CHAPTER 1 - THE GOVERNMENT PURCHASE CARD PROGRAM

Parent topic: Appendix - EE DEPARTMENT OF THE ARMY GOVERNMENT PURCHASE CARD OPERATING PROCEDURES

1-1. Overview

a. The Army Federal Acquisition Regulation Supplement (AFARS) Appendix EE provides policy guidance and procedures for the management of the Army Government Purchase Card (GPC) program. It implements and supplements sections of the Department of Defense (DoD) Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs (hereinafter referred to as the DoD Charge Card Guidebook). In the event of a conflict between DoD policy and Army policy, DoD policy takes precedence. In the event of a conflict between Army policy and command policy, Army policy takes precedence over any less-restrictive command policy. These operating procedures neither supersede nor take precedence over more-restrictive Army command procedures. This document applies to all purchases utilizing Army-issued GPCs.

b. Refer recommended changes and questions about the AFARS Appendix EE to the Office of the Deputy Assistant Secretary of the Army (Procurement) (ODASA(P)). Submit requests for waivers through the chain of command. Compliance with the AFARS Appendix EE is mandatory.

c. The GPC program provides Army and supported organizations a simplified, streamlined method of purchasing and paying for supplies, services, construction projects, and contract payments. The program complies with Federal, DoD, and Army statutory and regulatory guidance, as well as the terms and conditions specified in the most current General Services Administration (GSA) SmartPay® 3 Master Contract. The primary benefit of the GPC Program is that the card-issuing banks provide a commercial purchase and payment service that replaces the paper-based, time-consuming purchase order process; reduces procurement lead time; provides transaction cost savings; reduces procurement office workload; provides refunds; and facilitates payment to include reductions in interest payments.

d. The AFARS Appendix EE provides the procedures to use within the Army, including Army National Guard (ARNG) and Air National Guard (ANG), to establish and manage the Army GPC program. Army activities may supplement (i.e., adopt more stringent internal control requirements than the requirements cited herein), but not change this policy. However, as these are risk-managed programs, activities should maintain a proper balance between the control environment and ease of use to ensure that the benefits of the card continue to accrue. These procedures establish Army-wide standards designed to provide all Army activities with a foundation upon which to build specific standard operating procedures governing their programs.

e. Nonappropriated Fund (NAF) activities implement policies and procedures governing the Army’s Morale, Welfare, and Recreation programs and regulations for Nonappropriated Fund Instrumentalities (NAFI). Chaplaincy activities implement policies and procedures governing Army Chaplain Corps activities. Army NAFIs/entities must operate within the parameters of these procedures to include Public Health Command (PHC) NAFIs, Department of Defense Education Activities (DoDEA) NAFIs, and Army National Guard NAFIs. NAF activities will comply with the Department of Defense Policies and Procedures Governing Non-Appropriated Funds SmartPay® 3

Government-wide Commercial Purchase Card Use – SP3 Transition Memorandum #11. Non-appropriated funds (NAF)-funded GPCs issued under SmartPay3 must be properly segregated for oversight. All NAF GPC Cardholder (CH) accounts must be established under separate managing accounts (MAs). Commingling of appropriated and non-appropriated funded cards under a single MA is strictly prohibited.

1-2. GPC Uses

The purchase card can be used in three ways, depending on the value of the transaction and the authority of the cardholder (CH). See Federal Acquisition Regulation (FAR) 13.301. Table 1-1 summarizes the three methods and provides descriptions and examples.

Table 1-1: GPC Methods and Uses

GPC Method	Description	Examples
Procurement Mechanism	To acquire and pay for goods and services by means other than the use of an existing contract.	Micro-purchases. See paragraphs a. and b. below.
Ordering Mechanism	To order and pay for goods and services under an existing contract only if authorized in the contract.	Orders placed against existing contracts. See paragraph c. below.
Payment Mechanism	To pay for goods and services when the Contractor agrees to accept contract payment(s) using the GPC card.	Contract invoice payments. Standard Form (SF) 182 training payments. See paragraphs d. and e. below.

