# CHAPTER 5 - ESTABLISHING AND MAINTAINING A GPC ACCOUNT

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

## 5-1. Nomination, Selection, and Appointment of Cardholders and Billing Officials

a. Nomination, selection, and appointment of BOs and CHs are in accordance with DoD Charge Card Guidebook Chapters A.1.1 and A.3. A/OPCs must receive written and signed approval from the BO/CH's supervisory chain of command before initiating their appointment process. BOs should be in the supervisory chain of command of the CH.

b. Army BOs will receive both Approving/Billing Official and Certifying Officer appointments. Army BOs both approve and certify statements during the certification process. Approving Officials (AOs) follow pay and confirm procedures and are not appointed as Certifying Officers, e.g., Air Force AOs under the Army program.

c. GPC Delegation of Authority and appointment letters will clearly state the duties of the program participant, any dollar limit of the procurement authority (when applicable), and any limitations on the scope of authority to be exercised other than those contained in applicable law or regulation. All delegates/appointees must countersign their letters electronically in JAM to acknowledge they understand and concur with their GPC program responsibilities prior to establishing any accounts in the bank's EAS.

d. A/OPCs will maintain and monitor all delegations, appointments letters, and training certificates electronically in JAM in accordance with section 6-13. If electronic versions are available, the Level 4 A/OPC is not required to maintain a hard copy. Audit agencies can request access to PIEE modules when required. Ensure military and civilian out-processing checklists include a mandatory A/OPC sign-off for BOs and CHs.

e. **Receiving a GPC**. Standard practice is to have the card mailed to the CH's work address in accordance with the GSA SmartPay®3 contract. Using a CH's home address may be a fraud indicator and should not be a normal practice. Whether the card is mailed to the CH's primary work address or an alternate address, the CH must maintain the physical security of the card. Examples of alternate address uses include, but are not limited to, the following:

1) When an A/OPC wants all cards mailed to the A/OPC's work address, and then the A/OPC provides each card to the new CH's work location.

2) When the A/OPC feels it is more reliable to have the card mailed to the A/OPC's work address and then sent by express mail to a CH's work address overseas.

3) When the organization has a policy that all cards will be sent to the work address of the responsible BO, who will then deliver each card to the CH in person or to the CH's work address.

4) When the CH will not be at the work location (duty station) for an extended period (COVID-19 stay-at-home orders would be one such example), the CH's home address could be used. If

the CH’s home address is used for card delivery, a note or memorandum for record must be added to the account notes stating why the home address was used.

Table 5-1: Delegations and Appointments for each Program Role

| Role | Delegation of Procurement Authority Letter Required | GPC Appointment Letter Required | DD Form 577 Required |
|---|---|---|---|
| Level 1 | No | Yes | No |
| Level 2 Component Program Manager | No | Yes | No |
| Level 3 A/OPC **with** Authority to Delegate Procurement Authority | Yes | Yes | No |
| Level 3 A/OPC **without** Authority to Delegate Procurement Authority | No | Yes | No |
| Level 4 A/OPC **with** Authority to Delegate Procurement Authority | Yes | Yes | No |
| Level 4 A/OPC **without** Authority to Delegate Procurement Authority | No | Yes | No |
| Resource Managers (All Levels) | No | No | No |
| Billing Officials who are Certifying Officers | No | Yes | Yes |
| Certifying Officers | No | No | Yes |
| Pay and Confirm Officials (Departmental Accountable Official (DAO)) | No | Yes | No |
| Cardholders | Yes | Yes | No |

# 5-2. Account Establishment

a. GPCs are issued only as mission requirements dictate. Only DoD civilian employees or members of the Armed Forces may be issued a GPC or be appointed a BO. GPCs may not be issued to contractor personnel, except as provided in paragraph 1-5d. Junior Reserve Officer Training Corps (JROTC) instructors, Outside Continental United States (OCONUS) local national employees of the Army, and host Government direct-hires for OCONUS agencies/organizations whose salaries are reimbursed by the Army or DoD tenant organizations, are not considered DoD contractors, and may be designated as CHs and BOs. Traditional National Guard members and State employees are prohibited from being appointed as a CH, BO or A/OPC. The following types of purchases require a separate card account dedicated solely for that purpose:

1) Contract Payments

2) Official Representation Funds (ORF)

3) Ammunition

4) Gift Fund (for donated or proffered monies)

5) Lodging in Kind (LIK) and Subsistence in Kind (SIK)

b. **Card Account Limits**. Each card account has a single purchase limit and a cycle or monthly limit. In most cases, the single purchase limit is the micro-purchase threshold. The cycle limit is determined by the anticipated spending needs of the cardholder.

c. **Managing Account Limits**. Each managing account has a cycle limit and a credit limit. The cycle limit is the sum of the monthly limits of all cardholders under the managing account. The credit limit is three times the managing account's cycle limit.

d. **Establishing Credit Limits**. A/OPCs and RMs must jointly establish appropriate spending limits, and MCC access tailored to each CH account and MA based on historical buying patterns/trends, with consideration given to future mission needs. Budgetary limits may equal but not exceed the limits established in the CH appointment letter issued in JAM. The bank's EAS will maintain single purchase and monthly spending limits and can restrict purchases to particular MCCs. These limits may be initially established based on the CH's delegation authority and adjusted to meet budgetary constraints. The procurement authority in the letter of delegation may never exceed what is authorized by the FAR/DFARS (e.g., a CH with delegated authority of $10,000 is still limited to $2,500 when purchasing services subject to Service Contract Labor Standards (41 USC Chapter 67)). The A/OPC will review individual CH spending limits each year and coordinate with the BO and RM in the event adjustment of spending limits as projected for the upcoming year is required. A/OPCs must update the appointment in JAM before increasing credit limits in the EAS. The A/OPC and the RM may make changes to the purchase limits to meet mission requirements within the CH's authority.

