nomination selection mentioned previously.

Initial training for the billing official will be the same as the cardholder.[27] However, training for the billing official will include additional areas as listed in the OMB Circular A-123 3.5.1. OMB states that the billing official must also complete training in Federal acquisition, applicable financial policies and regulations, and specific billing official responsibilities prior to assuming the responsibilities.

The OMB Circular also clarifies the roles of the billing official has within the DoD purchase card programs. The billing official's primary role is to ensure that the purchase card is used properly. The billing official also authorizes cardholder purchases (for official use only) and ensures that the statements are reconciled and submitted to the designated billing office in a timely manner.[28] The ACQ Advisory 2002 recommends:

> Billing Officials should be held accountable for performing adequate, timely reviews as part of their job performance and should be held accountable for cardholder abuse when inadequate reviews were a contributing factor. The Billing official should also be sufficiently independent and of sufficient rank to questions the cardholder when additional information is needed about specific transactions.[29]

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[27] OMB CIRCULAR A-123, Revised February 2006, "APPENDIX B Improving the Management of Government Charge Card Programs," http://www.whitehouse.gov/omb/circulars/a123/a123_appendix_b.pdf (accessed August 9, 2008).

[28] Appendix B OMB Circular A-123, Revised February 2006, 32.

[29] Catherine Poole and Bob Welch, "Acquisition Directions Advisory," *Acquisition Inc*. June 2002, http://www.dla.mil/j-3/j-336/LogisticsPolicy/welch602.pdf (accessed August 9, 2008).

### b.	*MEDCOM Implementation*

Based on the above best practices, the implementation is to ensure the selection and nomination of a BO should follow.

- Nomination billing official application Appendix B;
- Implementation of a minimum qualification list for BO;
- Completion of all training requirements as listed in Appendix C;
- Completion of a DD577; and
- Signature on a copy of Delegation Letter from the Chief of the Regional Contracting Office.

Appendices A and C of this handbook provide an implementation tool for the Government Program Manager for MEDCOM.

### 3.	**Training Requirements for Billing Officials and Cardholders**

### a.	*MEDCOM Best Practices*

The minimum training requirements listed by the AR-715 are the Defense Acquisition University (DAU) Web-based Government Purchase Card Training Class, the USBANK Access Online System training, and local GPC training. AR-715 provides a listing of minimum topics that are to be covered in the local training. As directed by the AR-715, there will be no exceptions or substitutions for this training. In addition there is a requirement for annual training. This annual training or refresher training may be accomplished by the local Government Purchase Card Program manager or via the DAU website. The refresher training should include any relevant changes and/or updates within the Government Purchase Card program. Those who fail to comply with this annual requirement will have their GPC account suspended until training is complete.[30]

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[30] AR-715, 36.

b.   *MEDCOM Implementation*

Based on the above best practices, the appropriate training of a billing official should include all of the training listed in the Appendix C of this handbook. Appendix C is provided as an implementation tool for the Government Program Manager for MEDCOM and covers all of the above training requirements.

4.   Account Establishment

Based on AR-715, the billing official will determine the continuing need for any Government Purchase Card accounts based on mission requirements and purchase history.

a.   *MEDCOM Best Practices*

The Level 3/MEDCOM is to provide inactivity reports to the Level 4/GPC Program Manager on a quarterly basis.

b.   *MEDCOM Implementation*

Based on the above best practices, the Level 4/GPC Program Manager should follow the recommendations listed below to ensure the continuing need of a GPC account.

- Review the Level 3/MEDCOM reports;
- Review quarterly activity reports at the MEDCOM level; and
- Review the need for accounts within the annual review.

5.   Account Maintenance

Maintaining accounts can be described as changes or requests to current established accounts to include name, address, single purchase limits, and monthly limits.

a. *MEDCOM Best Practices*

To ensure compliance with all policies, an account maintenance memo should be prepared by the requestor, either the billing official or cardholder, then reviewed and approved by the appropriate approving authority such as a resource management, billing official, supervisor, or higher authority.

b. *MEDCOM Implementation*

An account maintenance form is the best tool to ensure compliance with MEDCOM best practices. This form should include information regarding the account, the requested change, and the approvals of the billing official, resource manager, and supervisor.

6. Liability of the Government, Cardholders and Billing Officials

The liability of the cardholders and billing officials are clearly outlined in AR-715 on pages 39-43.

a. *MEDCOM Best Practices*

Billing officials and cardholders should be fully aware of the liability as stated in the AR-715, prior to accepting a nomination.

b. *MEDCOM Implementation*

Based on the above best practices, the liability of the cardholders and billing official are clearly defined in Appendices A and B within the cardholder and billing official nomination memos provided in this handbook.

7. Card Suspension Policy

a. *MEDCOM Best Practices*

AR-715 states the conditions when the managing account will be suspended by the Government Purchase Card Program manager:

- When a managing account goes 60 day past due per USBANK, the managing account and all cardholders under that managing account will be suspended until the delinquent payment posts at USBANK;

- When one single managing account goes over 180 days past due per USANK, all the accounts under the Level 4 will be suspended; and

- When a managing account span of control exceeds 20 open accounts.

If any of the above occurs, only the Level 3/MEDCOM will have the authority to re-open those accounts. If any accounts are suspended more than twice in a 12-month period, they will be closed permanently. Only the Level 2/ARMY may waive the above suspension policy.

b.   MEDCOM Implementation

Based on the above best practices, the above card suspension policy will be posted at the local GPC website, reviewed in training, and included in the Annual Review.

8.   Card Security

a.   MEDCOM Best Practices

Cardholders are responsible for properly using and safeguarding their physical cards and account numbers.

b.   MEDCOM Implementation

Based on the above best practices, the policy regarding physical security of GPC Cards will be posted on the local GPC website, reviewed in training, and included in the Annual Review.

H. OPERATIONAL GUIDANCE AND PROCEDURES

1. Making Purchases Transactions

a. *MEDCOM Best Practices*

(1) Local Cardholders. A GPC cardholder may be delegated Micro-Purchase Authority by the Chief of the Regional Contracting office to purchase supplies, equipment, and non-personal services authorized by law. Whether supplies or services are authorized by law depends on three things: Purpose, Time and Amount.[31]

(2) Overseas Cardholders. With training and authorization, overseas cardholders may hold a $25,000 purchase card single purchase limit for commercial purchases, if purchases are made outside the United States for use outside the United States per DFARS 213.301.[32]

(3) Split Purchase. Purchases that exceed the micro purchase threshold should be referred to a Regional Contracting Office for formal contracting. A requirement cannot be split into smaller components to avoid formal contracting procedures. Splitting requirements solely to keep them under the micro purchase thresholds is prohibited.[33]

(4) Contracting As a Method of Purchase. A Contracting officer can award contracts with the GPC as a method of purchase. For this purpose, it is highly recommended that the billing official of the GPC Payment cardholders be an individual assigned to the Contracting Office and certified as a Level II certified Contract Specialist. Individuals designated and supervised by a contracting officer may use the GPC for payment against existing contracts up to $25,000.[34]

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[31] AR-715, 48.

[32] Ibid., 49.

[33] Ibid., 50.

[34] Ibid.

(5)   Ordering Officers. GPC cardholders (or Ordering Officers) who are not Contracting Officers can use the GPC to make purchases exceeding the micro-purchase threshold when making purchases against the following contracting vehicles:[35]

- Items on a GSA/FSS Schedule;
- Items on Army BPA tied to GSA/FSS Schedules; and
- DoD IDIQ's.

b.   MEDCOM Implementation

Based on the above best practices, the implementation is for the Level 4/GPC Program Manager to provide a checklist for cardholders to review prior to making purchase transactions.

2.   Prohibited Purchases and Restriction on GPC Use

a.   MEDCOM Best Practices

Cardholders are authorized to buy supplies and services that meet the following:

- Support the agency mission;
- Have adequate funding;
- Are reasonably priced; and
- Are not prohibited.

Appendix C of the AR-715 lists items that are clearly prohibited and provides guidance about which items may require special approval or authority. Guidance for questionable items that are not clearly prohibited should also be sought from local policy and procedure. Cardholders will ensure that all purchases are properly documented and that necessary approvals are obtained prior to making the purchase. Cardholders

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[35] AR-715, 50.

should obtain pre-purchase approval and documentation for requirements that appear to be outside the normal needs of the organization. This would be to address the bone fide need for the item being acquired.

(1) Single Purchase Limit and Monthly Limit. Each account has a Single Transaction Limit and a Monthly Limit and cycle limit. These spending limits may be modified by the Level 4 when operational circumstances warrant.[36]

b.   MEDCOM Implementation

Based on the above best practices, the implementation is to ensure that the Level 4/GPC Program manager works closely with the local command to determine which items may be purchased with the GPC card. In addition, the Level 4/GPC Program manager should document inquiries from customers to the Level 4/GPC Program manager. The customer's questions and the Level 4/GPC Program manager guidance about questionable purchases is information that should be available via a newsletter or webpage for GPC customers to review.

3.   Separation of Duties

a.   MEDCOM Best Practices

As directed by the AR-715, the key duties listed below must be held by separate individuals.[37]

Cardholder	Makes Purchase
Billing Official	Authorized payments
Resource Manager	Certifies Funds
Level 4/GPC Program Manager	Reviews and Audits Purchases

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[36] AR-715, 53.