The GPC is the preferred method of payment for the following:

a. **Micro-purchases (Card/Cardless).** The GPC may be used to purchase fixed-price commercial supplies and services that do not require the CH to agree to any terms and conditions other than price and delivery. These purchases are limited to the applicable micro-purchase threshold (MPT).

b. **Micro-purchases (Convenience Check).** Convenience checks may be used and set up under a separate billing official (BO) account to buy commercially available, fixed-price supplies and services to fulfill mission-essential requirements. All check purchases must be within the applicable convenience check MPT. A separate account must be issued for each convenience check account.

c. **Orders Against Pre-Existing Contract Vehicles.** The GPC may be used to place task or delivery orders against pre-priced contract vehicles and agreements if authorized in the basic contract, basic ordering agreement, or blanket purchase agreement. (Appropriated fund CHs cannot purchase against nonappropriated fund contracts.)

d. **Contract Payments.** The GPC may be used to make payments against funded contracts found to be advantageous to the Government when compared to other methods of payment, and the

contractor accepts payment by the GPC. The contract should include the third-party payment clause identified in FAR 32.1108, Payment by Governmentwide Commercial Purchase Card; however, GPC contract payments may be made if the contractor agrees to accept the GPC as a method of payment.

e. **Payment of Training Requirements on SF 182s**. The GPC may be used as the method of payment for commercial training requests using the SF 182, valued at or below $25,000, in lieu of an employee reimbursement by miscellaneous payment in accordance with the procedures to directly pay the provider in DoD Financial Management Regulation (FMR) Volume 10, Chapter 12, Section 120323, and DoD Instruction (DoDI) 1400.25, Volume 410.

1-3. Information and Waiver Process

a. Cardholders should direct GPC-related questions to their Agency/Organization Program Coordinator (A/OPC) (Level 4 A/OPC). If the A/OPC cannot resolve an issue, the A/OPC should direct the question to the Oversight Agency/Organization Program Coordinator (OA/OPC) (Level 3 A/OPC). If the OA/OPC cannot resolve the issue, the OA/OPC should consult the Component Program Manager (CPM) (Level 2 A/OPC) for guidance. GPC personnel should coordinate with their local legal counsel as necessary.

b. All waivers, exceptions, and deviations to the policies, procedures, and tools provided in AFARS Appendix EE must be submitted, in writing, through the major command acquisition chain of command to the ODASA(P) for approval. The CPM will retain copies of all approved waiver packages. In times of emergencies, a waiver approval may be obtained either through email or telephone call from the CPM with a follow up waiver request letter from the requesting command/activity. The letter must detail the reasons for the request and what adverse mission impact would occur if the waiver was not granted.

1-4. Task Order and Period of Performance

The Office of the Under Secretary of Defense (OUSD) for Acquisition and Sustainment, Defense Pricing, Contracting, and Acquisition Policy (DPCAP), United States (U.S.) Army, U.S. Department of the Air Force, and Defense agencies and activities awarded a Tailored Task Order #47QRAC18F0003 to U.S. Bank under GSA SmartPay® 3 Master Contract GS-36F-GA001. The period of performance began 30 November 2018 and runs through 29 November 2031 if all contract options are exercised. The total duration of the contract period of performance, including the base period and exercise of all three options and extension, is not to exceed 13 years and six months.

1-5. GPC Authority

a. GPC programs require procurement authority to operate and cannot be established or maintained unless procurement authority is granted in accordance with governing laws and regulations and delegated through a contracting activity identified in Defense Federal Acquisition Regulation Supplement (DFARS) Procedures, Guidance, and Information (PGI) 202.101 and the DoD Charge Card Guidebook. Contracting authority flows from authorities granted in Titles 10 and 41, United States Code (10 and 41 USC) from DoD to the Secretary of the Army to the Heads of Contracting

Activities (HCAs). The HCA re- delegates contracting authority to local procurement offices. The Senior Contracting Official (SCO) or Chief of Contracting Office (CCO) may re-delegate their GPC procurement authority listed in Table 1-3 to OA/OPCs or A/OPCs for OA/OPCs and A/OPCs to appoint cardholders and convenience check account holders through the Delegation of Contracting Authority Letter produced in the Joint Appointment Module (JAM) within the Procurement Integrated Enterprise Environment (PIEE). See sections 1-8 and 5-1 for more information. Cardholders must countersign to acknowledge this responsibility.

