

Chapter 6 - Operational Guidance and Procedures

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

6-1. Procurement Transactions

a. Purchases below the MPT are exempt from the Competition in Contracting Act, Buy American Act, Economy Act, Service Contract Labor Standards Act, Wage Rates Requirements Act, and the Small Business Set-Aside Program. Nothing in this chapter exempts a cardholder from using the proper contracting channels when making purchases exceeding the MPT.

b. Requiring activities must perform acquisition planning to identify procurement needs; consider strategic sourcing vehicles (e.g., BPAs, CHESS, GSA); and initiate procurement actions with sufficient lead time to buy appropriate products at the right price from the right suppliers in a timely manner. Requirements and logistics personnel should avoid issuing requirements on an urgent basis or with unrealistic delivery or performance schedules, since it generally restricts competition and increases prices. Ordering from existing contracts (e.g., BPAs, CHESS, or GSA FSS) can only be done by an appointed ordering official, including purchases below the MPT.

c. Purchase requirements exceeding the MPTs or delegations of authority established in Tables 1-2 and 1-3 must be referred to a contracting office. Splitting requirements into smaller parts to avoid formal contracting procedures, competition requirements, or to keep spending limitations under the MPT is prohibited. The GPC may be used for non-personal recurring services performed at regular intervals; however, recurring service requirements estimated to exceed the MPT per FY are not authorized.

d. Cardholders must use the mandatory sources identified in Chapter 9 before deciding to use commercial sources. GPC micro-purchases should be distributed equitably among qualified suppliers, with special consideration paid to supporting the installation AbilityOne Base Supply Center, and local, small, and small disadvantaged businesses.

e. Cardholders are responsible for procuring green products and services under the Green Procurement Program as prescribed by Executive Order 13834 and by DoD and Army policies. Green procurement applies to the purchase of recovered materials, energy and water efficient products, alternative fuels and fuel efficiency, bio-based products, non-ozone depleting substances, environmentally preferable products and services, and toxic and hazardous chemicals. The following are mandatory Green Procurement purchases: paper, toner, office products, office recycle containers, and office trash cans. The following are the only exceptions to purchasing green products and services: the pricing is considered unreasonable; item/service does not meet reasonable standards; or item/service will not meet the time frame needed. Exceptions must be documented. Recommended sources for green products are AbilityOne, FedMall, and GSA Advantage.

f. **OCONUS Units.** For the use of the GPC outside the U.S., CHs must follow policy in accordance with DFARS 213.301(2). To ensure the CH does not exceed \$25,000 for OCONUS purchases, the

total purchase price must include the currency conversion rate prior to making the purchase. If a CH makes a purchase from an OCONUS location for use OCONUS and the vendor is located in the U.S., this would be considered a reach-back purchase and the MPT for a reach-back purchase is \$10,000. Any reach-back purchase over \$10,000 is subject to simplified acquisition procedures and should be sent to the contracting office to make the purchase.

g. For purchases made in the Contiguous United States (CONUS) for use overseas, the CH must contact their local Director of Logistics Traffic Management Office for assistance regarding transportation and packaging requirements and/or instructions prior to contacting the vendor. CHs must ensure the final price includes all costs associated with the mode of transportation and packaging selected to the destination country, customs import duties, and any other charges that may accrue. See DoD Directive 4500.54-E, DoD Foreign Clearance Program for compliance with host nation customs requirements.

h. **OCONUS Value-Added Tax (VAT) Forms.** The cost of the VAT can be charged on the GPC. Cardholders must contact their AOPC for local guidance and procedures involving the usage of the VAT form. The following VAT forms are provided on the GPC PAM website for information purposes only:

1) [Belgium VAT](#)

2) [Germany VAT](#)

3) Republic of Korea VAT

4) For all other countries, contact the local Morale, Welfare and Recreation (MWR) office.

i. **Terms and Conditions.** Cardholders do not have the authority to approve or sign written vendor terms and conditions. Cardholders will consult their A/OPC or local legal office for additional guidance.

j. **Convenience Check Accounts.** The management controls, procedures, and restrictions included in this regulation also apply to the use of convenience checking accounts. Convenience checks are an alternative only when the GPC is not feasible and the activity has evaluated all alternatives and determined the checks as the most advantageous. Before a check is issued, the requiring organization must document their effort to find a merchant that accepts the GPC. Convenience checks must not be used for more than one half of the MPT per Public Law 115-91. See Chapter 10.

k. **GPC Surveillance Requirements.** Oversight of the GPC program will follow procedures outlined in [Department of Defense SmartPay3 Government-wide Commercial Purchase Card Policies, procedures and Tools - SP3 Transition Memo #6](#).