[37] Ibid.

b.   *MEDCOM Implementation*

When reviewing requests for new accounts the Level 4/GPC Program manager will cross reference the established accounts to ensure that the division of duties and key positions are kept separated.

4.   Span of Control

a.   *MEDCOM Best Practices*

(1)   Level 4/GPC Program Manager program standard.   The GPC Program Standard is one Level 4/GPC Program Manager to three hundred accounts (This includes both cardholders and billing officials). When the span of control exceeds the above standard by 10% or 30 Accounts, and the Regional Contracting office does not provide additional resources, the Chief of the Regional Contracting office will provide the Army Principal Assistant Responsible for Contracting (PARC) with formal documentation stating that the Level 4/GPC Program Manager can sufficiently manage at the activity level.[38]

(2)   Billing Official. AR-715 has provided the standard span of control for one billing official to seven cardholder accounts. The BO must review CH activities in depth every month. This is time consuming. In some cases, seven is too many as the total number of transactions is numerous. The total number of transactions, as well as the number of assigned cardholders to billing official ratio, must be considered by the Level 4/GPC Program Manager when determining acceptable span of control.[39]

b.   *MEDCOM Implementation*

Based on the above best practices, the implementation is for the Level 4/GPC Program Manager to determine during the annual review if the account and transaction span of control is reasonable. The Level 4/GPC Program Manager will

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[38] AR-715, 54.

[39] Ibid., 55.

determine whether the billing official can, "reasonably be expected to complete a thorough review of all transactions and certify the invoice within five days of its receipts."[40]

5. Tax Exempt Status

a. *MEDCOM Best Practices*

For purchases made in the United States, the cardholder will inform the merchant that the purchase is for US Official Government purposes and is not subject to local or state sales tax. Overseas purchases are not exempt from foreign tax unless specified.

b. *MEDCOM Implementation*

Based on the above best practices, the implementation is for the Level 4/GPC Program Manager to provide the Tax ID memo on the GPC webpage for easy access to all GPC customers.

6. Property Accountability

a. *MEDCOM Best Practices*

For the purposes of the GPC program, an item is considered to be accountable if it is assigned a manufacturers serial number. Cardholders will ensure that the accountable item is placed on a hand receipt. The accountability of property relies heavily on local procedures to emphasize pre-approvals and documentation of items purchased.[41]

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[40] AR-715, 55.

[41] Ibid., 57.

b.   MEDCOM Implementation

Based on the above best practices, the implementation is for the Level 4/GPC Program Manager to work closely with the local agencies to train them in the local property accountability processes at their activity. For MEDCOM, some standard local processes for property include the Capital Expense Equipment Program (CEEP), the local Information Management Department (IMD) and Medical Library (Property Accountability of Books), among others.

The Level 4/GPC Program Manager is to complete quarterly reviews of GPC transactions that appear to require property accountability. The Level 4/GPC Program manager will provide formal reports of non-compliance to the local Activity Chief. The Level 4/GPC Program manager will require that nominees to become cardholders or billing officials attend any local property accountability training that the activity may provide and/or provide the opportunity for the property book officer to provide training in the GPC classroom training sessions.

Any cardholder who fails to properly document property accountability will be dealt with as follows:

> Abuse or repeated non-compliance with property accountability procedures will be grounds to suspend GPC accounts until assurances are obtained that property accountability documents are made current and established procedures will be followed in the future.[42]

In addition, the MEDCOM Level 4/GPC Program Manager should begin to implement the recent recommendations from the GAO report 08-333 that clearly indicate that property accountability is a priority for upcoming reviews:

- Provide agencies guidance on how cardholders can document independent receipt and acceptance of items obtained with a purchase card.
- The guidelines should encourage agencies to:
    - Identify a minimum dollar amount that separates purchases into two types: those that do require documenting independent receipt and acceptance and those that do not.

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[42] AR-715, 56.

- Indicate that the approving official or supervisor took the necessary steps to ensure that items purchased were actually received."[43]

7   Reconciliation

a.   *MEDCOM Best Practices*

(1)   Cardholder Monthly Reconciliation.   Cardholders will review their statement for accuracy and then approve the transactions for the month within three business days from the end of the USBANK billing cycle. If an account statement is not correct, the cardholder will contact the relevant merchants and request corrections.

Dispute Definition: If the merchant will not cooperate and refuses to process a correcting transaction or provide ordered goods or services, the cardholder must dispute the incorrect transaction.[44]

(2)   Billing Official.   The billing official will review his/her managing account to ensure all GPC transactions posted are legal, proper and correct in accordance with the government rules and regulations. The billing official must also review and certify the statement within five business days at the end of the USBANK billing cycle. The billing official will complete review of cardholder monthly statements and certify for payment within five business days at the end of the cycle, which occurs on the 19th to the 23rd of every month.[45]

(3)   Questionable Purchase.   If the billing official finds questionable transactions in the statement, the cardholder must be contacted by the billing official to review supporting documentation. The billing official should never certify for

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[43] General Accounting Office GAO Report 08-333, "Government Wide Purchase Cards Actions Needed to Strengthen Internal Controls to Reduce Fraudulent, Improper, and Abusive Purchases," March 2008.

[44] AR-715, 61.

[45] Ibid.
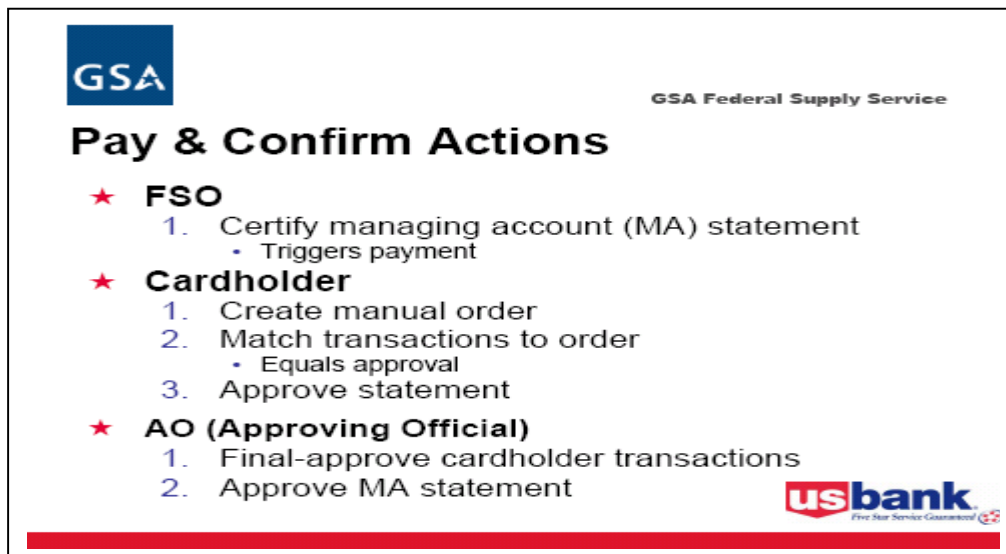
payment any questionable purchase by a cardholder. If the billing official finds the cardholder is negligent, appropriate administrative or disciplinary action must be taken in accordance with the AR-715 and the local chain of command.

b.   MEDCOM Implementation

The Level 4/GPC Program Manager is to provide end of cycle notices seven days prior to the end of the billing cycle. This advance notice serves as a reminder to all billing officials to ensure that their CHs are reviewing their statements. Once the cycle ends, the Level 4/GPC Program Manager should track and contact all billing officials (who have not certified within the five days of the billing cycle end date). After the five day window has passed, the Level 4/GPC Program Manager should report to the Regional Contracting Office Chief any accounts yet to be certified.

8.   Reconciliation: Pay and Confirm

a.   MEDCOM Best Practices

Figure 4.   GSA-Pay and Confirm Actions[46]

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[46] USBank, GSA, GSA Federal Supply Service, https://www2.usbank.com/impac/pdfs/gsa_conference/2007/DoD_GSA_TM_OM_Pay_Confirm_DoD_Final.pdf (accessed August 9, 2008).

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The pay and confirm process as illustrated in Figure 4 from USBANK explains the process the Army uses to certify invoices for payment but have not yet been received. Each billing official will establish a system to track all payments that have been certified for payment but not yet received. All items must be reconciled and receipt verified no later than 45 days after the original invoice.[47]

b.   MEDCOM Implementation

Based on the above best practices, the Level 4/GPC Program Manager is to ensure that all GPC Stakeholders understand the pay portion means that the vendor is paid at the point of sale. If there are any questions or concerns about that purchase, the process will then be to request the vendor to reimburse the government its funds. The confirm process occurs within the USBANK Access online banking system, which is the process by which the billing official confirms that DFAS should pay USBANK for the transactions shown on the managing account.

9.   File Retention

a.   MEDCOM Best Practices

Documents that must be retained for six years and three months after final payment include.[48]

- Billing Official (Managing Account)statements;
- Cardholder statements; and
- All original receipts and documentation.

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[47] AR-15, 61.