b. The Joint Appointment Module (JAM), an application within PIEE, is the mandatory enterprise tool for appointing and delegating authority to GPC personnel.

c. Orientation and training are prerequisites to receiving GPC delegated authority via an appointment in JAM. Training requirements are listed in Chapter 4.

d. Generally, only a government employee can be a cardholder or billing official. National Guard traditional members and State employees should not be CHs or BOs. The following exceptions apply:

1) Foreign nationals may be appointed as CHs only if they are direct-hires working for the U.S. Government. However, commanders/directors should consider the potential consequences of appointing foreign nationals as CHs in countries where Status of Forces Agreements (SOFAs) or local laws do not subject the foreign national employee to the same pecuniary or general financial liability or disciplinary actions for charge card violation as U.S. citizens.

2) Junior Reserve Officer Training Corps (JROTC) instructors are members of the Armed Forces in accordance with USACC Regulation 145-2, section 4-2, and may be designated micro- purchase procurement authority as GPC cardholders. See FAR 1.603-3(b).

1-6. Applicability

a. These procedures apply to all GPC purchases with cards and convenience checks issued by the Army. Non-Army tenant organizations issued Army GPCs or convenience checks by an Army contracting office are also subject to these procedures. All BOs, CHs, A/OPCs, Resource Managers (RMs), Logisticians, and other stakeholders participating in the Army GPC program are subject to these procedures, including any non-Army tenant organizations where the Army has contracting authority and oversight responsibilities (such as ANG units).

b. The ODASA(P) has overall responsibility for the Army GPC program. Each Army command, organization, or activity utilizing Army GPCs has the responsibility for the following actions:

1) Provide adequate resources and effective internal controls to ensure the appropriate management, operation, training, and oversight is in place to operate a local GPC program effectively and efficiently in compliance with Army policies and procedures.

2) Establish and maintain a command climate to prevent Army personnel or others from exercising undue influence over the actions of an A/OPC, BO or CH.

3) Take appropriate informal and formal disciplinary actions in the event of noncompliance, fraud, misuse and/or abuse. Disciplinary actions should be based on the severity and frequency of the infraction and can range from informal actions such as written or verbal counseling, to demotion, removal, loss of security clearance, or potential criminal prosecution.

1-7. Micro-purchase Thresholds (MPT)

The definition and current dollar values are located at FAR 2.101(b) and summarized in Table 1-2.

Table 1-2: DoD Micro-purchase Thresholds

DoD Micro-purchase Thresholds

	Function	Threshold	Authority
1	Federal-Wide Open Market	$10,000	FAR 2.101, FAR 13.2
2	Construction subject to 40 USC Chapter 31, subchapter IV, Davis-Bacon Wage Rate Requirements	$2,000	FAR 2.101, FAR 13.2
3	Services subject to 41 USC Chapter 67, Service Contract Labor Standards	$2,500	FAR 2.101, FAR 13.2
4	GPC Emergency-Type Operations (ETO) Inside U.S.	$20,000	FAR 2.101, DFARS 213.270(c)(3) DFARS PGI 213.201
5	GPC ETO Outside U.S.	$35,000	FAR 2.101, DFARS 213.270(c)(3) DFARS PGI 213.201
6	Federal-Wide Higher Education Open Market	$10,000 or greater	Class Deviation 2018-O0018
7	GPC Convenience Checks (General – Unrelated to ETO and Other Emergency Uses)	$5,000	P.L. 115-91, National Defense Authorization Act for Fiscal Year 2018, Sec. 806(b)
8	GPC Convenience Checks for ETO and Other Emergency Uses (Inside U.S.)	$10,000	P.L. 115-91, National Defense Authorization Act for Fiscal Year 2018, Sec. 806(b)
9	GPC Convenience Checks for ETO and Other Emergency Uses (Outside U.S.)	$17,500	P.L. 115-91, National Defense Authorization Act for Fiscal Year 2018, Sec. 806(b)

1-8. GPC Delegations of Authority and Appointment Letters

The different types of delegation of authority appointments identified in this section and Table 1-3 are available to CHs as needed. Each authority has unique policies, procedures, training, and oversight requirements. CHs must have the appropriate designation in their JAM appointment in order to use the corresponding purchasing authority. These appointments can only be granted to individuals who have completed training commensurate with their delegated authority.