6-2. GPC Purchasing Process

Cardholders should follow the steps in Table 6-1 when purchasing items or services within the MPT.

Table 6-1: Cardholder Micro-purchase Steps

Step	Action	Details
1	Receive and screen Purchase Request and Approval (PR&A) document from requiring activity.	Ensure PR&A identifies a legitimate government need; market research performed; any recommended vendors; approvals obtained (e.g., APO, BO); and consideration of required sources.
2	CH must verify BO signs the form and approves the purchase prior to the purchase.	The BO will verify funding availability with the Resource Manager prior to signing the form.
3	Verify appropriate procurement method. If GPC is not the appropriate method, return the form to the requiring activity with the recommendation on the proper procurement method to be used.	Consider funding type and funding amount. Confirm whether the requested item/service is authorized to buy with GPC. Confirm that the purchase is within the CH's delegation of authority.
4	Determine the appropriate vendor.	Check mandatory sources first, depending on the type of item/service. See Chapter 9. If mandatory sources cannot fulfill the request, check recommended Government sources (GSA, FedMall) and commercial sources. If buying from a commercial source, include a brief justification in the purchase file. Ensure to rotate commercial sources.
5	Review the quote. Inform the vendor that the purchase is tax exempt.	Confirm whether the supplies/services description meets the minimum customer needs and is readily available. Check quote for sales tax; if identified, ask vendor to remove tax. Review quote for terms and conditions. Provide Government shipping details.
6	Confirm if the vendor is 889 compliant. Check Sam.gov or use 889 robotic process automation (RPA) email.	Can also use completed 889 forms from a local share site, if available. If vendor is not on SAM.gov, ask vendor to complete an 889 form. If vendor is not compliant, find another vendor.
7	Place the order.	Make purchase over phone, in person, internet, or email.
8	Record the item in the Purchase Log.	In the bank's EAS (Transaction Management) or per local agency guidance.

Step	Action	Details
9	Receive the items/services. Perform independent receipt and acceptance.	Ensure that a Government employee (not the CH) signs and dates the invoice/receipt to confirm delivery/completion of work. Provide a copy of the receipt to the Accountable Property Officer (APO) within 5 business days, when applicable.
10	Match the transaction and upload supporting documentation into the bank's EAS. Approve statement in EAS at the end of each billing cycle.	When matching orders, complete all required fields (e.g., 889 Designation, Emergency Type Operation). Upload supporting documentation identified in 6-2.e. below.
11	Resolve any disputes. If unable to resolve with vendor, submit a dispute in the bank's EAS.	Contact vendor directly to resolve minor issues, such as shipping costs or sales tax. Ensure disputes in EAS are exercised no later than 90 days after the transaction's posting.

a. Personnel requiring supplies/services must provide written requests to the CH. Upon receipt of a purchase request, the CH should identify if the requirement can be made within the scope of the GPC program. Cardholders must ensure the requirement is a legitimate government need and determine if the requirement can be met within their credit limits.

b. The BO must verify availability of funds at the time of each purchase. No Government employee may create or authorize an obligation in excess of available funds or in advance of appropriations.

c. Only the CH is authorized to make the purchase - no exceptions. CHs cannot re-delegate their authority. Purchases can be made in person or by telephone, internet or email. Cardholders must maintain card security throughout the buying process. Invoices must be in English.

d. **Shipping.** CHs are unauthorized to ship to personal residences or other commercial addresses without approval from Level 3 A/OPC. For OCONUS purchases, CHs should coordinate with their local logistics office to determine whether commercial shipment is available for purchases outside the U.S.

e. **Purchase File Documentation.** Per DOD Charge Card Guidebook paragraph A.1.14 "GPC Record Retention" and [DoD FMR Volume 10, Chapter 23, Paragraph 230307](#) - CHs must document and upload transaction supporting documentation using the servicing bank's EAS, Transaction Management - Attachment function. CHs must upload documentation throughout the billing cycle to assist BOs, A/OPCs, and auditors in completing transaction reviews per DoD SmartPay® 3 Transition Memorandum #6. CHs will attach documents for each billing cycle before approving their statement. BOs should review the transaction documentation prior to certifying the managing account. Required file documentation includes but is not limited to the following:

1) Approved Purchase Request Document

2) Special approvals (e.g., ITAS Waiver Approvals, Statement of Non-Availability (SONA), Capability Requirement (CAPR), legal)

- 3) 889 Representation
- 4) Order confirmations
- 5) Itemized receipts
- 6) Quotes and invoices, if applicable
- 7) Documentation showing independent receipt and acceptance
- 8) Receiving reports or other proof of delivery
- 9) For training purchases, SF 182 (or equivalent) and proof of class completion, with Personally Identifiable Information (PII) redacted
- 10) APO approval
- 11) Other local agency requirements

f. The Accountable Property Officer (APO) determines if the goods purchased will be placed on APO records in accordance with AR 710-2. Cardholders are required to provide receipts of accountable goods to the APO within 5 business days of obtaining the receipt.

g. **Independent Receipt and Acceptance.** CHs will obtain independent receipt and acceptance for all purchases. The CH will ensure receipt and acceptance is properly performed and confirmed through proper documentation by an individual other than the CH. The person verifying receipt must sign, date, and write "received" on the merchant's receipt, packing slip, invoice, or equivalent document. Email confirmation is also acceptable. The individual verifying receipt may be the CH's supervisor or other designated individual, as appropriate. CHs must upload the signed document or email confirmation in the servicing bank's EAS. Shipping items to a home or alternative work address requires approval documentation from the Level 3 A/OPC in the purchase file. The BO verifies the existence of receipt and acceptance documentation during reconciliation of the billing statement.

h. **File Retention.** If the complete file documentation is uploaded in the bank's EAS, CHs are not required to maintain a duplicate hardcopy or electronic file. The servicing bank will retain all uploaded files for the required timeframe. BOs are responsible for ensuring that CHs upload documentation. BOs must retain existing hardcopy files for six years in accordance with FAR Part 4 that are not uploaded into the bank's EAS.

6-3. National Defense Authorization Act Section 889 Representation

a. Effective August 13, 2020, FAR Case 2018-017 amends the FAR to implement section 889(a)(1)(B) of the John S. McCain NDAA for Fiscal Year 2019 which prohibits Federal agencies from purchasing products or services from entities that use covered equipment or services as a substantial or essential component of any system, or as critical technology as part of any system, regardless of whether that usage is in performance of work under Federal contract. [DPC 889 Memorandum dated September 9, 2020](#) requires recording of specific 889 designations in the bank's EAS for **all** GPC transactions. [DPC GPC Memorandum dated June 29, 2022](#) provides further guidance on completing

the required fields. CHs must record 889 Designation and Emergency Type Operation (ETO) information in the bank's EAS.

b. 889 Representation. Federal law requires CHs to obtain a current 889 representation for each transaction and to include the representation with their transaction documentation. The representation contains the language from FAR 52.204-26, Covered Telecommunications Equipment or Services-Representation. CHs may obtain the vendor's 889 representation by using one of the following methods:

1) Log into the [System for Award Management \(SAM.gov\) website](https://sam.gov). Locate the vendor's entity registration and review FAR 52.204-26, under Reps and Certs.

2) Use the robotic process automation (RPA) tool to search SAM.gov. Send an email to info@section889request.com with the vendor's Unique Entity ID (UEI) or Cage code in the subject line. Do not include any text in the body of the email. The RPA will return an email with the vendor's FAR 52.204-26 language, if applicable.

3) Use the vendor's completed 889 representation form. The form must be dated and signed. Completed forms are valid for 1 year after date of signature unless the vendor updates their systems at which time the vendor will need to fill out a new 889 form.

c. The requirement to obtain an 889 representation does not apply under these conditions:

1) Contract payments. When the GPC is used as a method of payment against a contract, the Contracting Officer is responsible for ensuring compliance prior to award.

2) Inter/intra-governmental payments.

3) SF 182 training payments.

4) Fraudulent (external) transactions.

5) Fees (e.g., convenience check fees).

6) Refunds and transaction credits/discounts.

d. Pursuant to DoD policy, bank EAS entries must indicate how the vendor's 889 representation was obtained. CHs must enter one of the allowable codes in Table 6-2 in the following locations in the bank's EAS, as applicable:

1) CHs creating manual orders will use the "889 Designation" field in Order Management.

2) CHs receiving editable eOrders will use the "889 Designation" field in Order Management.

3) CHs receiving non-editable eOrders will use the "889 Designation" field in the Custom Fields tab in Transaction Management.