[48] DoD Financial Management Regulation, "Summary of Major Changes to DoD," Volume 5, Chapter 33, April 2005 and 7000.14-R, "Departmental Accountable Officials, Certifying Officers and Review Officials," Volume 5, Chapter 33, http://Www.Defenselink.Mil/Comptroller/Fmr/05/05_33.Pdf (accessed August 8, 2008).

b.   *MEDCOM Implementation*

Based on the above best practices, the implementation is for the Level 4/GPC Program Manager to ensure that billing officials are trained and understand that the billing official will maintain these records. They will be maintained until the records are transferred to a records holding area. All original records are the property of the US Government and may not be removed from Government control by the billing official for any reason.[49]

I.   PROGRAM OVERSIGHT AND REVIEWS

1.   Monitoring and Surveillance

a.   *MEDCOM Best Practices*

The stakeholders that support the Government Purchase Card program with monitoring it are the Resource Manager, the Property Book Officers and the Local Internal Review Office. All are to ensure that the GPC is used for only authorized and necessary official purchases.[50]

b.   *MEDCOM Implementation*

Based on the following best practices, the implementation of monitoring and surveillance is for the Level 4/GPC Program manager to ensure that all key stakeholders have the capability to electronically review cardholder transactions on a daily basis.

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[49] AR-715, 62-63.

[50] Ibid., 73.

2. Management Reviews

a. MEDCOM Best Practices

Local activities will conduct a formal management review of the GPC Programs at least once every two years. This formal management review report is certified by the DA 11-2 and is provided to the Regional Contracting Chief. An agency Compliance Checklist is provided in Appendix D of the AR-715.[51] In addition, the heads of activities should conduct a program review as an assessment tool prior to signing any annual assurance statements.

b. MEDCOM Implementation

Based on the above best practices, the Level 4/GPC Program Manager will prepare for a bi-annual performance review (PMR) by the Level 3/MEDCOM. If the Level 3/MEDCOM cannot accomplish a review in person, the Level 4/GPC Program Manager should nonetheless complete a bi-annual review of his/her GPC Program.

3. Suspected Abuse or Fraud

a. MEDCOM Best Practices

When a review results in an allegation of fraud, waste or abuse or an erroneous payment, the Head of Activity (HA) must convene or order an investigation. (IAW Chapter 33 of the DoD FMR and AR-715). If a HA does not have the authority to appoint an investigation official or board a request for appointment will be submitted by the HA through the chain of command.[52]

All instances of suspected fraud or abuse must be reported by the Level 4/GPC Program manager through the various channels of reporting including:

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[51] AR-715, 75.

[52] Ibid., 76.

- Chain of Command;
- Judge Advocate General;
- Criminal Investigative Department;
- Internal Review; and
- Inspector General.

b.   MEDCOM Implementation

Based on the above best practices, the Level 4/GPC Program Manager must be aware of the following signs of fraud within their GPC Program:

- Repetitive buys from the same vendor;
- No documentation for a purchase;
- No security process in place to safeguard cards and account number;
- Use of the GPC Account by someone other than the cardholder;
- Lack of oversight by the billing official;
- Repeat unauthorized purchases;
- Payments made for items not received;
- Split purchases to avoid spending limitations;
- Lack of property accountability for easily stolen or sensitive items; and
- Cardholders returning merchandize to merchants for store credit.

4.   Metrics and Reporting Requirements

a.   MEDCOM Best Practices

The Level 4/GPC Program Manager must research and compile data to provide metrics about their program in order to assess the performance of their GPC Program. Some basics metrics that the Level 4/GPC Program Manager can use are listed below.

- Span of Control: Number of open CH accounts assigned to a BO;
- Dollar amount of transactions;
- Number of accounts that have been inactive for more than six months;

- Percent of accounts 30 days past due;

- Percent of BO Accounts that have been reviewed in the past six months; and

- Status of annual reviews. (The Army requires that all BO accounts be reviewed annually).

b. MEDCOM Implementation

Based on the above best practices, the implementation is for the Level 4/GPC Program Manager to utilize the USBANK online banking system of Access Online to compile data in order to report the metrics listed above. The data compilation should be accomplished monthly and then reported quarterly to the Level 3/MEDCOM.

J. WHO ARE THE KEY PLAYERS IN THE GOVERNMENT PURCHASE CARD PROGRAM? HOW ARE THEY ORGANIZED? WHAT ARE THEIR RESPONSIBILITIES?

The GPC program is managed via a six-level hierarchy, in which one level reports to the level immediately above it. The levels are numbered one to six, with Level 1 the highest level and Level 6 is the lowest. The level number applies to all of DoD, so a Level 1 Army would be the same as a Level 1 Navy. This six level reporting is driven by the banking system to "track" the accounts and key players within the Government Purchase Card (GPC) Program.

As Figure 5 details, the level number correspond with both a hierarchy and a Total Bank Reporting (TBR) number that is part of USBANK's total bank reporting hierarchy. The Army has not adopted another name or level system for the GPC Program other than the one provided by USBANK. The roles and positions within USBANK's levels are exactly the same as those within the Army's GPC Program.

This handbook will describe each level, define its role within the GPC Program, and state its responsibilities. Once the responsibilities per the AR-715 are clarified, the MEDCOM specific duties will be discussed and expected functions listed. Finally, the recommended duties per additional resources will be noted.

This portion of the handbook will be a comprehensive compilation of the mandated, recommended, and best practices for the key players in the GPC Program.

These key players are as listed below.

LEVEL 1	DoD PCPMO	Ms. LeAnne Sumpter
LEVEL 2	ARMY	Mr. Dan Schwimmer
LEVEL 3	MEDCOM	Mr. Gary Pinion
LEVEL 4	INSTALLATION	GPC PROGRAM MGR
LEVEL 5	BILLING OFFICIAL	
LEVEL 6	CARDHOLDERS	

For clarity and simplicity, the role and position are synonymous but to provide and ensure understanding, both will be included in the position or role when discussed: for example, BO/Level 5 and/or CH/Level 6.

Figure 5.   DoD Program Hierarchy Structures[53]

LEVEL 1	DoD PCPMO	Ms. LeAnne Sumpter
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[53] USBank, https://www2.usbank.com/impac/pdfs/dod/04_DoD_Access_Online_Training_Pres_opt0108.pdf (accessed August 2, 2008).

1.   Level 1/PCPMO

a.   *Purchase Card Program Management Office (PCPMO)*[54]

Level 1, the highest level, is the Department of Defense (DoD) Purchase Card Program Management Office (PCPMO). PCPMO currently falls under Program Development and Implementation in the Defense Procurement Acquisition Policy (DPAP). Ms. LeAnne Sumpter is the current Deputy Director, Program Development and Implementation, Defense Procurement and Acquisition Policy in the Office of the Under Secretary of Defense (Acquisition, Technology & Logistics) and is responsible for Program Management for the DoD Purchase Card Joint Program.[55] She provides the highest level direction and policy for the GPC Program. The Level 1/PCMPO DoD provides strategic direction to the entire DoD GPC Program.

DPAP is responsible for all acquisition and procurement policy matters in the DoD. The DPAP office serves as the principal advisor to the Under Secretary of Defense for Acquisition, Technology and Logistics (AT&L), Deputy Under Secretary of Defense for Acquisition and Technology (A&T), and the Defense Acquisition Board on acquisition and procurement strategies for all major weapon systems programs, major automated information systems programs, and services acquisitions. The following website can provide information on high level policy and instructions relevant to the GPC Program. (Defense Procurement, Acquisition Policy and Strategic Sourcing (DPAP) http://www.acq.osd.mil/dpap/.)

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[54] Department of Defense Purchase Card Program Management Office, http://dodgpc.us.army.mil/ (accessed August 2, 2008).

[55] DPAP, Defense Procurement, Acquisition Policy, and Strategic Sourcing, Biography, LeAntha D. Sumpter, Deputy Director for Program Development and Implementation, http://www.acq.osd.mil/dpap/pdi/biography.html (accessed August 8, 2008).

2. Level 2/Army

The second reporting level identifies the military service. For the Army, the hierarchy title of the Level II is Level II A/OPC. To more easily define this position, Level II will be known as Level 2/Army. The current Level 2/Army position is currently held by Mr. Dan Schwimmer.

The roles of the Level2/Army as identified in the AR-715 are as follows:

- Administration of the Army GPC Program;
- Establish policies and guidelines to include the AR-715; and
- Ensure effective surveillance for the Major Army Command (MACOM).

Level2/Army acts as a liaison with the following:

- Army Organization;
- USBANK;
- PCMPO; and
- GSA Smart Pay Team.

The additional roles and responsibilities of the Level 2/Army per the DoD Charge Card Guidebook 2006 follows:

- Design/maintain hierarchies and select/appoint subordinate Level 3's;
- Assist/ensure Level 3's perform their functions/roles; and
- Interface with the issuing bank or card processor on performance issues.[56]

In addition, the Level 2/Army manages the Army Purchase Card Website: http://www.aca.army.mil/army/.This website is intended to provide policy, guidance and updated information that would flow to the Level 2/Army from the Level 1, USBANK, and the GSA Smart Pay team. Currently, the website has only minimal information and it appears as if this site is not maintained on a regular basis.

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[56] DoD Department of Defense Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs January 20, 2006.