# 5-3. Account Maintenance

The Level 4 A/OPC is required to maintain current BO and CH account information. Account maintenance may include the following:

1) Updating user information (e.g., name, email address, office address).

2) Adjusting single purchase limits.

3) Adding and removing merchant category code filters.

4) Updating BO access to applicable bank hierarchy.

## 5-4. Account Termination

a. Only cardholders with a continuing need to use the GPC will retain their card and appointment. At least 60 calendar days prior to reassignment, separation, or retirement, the CH or BO should notify the A/OPC of their change in status and begin to transition their duties and files over to another appointed organization representative. The BO must advise the Level 4 A/OPC when a CH no longer has a continuing need to use the card or when the CH transfers to other duties or organizations, retires, or leaves Government service.

b. The Level 4 A/OPC will terminate the CH's or BO's appointment in JAM, close the account in the servicing bank, and remove the User ID. The physical card must be destroyed. When a CH account is terminated or closed, the CH will surrender the GPC and submit the account documentation to the BO.

c. When a BO vacates their assignment, and a new BO is assigned, all CH accounts remain active under the existing managing account. The departing BO must reconcile their account within US Bank and with Financial Management prior to vacating their GPC roles and responsibilities. CH accounts will be suspended anytime there is no an Alternate BO or BO assigned to the managing account.

d. Military and civilian out-processing checklists must include a mandatory A/OPC sign-off for BOs and CHs.

## 5-5. Liability of Cardholders and Billing Officials

a. Individuals responsible for purchase card violations (e.g., abuse, delinquency, internal fraud, or misuse) are subject to administrative and disciplinary action. Pecuniary liability may apply when there is an erroneous (illegal, improper, or incorrect) payment. Commanders may take corrective action, impose disciplinary action (including removal for serious or repeated infractions), and take other administrative actions for GPC infractions. If a potential GPC violation is discovered, GPC personnel will ensure the violation is appropriately investigated.

b. Cardholders and billing officials are designated as accountable officials per DoD FMR Volume 5, Chapter 5, paragraph 1.1.2. Certifying Officers (i.e., billing officials) may be held pecuniary liable under USC Title 10, Subtitle A, Part IV, Chap 165, Sec 2773a for an illegal, improper, or incorrect payment.

c. Cardholders who make unauthorized purchases or allow others to use the card may be held liable for the total dollar amount of unauthorized purchases made in connection with the misuse or negligence. Cardholders may also be held pecuniary liable for any payment certified based on false

or negligent information they provided to the Certifying Officer.

d. **Command/SCO Oversight**. The Command/SCO must establish and maintain a command climate to prevent undue influence over the actions of a cardholder. The Command/SCO will establish local policies and procedures identifying informal and formal disciplinary actions to be taken in the event of noncompliance, fraud, misuse, and 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, or potential criminal prosecution.

e. **Investigation Required**. Commands must be notified when evidence of fraud or other criminal activity is identified. Evidence of deliberate abuse will be referred to the CH's and/or BO's command for appropriate action. The investigation must provide the Army employee or military member with an opportunity to rebut the presumed liability.

## 5-6. Card Suspension Policy

a. Level 3 and 4 A/OPCs have the authority to suspend BO and CH accounts due to non-compliance with GPC policies and procedures.

b. **Automatic Suspensions**. Requests for suspension exemptions for BO accounts with operational emergencies may be granted on a case-by-case basis. Exemption requests must be submitted in writing from the Level 4 A/OPC to the Level 3. In accordance with DoD business practices, U.S. Bank will automatically suspend BO accounts under the following conditions:

1) BO's account goes over 60 days past due (90 days after the billing date). The managing account and all card accounts under it are suspended until the delinquent payment has posted.

2) BO's account goes over 180 days past due (210 days after the billing date). All managing accounts assigned under the Level 4 agent are suspended until delinquent payment has posted. The delinquent managing account is permanently closed (T9).

3) BO's account has more than 20 open card and/or checking accounts. The managing account is suspended unless a waiver has been approved by the Army Level 2 A/OPC.

4) Before reopening a closed account due to a delinquent payment, the Level 3 and/or 4 A/OPC will document that U.S. Bank received full payment. Only the Army Level 2 may reopen suspended accounts prior to payment being received by U.S. Bank. Accounts will be closed permanently if more than two suspensions occur within a 12-month period. Only the Army Level 2 A/OPC may approve waivers to this policy.

## 5-7. Card Security

a. CHs are responsible for properly using and safeguarding their GPC. CHs must take appropriate precautions comparable to those taken to secure personal checks, credit cards, or cash. CHs must maintain the physical security of the card to prevent compromise. The card should never be surrendered, except when the account is going to be cancelled. Additionally, the account number should not be released to anyone other than the vendor processing the transaction.

b. **Lost or stolen cards**. The CH must promptly report lost, stolen, or compromised cards to the issuing bank, BO, and Level 4 A/OPC. The servicing bank will immediately block the account from accepting additional charges.

c. Only the designated CH has authority to make purchases with their GPC. The card is not to be used as a company card (e.g., during a CH’s absence, someone other than the CH borrows the card to make a purchase). Use of a GPC by multiple persons is prohibited.