4) For 100% of transactions, CH must enter appropriate 889 designation in the bank's EAS.

BOs must check for bank EAS entries when reconciling. BOs and A/OPCs must monitor 889 compliance during DM case dispositions and should use the "Cyber Security Non-Compliance" finding for cases without an 889 bank EAS entry once CI 193 is implemented.

Table 6-2: DoD Allowable Purchase Log Entries

Text to Enter in the 889 Designation Field	Applicability
889 Merchant Rep	Merchant provided the required 889 representation at FAR 52.204-26(c)(2) or equivalent with a “does not” response; the CH relied upon the representation to make the purchase.
889 ODNI	Merchant provided the required 889 representation at FAR 52.204-26(c)(2) or equivalent with a “does” response, but it has been determined the required supplies/services are covered by an ODNI waiver granted in accordance with FAR 4.2104 (e.g., the transaction is for supplies/services included in a Product Service Code (PSC)-based waiver); the CH relied upon the waiver to make the purchase.
889 Exception	Merchant has provided the required 889 representation at FAR 52.204- 26(c)(2) with a “does” response, but in conjunction with the supporting contracting office, a FAR 52.204-25(c) exception applies; the CH relied upon the exception to make the purchase. Written approval from the supporting contracting office must be included with the transaction supporting data.
889 Payment	CH was not required to obtain the required 889 representation at FAR 52.204-26(c)(2) because the GPC was used only as a method of payment. Examples include the following payments: contract payments; intra/inter-governmental payments; and SF 182 commercial training payments.
889 Non-Compliant	CH purchased supplies/services without obtaining the required 889 representation at FAR 52.204-26, that were not covered by an ODNI waiver, an Executive Agency waiver, or a FAR authorized exception. The purchase was NOT in compliance with GPC policy.
Fraudulent (external) Transactions	CH should select when transaction is believed to be a fraudulent purchase.
Disputed Transactions	CH should select when disputing the transaction.
Fees (e.g., Convenience Check)	CH should select when transaction is for fees.
Refunds & Trans Credits/Discounts	CH should select when transaction is for refunds and transaction credits and discounts.

**Text to Enter in the
889 Designation
Field**

Applicability

Memo for Record
approved by A/OPC

For other A/OPC-approved scenarios, CHs should prepare a short MFR documenting the situation and include it with the transaction supporting data in the bank's EAS or as otherwise directed in Component GPC record retention instructions.

6-4. Third Party Payment Requirements

a. Use of Third- Party Payment Processors: In no instance are Cardholders (CHs) authorized to establish an account when using a third-party payment processor, as doing so could require acceptance of or agreement to terms and conditions or result in commitment of funds that have not been legally allocated for purchases. Transactions using third-party payment processors are considered high risk, as all available transaction data may not be completely passed to the issuing bank (which can adversely affect reporting, reconciliation, and oversight, including data mining (detection of improper card use)), and may adversely affect transaction dispute terms and processes, among other considerations.

When selecting merchants to fulfill requirements, CHs shall use the following procedures:

- 1) Minimize use of third-party payment processors to the maximum extent practicable.
- 2) Ask if the merchant would require use of a third-party payment processor, if there is any doubt regarding merchant use of one.
- 3) If it is still found necessary to purchase from a merchant that requires uses a third-party payment processor, CHs and A/BOs must ensure adequate supporting documentation clearly showing there was a detailed review of the purchase, and that purchase from a merchant requiring use of a third-party payment processor was unavoidable.

b. Additionally, Component Program Managers must ensure CHs are:

- 1) Appropriately trained on DoD GPC Third-Party Payment Policy; DoD GPC Policy for Non-DoD e-Commerce Platforms; related Component policy; and third-party payment processor requirements and risks in OMB Circular A-123, Appendix B; and GSA Smart Bulletin No. 023 entitled "GSA SmartPay-Third Party Payment Processors".
- 2) Never authorized to establish an account when using third-party payment services for processing GPC payments.

c. GPC oversight personnel and CHs should be aware that in accordance with GSA Smart Bulletin No. 23, third-party payment policy does not apply to e-commerce platforms or brick-and-mortar merchants that do not accept payment using third-party payment processors. See Attachment 2 for additional guidance.