Table 1-3: GPC Delegation of Authority and Limits

#	Authority Type	Delegation Authority	Delegation Not to Exceed Limit	Scope of Authority Limits
1	Micro-Purchase CH	FAR 1.603-3(b) FAR 13.201 DFARS 201.603- 3(b)	$10,000	Grants authority to make authorized GPC purchases valued below the MPT **using simplified acquisition procedures.** (See FAR 2.101 "micro-purchase" definition.) CHs who only have this designation do **not** have the authority to place orders against any contract, including GSA federal supply schedule (FSS) orders using GSA Advantage and orders against FedMall contracts. CHs who will place orders against any contract also require the Contract Ordering Official CH designation in their appointment.
2	Micro-Purchase Convenience Check Writer	FAR 1.603-3(b) FAR 13.201 DFARS 201.603- 3(b)	$5,000	Grants authority to make authorized convenience check purchases valued below the MPT using simplified acquisition procedures. (See FAR 2.101 "micro-purchase" definition.)

3	Higher Education Micro-Purchase CH	FAR 1.603-3(b) FAR 13.201 DFARS 201.603- 3(b) Class Deviation 2018-O0018	$10,000 but HCA determination can result in higher value (unlimited)	Grants authority to make authorized open market micro-purchases using the GPC up to any applicable "Higher Education" MPT. (See MPT definition at FAR 2.101 & Class Deviation 2018-O0018.) This authority is generally limited to $10,000, but FAR 2.101 MPT definition allows for higher threshold after appropriate HCA determination. Not for use to make payments against approved SF 182s.
#	**Authority Type**	**Delegation Authority**	**Delegation Not to Exceed Limit**	**Scope of Authority Limits**
4	Micro-Purchase ETO Cardholder and/or Check Writer	FAR 1.603-3(b) FAR 13.201 FAR 13.201(g) DFARS 201.603- 3(b)	**ETO CH:** $20,000 Inside U.S. $35,000 Outside U.S. **ETO Checkwriter:** $10,000 Inside U.S. $17,500 Outside U.S.	Grants authority to make authorized open market micro-purchases using the GPC up to the applicable "Contingency" MPT. (See MPT definition at FAR 2.101.) If intent to authorize CH to place orders against any contract, a Contract Ordering Official CH designation is also required. ETO Checkwriter limits are one half of ETO MPTs.

5	Warranted ETO Contracting CH	FAR 1.603-3(a) FAR 2.101 MPT FAR 2.101 SAT DFARS 201.603- 3(b) DFARS 213.301(3)	$1,500,000 Outside the U.S.	Grants Contracting Officers supporting Contingency Operations and Humanitarian and Peacekeeping Operations authority to make authorized GPC purchases outside the U.S. as authorized in DFARS 213.301(3) for use outside the U.S. using simplified acquisition procedures up to the applicable Simplified Acquisition Threshold (SAT). (See FAR 2.101 definition of SAT.) The GPC appointment letter may only be issued to individuals who have previously been issued an SF 1402 delegating them authority sufficient to serve as a Contingency Contracting Officer.

6	Contract Ordering Official CH CHs who will place orders against any contract, including GSA FSS orders on GSA Advantage and FedMall contracts at any dollar level, require this designation.	FAR 1.603-3(a) FAR 8.4 FAR 13.301(b) FAR 13.301(c)(2) AFARS 5113.202-90(c) DPCAP JAM Role Descriptions Guide	Simplified Acquisition Threshold $250,000 for CHs that are trained contracting professionals in the contracting office (1102s) $25,000 for CHs outside a contracting office	Grants authority to place and pay for authorized GPC purchases against the following: 1) Orders from GSA federal supply schedule contracts. 2) Orders from FedMall contracts, Computer Hardware Enterprise Software and Solutions (CHESS) IDIQ contracts, Governmentwide acquisition, and multi- agency contracts. 3) Blanket purchase agreements. 4) Indefinite Delivery, Time-and-Material, or Labor-Hour contracts that have firm fixed prices and pre-arranged terms and conditions that were awarded by a warranted contracting officer (KO) who designated the CH, to place orders. The KO is responsible for performing oversight and reporting any concerns to the A/OPC. Contract Ordering Official training must be completed before using this authority. A/OPCs must ensure additional controls and oversight procedures are in place before granting this authority.