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3. Level 3/MEDCOM

The third reporting level identifies the Major Army Command (MACOM) or equivalent organization. For the Army, the title of the Level III is Level III A/OPC. For easier definition of this position, the Level III A/OPC will be known as Level 3/MEDCOM.

The Level 3/MEDCOM is appointed by the Army Principal Assistant Responsible for Contracting (PARC). The Level 3/MEDCOM is a procurement staff member (DAWIA Level II Trained) at each MACOM or equivalent organization.[57] The Level 3/MEDCOM position is currently being held by Mr. Gary Pinion, a Level 3/MEDCOM Alternate is not identified. The criteria to be appointed as a Level 3/MEDCOM is outlined in the AR-715:

> Only individuals who meet the following criteria may be appointed as Level III Coordinators for the GPC Program; Appointed 1102 's, and at a minimum **DAWIA Level II** certified. This requirement is effective upon publication of this document (March 2006). Although the Level II Program Coordinator position typically warrants a GS-11 or higher grade, the A/OPC Level III grade will depend on the responsibilities, complexity and volume of the program.[58]

The Level 3/MEDCOM currently manages seven GPC Programs under seven separate Regional Contracting Offices (RCO's) worldwide. These seven GPC programs recorded $483,075,162 million dollars of dollars spent for fiscal year 2007.[59]

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[57] AR-715, 18.

[58] Ibid., 28.

[59] AMEDD Command Management System, https://cms.mods.army.mil (accessed September 9, 2008).

AR-715 lists the following duties and responsibilities for the Level 3/MEDCOM:

- Implementation, administration and monitoring of the GPC Programs for MEDCOM;

- Understanding of relevant policies, procedures and commercial practices;

- Ability to communicate, organize and manage effectively;

- Basic analytical and computer skills; and

- The ability to analyze, research, and provide concise recommendations to the chain of command on required actions to anticipate, prevent, or correct problems in business processes that are supported by the GPC.

The Level 3/MEDCOM acts as liaison between the following stakeholders.

- Army Organization Level 2/ARMY;

- USBANK; and

- All Regional Contracting Office Field Organizations.

The Level 3/MEDCOM is to provide program support by:

- Establishing and implementing MEDCOM specific policy and guidelines;

- Developing the organizations surveillance plans;

- Providing internal management controls; and

- Reporting requirements.

The roles and responsibilities of the Level 3/MEDCOM per the DoD ChargeCard Guidebook 2006 are as follows.

a. Level 3/Army

- Manage, oversee, and support card programs;

- Develop and implement rules and tools that enable the Services to track and report, as necessary, high-risk transactions;

- Participate in data-mining efforts;

- Maintain DoD-wide blocked Merchant Category Code (MCC) list;

- Prepare and analyze metrics;

- Interface with the issuing bank or charge card processor on contract requirements, performance issues, and special needs;

- Coordinate the creation and feedback of issuing bank fraud queries; and
- Run quarterly reports on span of control, inactive cards, and cardholders certifying their own purchases.[60]

The minimum standard for a Level 3/MEDCOM position is holding a DAWIA Level 2 Certified 1102. There is no GS level mandated for this position. There are no specific training requirements for Level 3/MEDCOM; there is a list of Knowledge Skills and Abilities (KSA's) and that a Level 3/MEDCOM will have "received training in the GPC program as well as in general contracting subjects." [61]

b.   The Relationship Between the Level 4 and Level 3

The Level 3/MEDCOM is the primary point of contact for the Regional Contracting Office (RCO), and is the primary source of support and information for the Level 4/GPC Program Manager. The GPC Program Manager is generally located at an RCO; typically, this is an isolated and highly specialized position.

c.   What Can the Level 4/GPC Program Manager Expect from Level 3/MEDCOM?

The Level 3/MEDOM will act as a funnel for all policy from any possible source, providing basic information regarding major changes or adaptations of the way the GPC Program does business , including:

- GSA Smart Pay 2
  - When and to which bank the option year contract will be awarded;
- GSA Annual Smart Pay Conference;[62]
  - Information, Dates and Coordination for attendance at the annual GSA Smart Pay Conference. Attendance is mandatory for all primary and alternate Level 4 A/OPCs; and[63]

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[60] DoD Department of Defense Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs January 20, 2006.

[61] AR-715, 29.

[62] Ibid., 36.

[63] Ibid.

- Coordination of the ONESTAFF for Travel to the GSA Smart Pay Conference will be provided by the Level 3/MECDOM;

- Bi-Annually Program Management Reviews (PMR) that will occur at the program level by the Level 3/MEDOM;

- Purchase Card Online System(PCOLS) transition;

- Dissemination of any new training requirements for the GPC Program Key Players; and

- Notices from USBANK regarding how to conduct business.

Although the Level 3/MEDCOM will disseminate policy and information, such policy and information will usually come with little guidance on how to comply or implement the policy. The Level 4/GPC Program Manager will be expected to create and implement those methods.

d. What the Level 4/GPC Program Manager Should Not to Expect from Your Level 3/MEDCOM?

- Day to day input on how to run the program;

- Specific RCO policy guidance. Each RCO will be responsible for implementing policy and providing training in its policy on Property Management, IMD, etc.; and

- Direct customer support for the RCO's customers.

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4. Level 4/Government Purchase Card Program Manager (GPC Program Manager)

For the Army, the title of the Level IV is Level IV A/OPC. For easier definition of this position, Level IV A/OPC will be known as Level 4/GPC Program Manager.

The following section will discuss these topics:

- Appointment; and
- Training.

The Regional Contracting Office (RCO) Chief will appoint a contracting staff member to manage the daily operation of the GPC Program at the installation/organization.[64] The criteria to be appointed as a Level 4/GPC Program Manager are defined in the AR-715:

> The Level IV A/OPC will be appointed at a grade that will depend on the responsibilities, complexity, and volume of the program or they will appoint Level IV A/OPCs of a sufficient grade/rank to exercise their authority. Effective on the date of the publication of this document (March 2006), only individuals who meet the following criteria may be appointed as Level IV Coordinators for the GPC Program; appointed 1102 series, and DAWIA Level II certified.[65]

There are no mandatory training requirements for the Level 4/GPC Program Manager per the AR-715, only that "…that Level IV A/OPCs receive training in the GPC program as well as in general contracting subjects that will support career progression."

a.   *Training*

The following training is required:

- Level 2 DAWIA Certified;
- DAU CLG 001 DoD Government Purchase Card Training;
- GSA SmartPay online training for Purchase Charge Card;
- Fiscal Law Training; and
- Ethics Training for AT&L Workforce.

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[64] AR-715, 18.

[65] Ibid., 29.

b. Recommended Training

The following training is strongly recommended:

- Level II DAWIA Certified in auditing;
  - Intermediate Contract Auditing;
  - Statistical Sampling;
- Website creation and maintenance;
- Internal Control Processing Training;
- Communicating effectively via email and phone; and
- Managing difficult customers.

c. Mandatory Training Outside Sources

- **Access Online-USBANK Banking Site.** Training must familiarize A/OPCs with CH and AO responsibilities as well as proper management, control and oversight tools and techniques. The A/OPCs must also receive training by the charge card vendor on using their Electronic Access System (EAS) (or applicable system) to manage the program.[66]

d. Level 4/GPC Program Manager Roles and Responsibilities

The roles and responsibilities of the Level 4/GPC Program Manager as defined by AR-715 include:

- Establishing local policy and guidance;
- Preparing and providing training for all stakeholders;
- Monitoring and surveillance; and
- Serving as a liaison between DFAS, Level 3/MEDCOM and USBANK.

The GPC Program Manager is responsible for implementing and administering the following program management tasks:

- Manage and ensure the integrity of the card program;
- Prepare reports on the program;

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[66] OMB CIRCULAR A-123, Revised February 2006, "APPENDIX B Improving the Management of Government Charge Card Programs," http://www.whitehouse.gov/omb/circulars/a123/a123_appendix_b.pdf (accessed August 2, 2008).

- Ensure the proper oversight/management controls are in place and working;

- Ensure cardholders and the billing officials have been appointed in writing and ensure the appointments are kept current;

- Oversee or perform account maintenance;

- Oversee and track the training (including refresher training) of all program participants in a system of records and ensure that the required training has been completed before issuing cards; and

- Conduct compliance reviews.

To provide service to the cardholder and billing official the GPC Program manager will:

- Provide business advice to CHs and charge card officials;

- Assist in dispute resolution;

- Process card applications;

- Maintain the required span of control in accordance with DoD and component guidance;

- Close accounts using the issuing bank's automated tool;

- Ensure financial controls are established in account profiles; and

- Monitor and facilitate resolution of installation delinquency problems.

To monitor and review accounts the GPC Program Manager will:

- Monitor transactions during the cycle in order to take timely action against questionable charges, using available automated tools;

- Analyze accounts and specific CH activity; and

- Report program activity to appropriate levels of management.[67]

The responsibilities of the GPC Program manager are numerous and at this time, none of these oversight responsibilities may be re-delegated.[68]

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[67] DoD Department of Defense Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs January 20, 2006.

[68] AR-715, 18.

e.   *Level 4/GPC Program Manager Roles and Responsibilities by Topic*

This handbook will now provide further discussion of the Level 4/GPC Program Manager Account Management responsibilities by topic.