6-5. Tax-Exempt Status

- a. Centrally billed GPC accounts are exempt from state tax in every state but require tax exemption forms in certain states. See the [GSA SmartPay website](#) for more information.
- b. For purchases within the U.S., CHs are responsible for notifying vendors of the tax exemption and ensuring no sales tax is included in their purchase, except where applicable. Cardholders must inform the merchant that the purchase is for official U.S. Government purposes and, therefore, is not subject to state or local sales tax.
- c. A/OPCs may request embossing of the statement "U.S. GOVT TAX EXEMPT" when ordering a GPC.
- d. **Exceptions.** Some states (e.g., Hawaii, Illinois) levy a General Excise Tax (GET) on businesses selling tangible personal property which is allowed to be passed on to the Federal Government. Arizona levies a Transaction Privilege Tax (TPT). CHs are required to pay the GET and TPT when applied to a GPC purchase.

Table 6-3: Tax Exemptions

Federal Government Tax Exemption Information

Tax Exempt

Not Tax Exempt

Sales Tax

Certain federal and state excise taxes (e.g., Hawaii and Illinois)

Federal communications excise tax (FAR 29.203)

Tax on labor for work that is performed in that state, e.g., New Mexico Gross Receipts Tax (NMGRT).

Federal highway vehicle users' tax (FAR 29.203)

Commissary surcharges, because they are federally mandated.

Foreign taxes on overseas purchases, unless foreign tax and Status of Forces Agreement (SOFA) will specify.

Fuel purchases

Arizona Transaction Privilege Tax

6-6. Surcharges

- a. Surcharges are fees that a retailer adds to the cost of a purchase when a customer uses a credit card. As a result of the settlement between a class of retailers and the brands on January 27, 2013, merchants in the U.S. and U.S. Territories are permitted to impose a surcharge on cardholders when

a credit card is used. Not all merchants impose a surcharge, and some states (e.g., Colorado, Connecticut, Florida, Maine, Massachusetts, New York, Oklahoma, Texas, and Utah) prohibit merchant surcharges. Cardholders who receive a surcharge in any of the above-mentioned states should report the merchant to the proper State authority.

b. Cardholders are required to be notified in advance if a merchant will impose a surcharge. Merchants must also include the surcharge fee on all receipts. Surcharges are allowable up to 4%. The limits vary by brand and by merchant discount rate. See [GSA SmartPay Bulletin #17](#). If a merchant is imposing a surcharge, the CH may consider choosing another merchant that offers the same or similar item(s) to avoid paying the surcharge.

6-7. Purchase Request and Approval Document

Requiring activities will utilize the Army's standard Purchase Request and Approval (PR&A) document when submitting purchase requests to CHs. CHs will process and route the document for signature prior to making a purchase. This document will not be used for training (SF 182), MIPR, contract payments, and delivery orders/purchase orders. This document must be approved prior to purchase and uploaded into the bank's EAS once the transaction posts.

6-8. Accountable Property

a. Personnel entrusted with the acquisition of Government property are responsible for its proper custody, safekeeping, and accountability in accordance with AR 710-2 and AR 735-5 (e.g., computer equipment, software, televisions, and large purchases). ANG will follow property accountability procedures outlined in Department of the Air Force Instruction (DAFI) 64-117.

b. GPC Accountable Property Procedures.

1) CH will ensure that the Accountable Property Officer (APO) reviews each purchase request form or the applicable financial system prior to making the purchase.

2) CH will provide purchase receipt to APO within 5 days of obtaining the receipt.

3) When performing monitoring and oversight reviews, APOs must assess whether CHs provided the GPC receipts to the APO.

4) When applicable, contract payment CHs must review and comply with WAWF Invoicing, Receipt, Acceptance and Property Transfer module in accordance with DFARS 232.7002, 232.7003, and 252.232-7003. See DoD Charge Card Guidebook Section A.4.4.1.

c. **Exemptions.** Consumable items, services, and SF 182 training payments do not require APO approval. A consumable item is any item that loses its identity or is consumed in use (e.g., office supplies, paper, and batteries).