#	Authority Type	Delegation Authority	Delegation Not to Exceed Limit	Scope of Authority Limits
7	Overseas Simplified Acquisition CH	FAR 1.603-3(a) for > MPT FAR 1.603-3(b) for < MPT DFARS 213.301(2)	$25,000	Grants authority to make authorized GPC purchases valued up to $25,000 using simplified acquisition procedures when the CH is outside the U.S. for items/services to be used outside the U.S., and that comply with the requirements of DFARS 213.301(2).

8	Contract Payment Official CH	FAR 13.301(c)(3)	As specified in the delegation of authority letter and contract. Not to exceed the KO's warrant authority.	Grants authority to make contract payments when authorized by the contract terms and conditions.
9	Miscellaneous Payments Official CH (SF-182 Training Payments)	DoD Charge Card Guidebook DoD FMR Vol 10, Ch. 12, Sec 120323 DoDI 1400.25 Volume 410	$25,000	Grants authority to make payments for commercial training requests using the SF 182, valued at or below $25,000, in lieu of an employee reimbursement by miscellaneous payment in accordance with the procedures to directly pay the provider in DoD FMR Volume 10, Chapter 12, Section 120323, and DoDI 1400.25, Volume 410.
10	Inter/Intra-Govern-mental Payment Official CH	TFM Vol. I, Part 5, Ch 7000 DPCAP memo, "Guidance on the Implementation of Adjusted Government Charge Card CH Special Designation Thresholds," dated Oct 6, 2020	$10,000	Grants authority to make inter/intra-governmental transactions (IGT) or payments to another Government entity in lieu of using a Military Interdepartmental Purchase Request (MIPR). Includes payments to: DLA Document Services Department of Agriculture offered training FedMall GPC Requisitioning GSA Global Supply requisitioning

a. **Micro-Purchase Cardholder**. This authority allows CHs to use the GPC to buy commercially available, fixed-price supplies and services to fulfill mission-essential requirements. The maximum single transaction dollar limit for stand-alone purchases is the MPT as defined at FAR 2.101.

b. **Micro-Purchase Convenience Check Writer**. This authority allows CHs to use a GPC convenience check to buy commercially available, fixed-price supplies and services to fulfill mission-essential requirements. Since convenience checks expose the Government to greater risk, CHs must make every effort to use a GPC card before writing a check. CHs may only use this authority when

use

of the GPC is not possible. All check purchases must be within the applicable convenience check MPT. DoD FMR Volume 10, Chapter 23 establishes the financial management policy for convenience check accounts.

c. **Micro-Purchase Emergency-Type Operations (ETO) CH and/or Check Writer**. This authority allows CHs to buy commercially available, fixed-price supplies and services to fulfill mission-essential requirements in direct support of a declared contingency or emergency event. The ETOs currently included in 41 USC 1903 are:

1) Contingency Operations as defined in FAR 2.101;

2) Operations to facilitate the defense against or recovery from cyber, nuclear, biological, chemical, or radiological attack against the United States as addressed in FAR 18.001;

3) Operations in support of a request from the Secretary of State or the Administrator of the United States Agency for International Development to facilitate the provision of international disaster assistance as addressed in FAR 18.001; and

4) Operations to support response to an emergency or major disaster as defined in Section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 USC 5121

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implemented in FAR 26.2).