(1)   Account Management Open, Close and Suspension.   The duties required here will be the creation of new accounts for both cardholders and managing accounts, and the closure of accounts based on abuse, misuse, compromise of account information, loss of a card, or cardholder's departure.

(2)   Account Updates.   The Level 4/GPC Program Manager is required to update account information upon notification of a modification to a cardholders name, address, single purchase limit, monthly purchase limit, or authorized Merchant Category Codes (MCCGs).[69]

(3)   Delegation Letter.   The Level 4/GPC Program Manager has the responsibility to issue and maintain delegation letters to Cardholders, Primary and Alternate billing officials, and resource managers. Issuance of these letters is often mentioned in many GAO Reports and audit guides, and the need for formal appointment is clear in AR-715. Such letters are issued by the Regional Chief of Contracting.

The minimum information required by AR-715 is the Single Purchase Limit and Monthly purchase limit.   There is no requirement for additional information. As recommended in GAO 03-678G. A written delegation is to be issued by responsible agency personnel that establishes authorized cardholders and specifies spending and usage limitations unique to that cardholder.[70]

(4)   Merchant Category Coding (MCCG).   The Level 4/GPC Program Manager is responsible for review, approval and administration of merchant category coding (MCCG) for each cardholder account. AR-715 p. 38 states the MCCGs will be set based on the buying history of the activity. However, the current practice is to

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[69] AR-715, 38.

[70] GAO 03-678G MAY 2003 AUDIT GUIDE: Auditing and Investigating the Internal Control of Government Purchase Card Program.

initially set up all accounts with two codes: the MCCG 164 AND MCCG 164A. The specific type of vendor's descriptions for this coding is provided by USBANK, and can be reviewed in Figure 6.

MCCG Template	MCC Descriptions	MCCs
DoD Merchant Category Code Groups Directory		
MCCG001		
	Telephone, Telegraph, Cable Services, Cable Entertainment, Utilities	4812, 4814-4815, 4821, 4899, 4900
	Telemarketing Travel Related Arrangement Services [No Travel Agencies]	5962
	Mail Order Houses, Telephone Purchases, Subscription/Continuity Merchant	5192, 5964-5969
	Food/Dairy Stores, Drug/Liquor Stores	5122, 5411, 5422, 5441, 5451, 5462, 5499, 5912, 5921
	Caterers, Restaurants, Bars	5811-5814
	Discount/Department/Variety Stores, Misc. General Mdse., Duty Free Stores	5300, 5309-5311, 5331, 5399
	Misc. & Specialty Retail Stores, Lumber/Hardware, Lawn/Garden, Clothing, Furnishings & Equipment, Household Appliances, Music/Records, Government Services, not elsewhere classified, Postage	5021, 5039, 5044-5047, 5065, 5072, 5074, 5085, 5094, 5099, 5111, 5131, 5137, 5139, 5193, 5198-5200, 5211, 5231, 5251, 5261, 5531, 5611, 5621, 5631, 5641, 5651, 5655, 5661, 5691, 5697-5699, 5712-5714, 5718-5719, 5722, 5732-5735, 5931, 5935, 5940-5943, 5945-5950, 5963, 5970-5973, 5975-5978, 5992-5999, 9399, 9402
	Contractors	1520, 1711, 1731, 1740, 1750, 1761, 1771, 1799
	Camps, Camp Sites, Amusement & Recreational Services	7032-7033, 7832, 7841, 7911, 7922, 7929, 7932-7933, 7941, 7991-7994, 7996-7999
	Misc. Personal Services	7210-7211, 7216-7217, 7221, 7230, 7251, 7261, 7276-7278, 7296, 7298-7299
	Misc. Business Services	0742, 0763, 0780, 2741, 2791, 2842, 4225, 4816, 5051, 6300, 6381, 6399, 7311, 7321, 7333, 7338-7339, 7342, 7349, 7361, 7372, 7375, 7379, 7392-7395, 7379, 7399, 7622-7623, 7629, 7631, 7641, 7692, 7699, 7829, 8111, 8661, 8734, 8911, 8931, 8999
	Medical Services	8011, 8021, 8031, 8041-8044, 8049, 8050, 8062, 8071, 8099
	Schools, Educational Services and Day Care	8211, 8220, 8241, 8244, 8249, 8299, 8351
	Membership Organizations Charitable and Social Organizations	8398, 8641, 8675, 8699
	Fuel (Fuel Dealers - Fuel Oil, Wood, Coal, Liquefied Petroleum	5169, 5172, 5983, 7511
	Government to Government	9950

Figure 6.   DoD Merchant Category Code Groups Directory[71]

This specific coding allows for Cardholders to visit many locations to support their missions. If an MCCG is required outside of the two standard MCCG's codes MCCG 164 and MCCG 164A, AR-715 has provided a specific method to request

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[71] "USBANK Communications and Training Reference Materials," https://www2.usbank.com/cgi_w2/cfm/impac/impac_military.cfm?group=2&page=3 (accessed July 29, 2008).

an additional MCCG for an account. This is called a MCCG Override, or the "adding" or "allowing" of a MCCG code onto an account. The process to request an additional MCCG is provided below.

(5)   Merchant Category Code blocks and Overrides.[72] A cardholder may need to purchase items from a vendor that may have a MCCG code that is currently not allowed on their GPC Account. For this MCCG code to be allowed a memo and request must be completed by the billing official.

The request must contain the following:

- Description of the item to be bought;
- Name and last 10 digits of account holder;
- Merchant's exact name and address;
- The MCCG that is to be "allowed" or Overridden;
- Estimated purchase amount;
- Estimated date of purchase;
- Description of efforts to locate an authorized source; and
- Specification of the need of the particular requirements.

(6)   Setting Account Single Purchase Limits (SPL) and Cycle Limits. The Level 4/GPC Program Manager will need to review, approve and implement single purchase limits and cycle limits for both cardholder account and managing accounts.[73] AR-715 states that "the single purchase limits and monthly limits should be set at a commensurate with the buying history of the activity or organization." SPL limits are to be reviewed yearly during the Level 4/GPC Program manager annual reviews to determine appropriateness.

(7)   Database.   The Level 4/GPC Program Manager must maintain a current database of all cardholders, billing officials, and alternate billing officials.[74]

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[72] AR-715, 58.

[73] Ibid., 38.

[74] Ibid., 18.

(8)   Local Procedures.   The Level 4/GPC Program manager must develop and implement local procedures to identify and make cardholders aware of items that the local command prohibits from purchase with the GPC.[75] The Level 4/GPC Program Manager must work diligently to create and update this local policy listing, and once created, a platform, such as a website needs to used to communicate changes in the listing.

(9)   Account Records File Retention and File Requirements. The AR-715 states that the Level 4/GPC Program Manager must maintain the following documents for each cardholder, billing official, and alternate billing official:

- Copy of the account holders DAU initial GPC training;
- Copy of the account holders annual refresher training;[76]
- Copy of the account holders delegation letter;
- Copy of the account holders ethics training; and
- Annual account review reports.[77]

(10)   User ID Requests from USBANK.   Currently the Level 4/GPC Program Manager is to request passwords and User IDs via USBANK for key players or stakeholders such as billing official, alternate billing official, resource managers and Internal Review Office (IRO). A User ID allows the key players to access the online banking system. Their role is tied to their User ID when created; they will only be able to perform tasks in the banking system as their role permits.

If information is needed by any GPC key players regarding an established User ID, access online provides reporting capabilities for Level 4/GPC Program manager to report any User ID for their program and the status of that User ID.

(11)   DD577. The Level 4/GPC Program Manager must ensure that each primary billing official and alternate billing official has on file a DD577. There will be further information on this form within the billing officials section of the

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[75] AR-718, 19.

[76] Ibid.

[77] Ibid., 63.

handbook. Recommend removing requirement to provide to DFAS each DD577. The DD577 is usually provided to DFAS as needed, but will always remain on file with the Government Purchase card manager and within the billing official and alternate billing official's files.

(12) Span of Control. The Level 4/GPC Program manager must enforce the span of control for the GPC Program Manager 1:300 (a combination of both managing accounts and cardholder accounts). The Army standard for span of control for a Level IV A/OPC is 300 accounts.[78] You must enforce the span of control for both billing official and cardholder accounts. The Army standard is that one (1) managing account can have seven (7) cardholder accounts issued under it. MEDCOM best practices allow the Level 4/GPC Program manager to quickly determine the current span of control for any managing account using the USBANK access online banking system.

(13) Account Reviews. The Level 4/GPC Program manager completes reviews of accounts monthly, quarterly and annually. The purpose of all reviews is to look for improper and prohibited activity on accounts. Monthly monitoring and surveillance can be conducted throughout the billing cycle by the following USBANK reports:

- Declined transaction reports;
- Cash advance;
- Sales tax; and
- Reports by vendor name i.e., WalMart, Kinkos, Kmart, NEX, Best Buy, Home Depot.

Once the reports are reviewed, the information can be provided to the billing official to follow up and review with the cardholder.

All new cardholder accounts are to be reviewed within ninety days of creation. As per AR-715, the Level 4/GPC Program manager must review transactions and buying logs of newly appointed cardholders within three months of their appointment.[79]

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[78] AR-718, 54.

[79] Ibid., 20.