The group term “ETO” also includes humanitarian or peacekeeping operations (as defined in FAR 2.101). Currently, when supporting humanitarian or peacekeeping operations in accordance with FAR 2.101, the MPT does not increase, regardless of whether the humanitarian or peacekeeping operation is taking place inside or outside the United States; and the SAT can increase to $500,000 upon determination by the HCA that the respective supplies or services directly support the humanitarian or peacekeeping operation. FAR 18.2 addresses Emergency Acquisition Flexibilities (EAFs). It is critical to verify whether increased EAFs have been authorized for the particular ETO being supported. If so, each HCA has the authority to authorize use of EAFs.

d. **Warranted Overseas ETO Cardholder.** This authority allows CHs to use the GPC in conjunction with their separately issued SF 1402 Certificate of Appointment to purchase supplies and services as prescribed in DFARS 213.301(3). Contracting officers may use this authority to make purchases up to the applicable simplified acquisition threshold in support of declared contingency or emergency events.

e. **Contract Ordering Official.** This authority allows CHs with the appropriate training to issue fixed- price orders against existing contracts (e.g., GSA FSS, BPAs, FedMall contracts, CHESS contracts) to fulfill mission-essential requirements for supplies and services valued up to the Contract Ordering Official single purchase limit and to use the GPC to pay for these orders/purchases. When using this authority, CHs must 1) ensure they are authorized to place orders by the contract terms and conditions, 2) ensure the order will comply with all the contracts terms and conditions, and 3) follow all applicable ordering procedures. When ordering above the MPT, CH should obtain pricing from small business when small business can meet the requirements. The CH should obtain quotes from at least three sources. If restricting competition to fewer than three sources, the CH should document the circumstances in the purchase file. CHs with this designation will be referred to as “Ordering Officials” throughout this document. The Army Ordering

Officer Guide standardizes procedures for selecting, appointing, and terminating ordering officers in accordance with AFARS 5101.602-2-92 and provides guidance for appointed individuals. This guide is to be utilized in conjunction with AFARS Appendix EE.

f. **Overseas Simplified Acquisition**. This authority allows CHs to make authorized GPC purchases up to a single purchase limit of $25,000 when the CH is outside the U.S. for items/services to be used outside the U.S., and that comply with the requirements of DFARS 213.301(2). When ordering above the MPT, the CH should obtain quotes from at least three sources. If restricting consideration to fewer than three, document the circumstances in the purchase file.

g. **Contract Payment Official.** This authority allows CHs to use the GPC to make payments against contracts that have been signed by a Contracting Officer when the GPC is named as the payment method. The GPC may provide a streamlined way of paying for contracts when a contracting officer determines the use of the GPC is in the best interest of the Government (AFARS 5113.202-90(d)).

h. **Miscellaneous Payments Official (SF 182 Training Payments).** This authority allows CHs to make payments for commercial training requests using the SF 182, valued at or below $25,000 in accordance with the procedures to directly pay the provider in DoD FMR Volume 10, Chapter 12, Section 120323, and DoDI 1400.25, Volume 410a. The SF 182 or equivalent must be completed prior to the training. When provided by a non-Government source, the training must consist of a regularly scheduled, commercial-off-the-shelf (COTS) course, training conference, or instructional service that is available to the public and priced the same for everyone in the same category, e.g., price per student, course, program, service, or training space.

i. **Inter/Intra-Governmental Payment Official.** This authority allows CHs to make payments to another Federal Government entity in lieu of using a MIPR or Inter-Governmental Payment and Collection (IPAC) in accordance with the DoD FMR. This authority includes, but is not limited to, payments to DLA Document Services, U.S. Department of Agriculture (USDA)-offered training, GSA Global Supply, Commissary, and FedMall GPC requisitioning. (Purchases from State and Local governments are considered traditional open-market micro-purchases and therefore are covered by the applicable authority listed above.) Special requirements for this authority include the following:

1) The not-to-exceed value is dictated by TFM Volume 1, Part 5, Chapter 7000, Section 7055.20.

2) Federal Government entities must limit their credit card collections so that individual transactions are no more than $10,000, which is the daily GPC credit limit for third-party purchases. The Treasury encourages use of IPAC for payments between Federal Agencies, debit cards, Automated Clearing House (ACH) debits/credits, and Fedwire transactions.

3) Card acceptance policies can be found in TFM Volume I, Part 5, Chapter 7000, which addresses limitations on credit card transactions.

4) IGTs exceeding $10,000 must be made with an alternative payment method (e.g., IPAC for payments between Federal Agencies, debit cards, ACH debits/credits, and Fedwire transactions).