All payment cards and convenience check accounts will be reviewed quarterly. Convenience checks reviews will be conducted by a disinterested third party appointed by the Chief of Contracting Office and under the guidance of the local Internal Review Activity. All managing accounts will have an annual review. The Level 4/GPC Program Manager will review cardholders transactions, span of control and compliance with DoD policies and procedures.

(14)   Level 4/GPC Program manager must prepare and facilitate cardholder and billing official training. The Level 4/GPC Program manager is responsible for creating and providing training for all the stakeholders in the GPC Program. The training "minimum" topical requirements are provided in Attachment 3.[80]

(15)   File Retention. Files are to be kept for six year and three months.

(16)   Manual Payment Processing. Most Managing Accounts have been established and are currently paid via Electronic Data Exchange (EDI). However, sometimes there is an error and the payment is rejected by DFAS or by USBANK. This error is not a Cardholder transaction being rejected by the vendor; it is the actual payment of DFAS to USBANK for the Managing account as a whole.

If this type of error occurs, you will be notified in two ways:

- USBANK will email the Level 4/GPC Program manager indicating that a rejected payment for a Managing Account; and

- DFAS will email a notice of a rejected payment for a managing account.

USBANK will inform the Level 4/GPC Program manager first of a rejected payment. If you receive these error notifications, these are the actions the Level 4/GPC Program manager should take to expedite the manual payment process:

- Research the issue or reason as to why the payment was rejected, utilizing the DFAS or USBANK rejected payment information;

- Provide to the billing official and resource manager an email containing all the pertinent data. Email should include the DFAS rejection notice,

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[80] AR-715, 33- 35.

issue or line of accounting data, copy of the primary billing official's or alternate billing official's DD577, and DFAS POC's list for the resource manager;

- Indicate to the billing official or alternate billing official that the budget analyst will assist the billing official in the manual processing of the payment for this account; and

- Ensure the Resource Manager complies with recent policy from DFAS:

DFAS has re-iterated the need that "Manual Certification shall include the certifying officer signature, typed or printed name the tile, the date and the dollar amount."[81]

A quick and correct response to DFAS is necessary when a payment has been rejected to ensure that the Army does not incur interest penalties.

(17) Communication to the Customers. The Level 4 is to communicate changes to the customers via email, newsletter or the most efficient means.[82] Level IV A/OPCs should notify all participants in the GPC program of changes, as they occur, through the most efficient means (such as e-mail, by a GPC Program Webpage or GPC Program newsletters).[83]

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5.   Level 5/Billing Official

This portion of the Handbook provides information regarding the Level 5/Billing Official. The following will be discussed by topic:

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[81] Ruth Mather, Director of Accounts Payable, DFAS Memo, "Non-Contract Type Payments," July 2008.

[82] AR-715, 36.

[83] Ibid.

- Reporting Level;
- Duties And Roles;
- Nomination And Position;
- Roles And Responsibilities;
- Required Training For Billing Officials; and
- Recommended Training For Billing Officials.

Once the responsibilities per AR-715 are clarified, the MEDCOM specific duties will be discussed and expected functions listed, and the recommended duties per additional resources will be noted. This portion of the handbook will be a comprehensive compilation of the mandated, recommended and best practices for the key players in the GPC Program.

The fifth reporting level identifies the billing official. For the Army, the hierarchical title of the Level V is Level V billing official. For easier definition of this position, the Level V will be known as the billing official. The billing official is also known as the certifying official and the approving official.

Billing official responsibilities are mandated not only by AR-715 but also by the FMR Volume 5 requirement for all billing officials to complete the DD577 certifying officers' appointment. For the purposes of the GPC Program, the billing official also holds the role of the Certifying Officer as per the DD577.

The Level 4/GPC Program manager must be familiar with what AR-715 expects and outlines for billing officials in the GPC program. The Level 4/GPC Program managers must also be familiar with the roles and responsibilities of billing officials so that they may effectively provide guidance and training to new and existing billing officials.

a.   Nomination

The billing official is to be nominated by the local Head of Activities (HA). The nomination process is normally implied by the completion and signature of HA on the DD577 form, which is required to be submitted with the application to appoint Billing Officials or Alternate Billing Officials.

b.   Position

The Billing Official is nominated by the HA and is recommended to be in the Cardholder's supervisory chain.[84]

c.   Alternate Billing Official

For clarification, the alternate billing official has the same roles and responsibilities as the primary billing official in terms of training, nomination and position requirements.

d.   Roles and Responsibilities and Training

Appendix D of this handbook lists the billing official's roles and responsibilities as per AR-715 and DoD Financial Management Regulation Volume 5, Chapter 33 April 2005.

Appendix C of this handbook lists mandatory initial and annual training for billing official per the AR-715, DoD FMR, and it contains recommended training based on internal control standards and auditing guides.

LEVEL 1	DoD PCPMO	Ms. LeAnne Sumpter
LEVEL 2	ARMY	Mr. Dan Schwimmer
LEVEL 3	MEDCOM	Mr. Gary Pinion
LEVEL 4	INSTALLATION	GPC PROGRAM MGR
LEVEL 5	BILLING OFFICIAL	
LEVEL 6	CARDHOLDERS	

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[84] AR-715, 28.

6.   Level 6/CH

This portion of the Handbook provides information regarding the cardholder. The following will be discussed by topic:

- Reporting Level;
- Nomination And Position;
- Roles And Responsibilities;
- Required Training For Cardholders; and
- Recommended Training For Cardholders.

The sixth reporting level identifies the cardholder. For the Army, the hierarchical title of the Level VI is Level VI Cardholder. For easier definition of this position, the Level VI will be known as the cardholder.

The Level 4/GPC Program Manager must be familiar with what AR-715 expects and outlines for cardholders in the GPC program. The Level 4/GPC Program Manager must be familiar with the roles and responsibilities of the cardholders in order to effectively provide guidance and training to new and existing cardholders.

a.   Nomination

The cardholder is to be nominated by the billing official. The nomination process is normally implied by the completion and signature of the billing official on the cardholder application. The cardholder is delegated the authority by the chief of contracting to acquire goods and services with the Government Purchase Card program.

b.   Roles and Responsibilities and Training

Appendix D of this handbook lists the cardholder roles and responsibilities as per AR-715 and DoD Financial Management Regulation Volume 5, Chapter 33, April 2005

Appendix C of this handbook lists mandatory initial and annual training for cardholders per the AR-715, DoD FMR, and it contains recommended training based on internal control standards and auditing guides.

K.   KEY PLAYERS OUTSIDE OF PROGRAM

Due to the breadth and expanse of the GPC Program, there are many key players who are not directly within the GPC Program but who provide policy and supervision and complete processes. These include:

- Head of Activity;
- PARC;
- Chief of Regional Contracting Office;
- DFAS;
- Resource Manager; and
- Property Book Officers.

This portion of the handbook will provide a brief overview of the key players outside of the GPC Program.
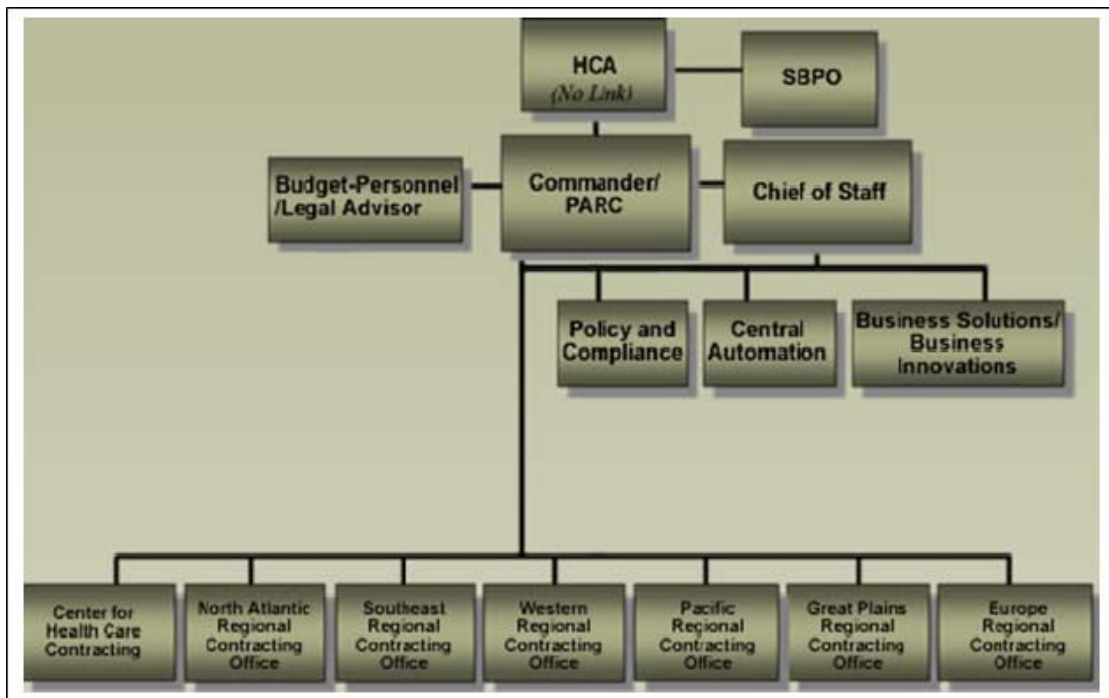

Figure 7.   Additional Participants or Stakeholders mentioned in the AR-715 within the Contracting Organization.[85]

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[85] US Army Medical Command, Health Care Acquisition Activity, Fort Sam Houston, TX, http://hcaa.medcom.amedd.army.mil/OrgCht.htm (accessed August 5, 2008).

1. Head of the Contracting Activity (HCA)

Head of the Contracting Activity (HCA), as indicated in Figure 7, has the overall ownership and cognizance of the GPC Program.

2. Principle Assistant Responsible for Contracting (PARC)

Figure 7 shows that the Army Principal Assistant Responsible for Contracting (PARC) falls under the HCA. The PARC is delegated the responsibility to establish and operate the Government Purchase Card program. The PARC will do the following:

- Designate a Level 3/MEDCOM and Alternate Level 3/MEDCOM; and
- Ensure adequate resources for the GPC Program.

The HCA and PARC combined are known as the Health Care Acquisition Activity (HCAA). The HCAA primarily contracts for health care services in support of the Army Medical Department (AMEDD).

3. Regional Contracting Office Chief (RCO)

As Figure 7 shows, the chief of each Regional Contracting Office (RCO) falls under the PARC. The PARC delegates the authority to appoint cardholders and billing officials to the Regional Contracting Office Chief. The RCO chief will sign each Delegation of Authority letter for his/her program. .The RCO chief will ensure that adequate resources are provided to the GPC Program and that the local troop command human resource division will have an out processing sheet so that all involved in the GPC program will check out via the GPC Program when they out process from the installation.
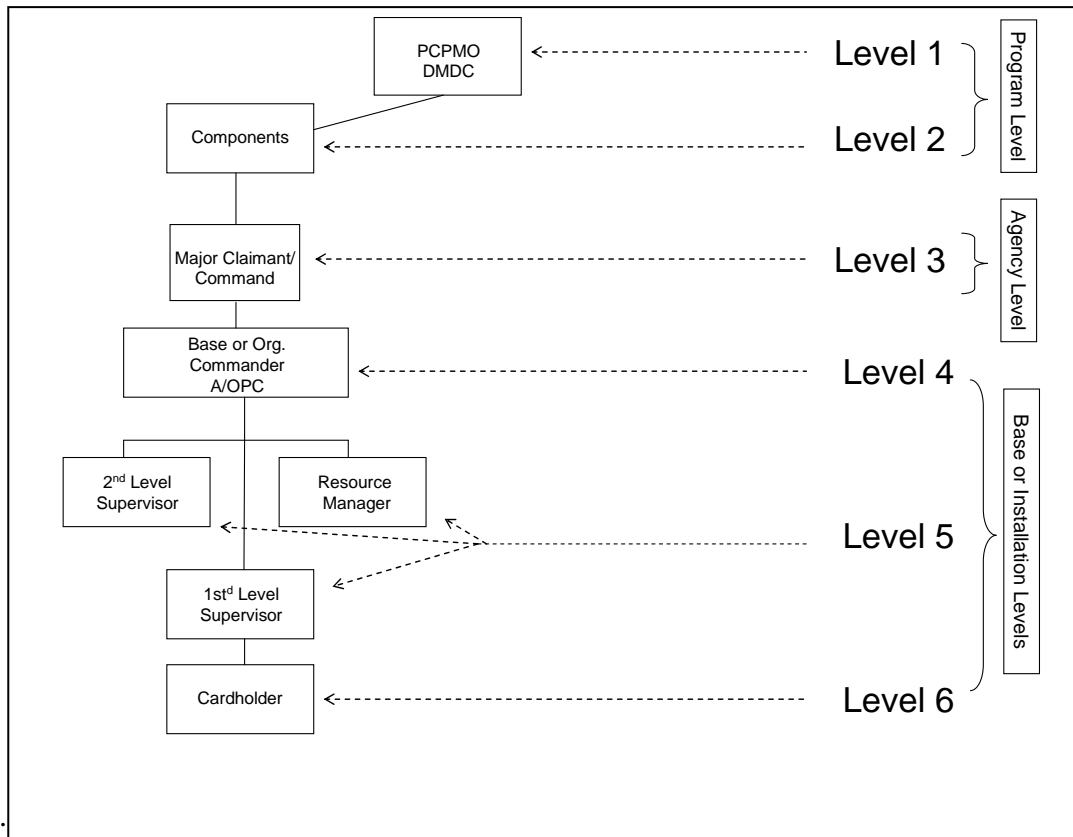
Figure 8. Additional Participants or Stakeholders mentioned in the AR-715 within the Billing Official and Cardholders Organization.[86]

As seen in Figure 8, the 2nd level supervisor or Head of Activity and resource manager are related to the GPC Program but are not included in the hierarchical levels of the Government Purchase Card program. Per AR-715, the Head of Activity's role is to receive the formal report of the annual review of billing official by the GPC Program Manager.

4. Head of Activity (HA)

The most important role of the HA is to review and retain for file the annual review from the Level 4/GPC Program manager. Additional roles and responsibilities per the DoD Charge Card Book are to:

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[86] CONOPS Purchase Card Online Version 1.0, 4.

- Determine the need for a card program and make the request to the appropriate functional activity;

- Appoint in writing qualified personnel;

- Ensure effective management controls are in place;

- Ensure proper separation of duties among personnel;

- Order investigations when appropriate;

- Follow up on investigation results;

- Review performance measures and reports; and

- Ensure performance standards including charge card responsibilities, if appropriate.[87]

5. Resource Managers and DFAS

The roles and responsibilities of the resource managers are to:

- Provide appropriate funding for the accounts;

- Maintain accurate financial records; and

- Fulfill financial management reporting requirements.[88]

The specific roles of the RM will vary site to site but most certainly will include the following.

AR-715. p. 38 states the resource manager will establish the default and alternate lines of accounting. Funding GPC via "bulk" method will require a monthly, bimonthly or quarterly fund reservation. Usually a single Line of Accounting is assigned to each CH, with funds that will cover a specific period of time. A unique accounting classification is required for each individual GPC transaction.

FAR 13.101 states: Use bulk funding to the maximum extent practicable. Bulk funding is a system whereby the contracting officer receives authorization from a fiscal and accounting officer to obligate funds on purchase documents against a specified lump sum of funds reserved for the purpose for a specified period of time, rather than obtaining

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[87] DoD Department of Defense Government Charge Card Guidebook for Establishing And Managing Purchase, Travel, And Fuel Card Programs, January 20, 2006.

[88] AR-715, 62.

individual obligational authority on each purchase document. Bulk funding is particularly appropriate if numerous purchases using the same type of funds are to be made during a given period.[89]

In order to obtain RM compliance with AR-715, the RM is generally required to sign and approve all CH and BO applications prior to the processing of the GPC Account.

This method ensures that the RM:

- Reviews spending limits;

- Establishes and reviews funding Lines of Accounting and assigns default LOAs;

- Confirms funding for CH and BO or official notification of funding; and

- Assigns Default and alternate LOAs as needed.

In addition the resource manager:

- Manages and processes Manual Payment with the coordination of the BO and GPC manager;

- Assists in resolving accounts with delinquents status if related to or requiring a Manual Payment via DFAS;

- Will be issued a USERID with "viewing" rights in the USBANK online banking system USBANK;

- Maintains copies of Managing Account Monthly Statements; and

- Assists in GPC Program Surveillance.

AR-715 p. 33 assigns roles in the GPC Program to DFAS:

- Maintain the DD577;

- Receive and process Manual Payments; and

- Notify the Level 4/GPC Program Manager within one day of rejected payments or interest incurred.

Additional DFAS responsibilities:

- Disbursing payments;

- Posting records to accounting and entitlement systems;

- Acting as the Certifying Officer in support of programs when DFAS retains that responsibility;

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[89] FAR 13.101 (b) 4.

- Monitoring and make prompt payments;

- Controlling valid appropriation data;

- Establishing electronic interface;

- Ensuring the timely processing of disbursements and disbursement rejects;

- Fulfilling responsibilities for pre-validation of invoices prior to payment; and

- Ensuring adherence to the provisions of the Prompt Payment Act.[90]

6.   Property Book Officers[91]

Property Book Officers or their representatives should assist Level 4/GPC Program Managers in reviews of cardholder and billing official accounts to ensure property accountability is being followed.

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[90] DoD Department of Defense Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs, January 20, 2006.

[91] AR-715, 57.

APPENDIX A. CARDHOLDER NOMINATION MEMO

CARDHOLDER NOMINATION FORM
Page 1 of 2

NOMINATION MEMO FROM HEAD OF ACTIVITY OR SUPERVISOR OR BILLING
OFFICIAL

"An installation, unit, or local HA, or senior official must
nominate prospective Cardholders through a nomination letter to
the local DOC. The letter will explain why the nominee needs a
GPC and will verify the individual's trustworthiness and
reliability in carrying out the responsibilities inherent in
holding a GPC. Officials should only nominate individuals who
have demonstrated responsibility and possess the required
business acumen to be entrusted with a GPC." [1]

List of Minimum Qualifications for the CH:

_____The nominee holds a rank of E5 or above or GS 7 or above

__List their DEROS or PRD date must be a minimum of 18 months
from the date of nomination

___Nominee holds a Basic Security Clearance Level
Financial responsibility and trustworthiness are key components
for determining whether a military or civilian employee is
eligible for the issuance of or continuation of a security
clearance.[2]

__Is the nominee within the Billing Officials Supervisory
     Chain IAW AR-715

__Duties of the GPC Card are included in the Nominees
performance appraisal. Are your cardholder responsibilities
included in your performance plan? Recognized in your appraisal?[3]

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[1] AR-715 page 33
[2] Memo dated November 4,2002 Subject: Suspension of Access to Classified
Information due to abuse or misuse of Government Charge Cards
[3] Recommended by A Practical Guide for Reviewing Government
Purchase Card Programs, PRESIDENT'S COUNCIL ON INTEGRITY AND EFFICIENCY
EXECUTIVE COUNCIL ON INTEGRITY AND EFFICIENCY from JUNE 2002

__Submission of **DD FORM 2883, JUL 2004**

Credit worthiness evaluations for new purchase card applicants
are no longer legislatively mandated due to the passage of the
2006 Consolidated Appropriations Act. However, agency officials
and charge card managers may continue to require these
evaluations at their discretion. At a minimum, they must remain
mindful of the risks involved with charge card issuance, and
continue to consider pertinent factors before issuing new
purchase cards. (Section 6.1).[4]

LIABILITY ACKNOWLEDGEMENT[5]

__ Statutory authority: Any misuse of the GPC is subject to
criminal, civil, Uniform Code of Military Justice,
administrative, and disciplinary actions as appropriate.

___ The intentional use of the GPC for other than official
Government business may be considered an attempt to commit fraud
against the U.S. Government. Misuse may result in immediate
cancellation of an individual's card, financial liability, and
negative administrative and/or disciplinary action against the
Cardholder and, if warranted, against the Billing Official.

__ GPC Cardholders are pecuniarily (financially) liable for
erroneous payments (payment that contain errors) that result
from the negligent performance of duties in the amount of
erroneous payment, up to one month's pay. All accountable
officials are required to comply with DoD regulations, policies,
and procedures, including standard operating procedures. Failure
to act in accordance with such regulations, policies, and
procedures is generally considered evidence of negligence.

__Following orders from superiors that are contrary to
regulations, policies, and procedures, is no defense to
negligence or bad faith. A heavy workload or a lack of
experience, supervision, or training, is not a factor in
determining relief from liability (from liability).

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[4] Appendix B Improving the Management of Government Charge Card Programs: OMB
Circular A-123 (Revised February 2006) page 18
[5] AR-715 pages 38-40

APPENDIX B. BILLING OFFICIAL NOMINATION MEMO

BILLING OFFICIAL NOMINATION MEMO
Page 1 of 2

This memo is to be completed and signed by the Head of Activity
or Current Alternate or Billing Official and the Nominee.

The Billing Official Nomination Memo is IAW AR-715 and IAW DOD
7000.14-R, VOLUME 5, CHAPTER 33 for Certifying Official and
Accountable Officers.

List of Minimum Qualifications for a Primary or Alternate
Billing Official Nomination

_____The nominee holds a rank of E7 or above or GS9 or above or
is of sufficient rank to question the cardholder.

"Approving Officials (Billing Officials) hold an important role
in determining if transactions are legitimate and well
documented. Approving Officials should also be sufficiently
independent and of sufficient rank to question the cardholder
when additional information is needed about specific
transactions." [1]

__List their DEROS or PRD date must be a minimum of 18 months
from the date of nomination

___Nominee holds a Basic Security Clearance Level
Financial responsibility and trustworthiness are key components
for determining whether a military or civilian employee is
eligible for the issuance of or continuation of a security
clearance.[2]

__Within the Cardholders Supervisory Chain IAW AR-715

__Duties of the GPC Card are included in the Nominees
performance appraisal Are your Billing Official responsibilities
included in your performance plan? Recognized in your appraisal?[3]

---

[1] Acquisition Advisory June 2002
[2] Memo dated November 4,2002 Subject: Suspension of Access to Classified
Information due to abuse or misuse of Government Charge Cards
[3] Recommended by A Practical Guide for Reviewing Government Purchase Card
Programs, PRESIDENT'S COUNCIL ON INTEGRITY AND EFFICIENCY EXECUTIVE COUNCIL
ON INTEGRITY AND EFFICIENCY from JUNE 2002.

Liability IAW AR-715

__Liability: GPC Billing Officials are personally and pecuniarily (financially) liable for the full amount of any improper payments resulting from misuse, abuse, or unauthorized purchases of the GPC, in accordance with Title 31 U.S. Code § 3528. Strict pecuniary (financial) liability attaches automatically when there is an erroneous payment (payment that contain errors) .

__All accountable officials are required to comply with DoD regulations, policies, and procedures, including standard operating procedures. Failure to act in accordance with such regulations, policies, and procedures is generally considered evidence of negligence. Following orders from superiors that are contrary to regulations, policies, and procedures, is no defense to negligence or bad faith. A heavy workload or a lack of experience, supervision, or training, is not a factor in determining relief from liability.

__Accountable Officials shall be personally and pecuniarily(financially) liable for erroneous payments (payment that contain errors) that result from the negligent performance of duties in the amount of the erroneous payment, up to one month's pay.

__ Billing officials: Title 31 U.S. Code § 3528 provides for personal and pecuniary (financial)liability for improper payments resulting from misuse/abuse of the purchase card for Certifying Officials. The GPC Billing Official meets the definition for Certifying Officer in the DoD FMR.

__ The Billing Official is financially liable for improper payments resulting from misuse or abuse of the GPC. The act of certifying a billing statement for payment makes the Billing Official financially responsible for illegal, improper, or incorrect payment due to an inaccurate or misleading certification. Consequently, a Billing Official who knowingly makes a false certification may be asked repay the Government for the items or service purchased. If a Billing Official is unsure about certification, he/she should contact the supporting Level IV A/OPC for guidance and/or assistance.

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APPENDIX C. TRAINING DOCUMENT

MANDATORY TRAINING	CARDHOLDER	BILLING OFFICIAL
DAU Web Based Tutorial CLG 0001	X	X
TRAINING TOPICS		
Army Purchase Card Program policies	X	X
Duties and Responsibilities	X	X
ACCESS Online Banking processes	X	X
Dispute Processes	X	X
Funding process	X	X
Account Statement Approval	X	X
File Documentation and Record Retention	X	X
Government Property Account	X	X
Mandatory Sources of Supply	X	X
FAR/DFARS/AFARS	X	X
Simplified Acquisition Procedures	X	X
Prohibited Items	X	X
Pre-Approval Items	X	X
Medical Library	X	X
Capital Expense Program Training	X	X
IMD Capital Expense Program Training	X	X
Annual Ethics Training		X
Fiscal Law Training		X
RECOMMENDED TRAINING	**CARDHOLDER**	**BILLING OFFICIAL**
GSA Smart Pay Training	X	X
Hand Receipt Holder Training	X	X
DAU Web Based Training:		
Acquisition for the rest of Us	X	X

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APPENDIX D. BO AND CH ROLES AND RESPONSIBILITIES

	Billing Official Responsibilities from the AR-715.
1	Prior approval of all purchases
2	Funds accountability
3	Property accountability
4	Managing account certification
5	Surveillance of all cardholders under the managing account
6	Oversight responsibility to ensure that all transactions are necessary and for official government purposes only
7	Comply with required GPC training
8	Proper designation of appropriations
9	Recommending single purchase and monthly dollar limits for cardholders under the managing account
10	Ensuring the cardholder fulfills their duties within the GPC Program
11	Review and approves monthly statements within three calendar days
12	Verify all transactions were needed and permitted within the GPC Policy and all other Government Policy and Procedures
13	Notifying Property Book Officer of all accountable property purchased
14	Report suspected cases of fraudulent, improper, questionable or abusive purchases to the Level 4/GPC Program manager
15	Notify the Level 4/GPC Program manager to close accounts for those who will be transferred, terminated, AWOL, retired or inactive
16	Notify the Level 4/GPC Program manager of any lost, stolen or compromised cards
17	Submit a report to the Level 4/GPC Program manager in the above case within five days to detail the above circumstances
18	Resolve questionable purchase with the cardholder and vendor
19	Appoint one alternate billing official
20	Process Manual Payments of MA within 15 days
21	Prior to be re-assigned or termination, the Acting Billing Official must provide fully trained replacement to assume the duties of the Billing Official

	Cardholder Responsibilities from the AR-715
1	Comply with training
2	Comply with Mandatory sources
3	Obtain all Pre-approvals
4	Use only for support of mission and never to be used for the purchase of personal items
5	Ensure others don't use card or account number
6	Review, reconcile, match and approve transaction in ACCESS Online
7	Must provide verification and inspection of items purchased
8	Ensures security of GPC and Account number
10	Follow up and complete the transaction dispute process
11	Notifying billing official of disputable transactions
13	Immediately report lost stolen or compromised cards within one business day to the Level 4/GPC Program manager
14	Inform billing official and Level 4/GPC Program manager when the card will need to be terminated

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