6-9. Payments of Monthly Invoices

a. **Payment Delinquency Monitoring.** A/OPCs must track managing account certification after the end of the billing cycle and confirm whether the payments processed. A/OPCs can use the Managing Account Approval Status and Certification and Payment Report reports to identify accounts that have not been certified. The servicing bank may send reports of delinquencies and potential past due accounts. A/OPCs can also use the Past Due report in the bank's EAS to identify delinquent accounts. Past due notices (delinquencies over 30 days) must be handled immediately. GPC stakeholders must work together to research and correct any delinquency immediately. Delinquencies that are 60 days past due are suspended as outlined in paragraph 5-6.b. The Army goal is to pay all accounts on time. The Army maintains a zero tolerance for any percentage of receivables over 180 days past due.

b. The A/OPC will monitor account certifications and may suspend any account that is not certified within 5 business days. If the A/OPC suspends an account, once the account is certified, the A/OPC may reinstate the account. If the bank suspends an account, once the account is certified and paid, the account is automatically reinstated. The request to reinstate a suspended account due to non-certification, must include an explanation of the delay in certification and a plan to avoid future delays. If the account has been suspended for late certification more than once, any request to reinstate the account must come from the activity responsible for the account.

c. **Cardholder Statement Reconciliation and Certification.** Cardholders must match and approve transactions throughout the month to ensure accuracy and identify and resolve any funding errors. If a charged amount is incorrect, the CH must contact the vendor to resolve the discrepancy and may dispute the transaction, if necessary. Cardholders must also upload transaction documentation throughout the month to ensure BO visibility of purchase information. If the statement is correct at the end of the billing cycle, the CH must approve the statement within three business days of the billing cycle end date. For Army agencies that do not utilize the bank's EAS for monthly certification, per the DoD FMR, Vol 10 Chapter 23, Figure 23-2, the CH must complete a monthly certification statement as part of their reconciliation process.

d. **Billing Official Certification.** BOs must review their CHs' transactions and ensure that all purchases are legal, proper, and correct. Billing officials must final-approve their CHs' transactions and certify the billing statement within five business days of the billing cycle end date. If the BO finds a questionable transaction, they should not certify the statement. They should contact their A/OPC for further guidance. Billing officials must certify in order for DFAS to process the payment and the bank to receive and post the payment. Time certification is essential in order to avoid delinquency and interest from late payments. For Army agencies that do not utilize the bank's EAS for monthly certification, per DoD FMR, Vol 10 Chapter 23, Figures 23-1 and 23-2, the BO must complete a monthly review checklist and certification statement.

e. **Confirm and Pay.** The Army certifies invoices for payment after all purchased items have been confirmed. This procedure is called "Confirm and Pay." Before certifying the billing statement, BOs should review the uploaded transaction documentation to confirm that the items arrived or services were performed. Each BO should ensure all transactions are reconciled and approved for payment, receipt is verified, and all supporting documentation is loaded in the bank's EAS prior to certification. Any transactions that cannot be reconciled and approved for payment, will not be approved in the bank's EAS by the BO. ANG and certain other Army accounts supporting the Air Force certify invoices for payment following the Pay and Confirm model. For ANG payment related guidance, see DAFI 64-117.

6-10. Disputes, Defective Items and Fraudulent Transactions

a. Cardholders must protect the Army's interest by initiating disputes when applicable. Failure to do so can result in administrative or disciplinary action. The steps below outline the process for disputing a charge:

- 1) Attempt to resolve any issue directly with the merchant prior to initiating a dispute.
- 2) Document all available information and attempts to correct the dispute. This information will become part of the supporting documentation.
- 3) Initiate the dispute in the bank's EAS (only after failing to resolve the issue with the merchant) as early as possible, but within 90 days from the posted date of the transaction.
- 4) Respond to any bank requests for additional information.

b. If items or services purchased are faulty or defective, the CH will obtain a replacement or repair of the item or re-performance of the service as soon as possible. If the merchant refuses to credit, replace, repair the faulty item, or re-perform the service to satisfaction, the CH will dispute the transaction.

c. Transaction errors, such as duplicate billing, non-receipt or cancellation of supplies or services, returned supplies, invoice amount discrepancies, transaction paid by other means (e.g., split payments w/another organization), must be handled initially between the cardholder and the merchant. If the merchant is unwilling to accommodate a resolution, the cardholder will file a dispute in the bank's EAS. If a dispute is resolved in favor of the cardholder, a credit will be placed on the cardholder's statement. If the dispute is resolved in favor of the merchant, a letter will be sent to the cardholder explaining the decision and, since the charge was already paid, no further action will be taken.

d. If the CH discovers fraudulent transactions (e.g., use of a lost or stolen card) on the statement, the CH will immediately contact the bank's Customer Service Department. The CH should also notify his A/OPC and BO of any fraudulent activity. If fraudulent activity is confirmed (which means a third party has gained access to the account), the bank will terminate the account and replace it with a new account number. All account information will transfer to the new account and the CH will continue to work with the servicing bank to resolve the fraudulent transactions.

e. The servicing bank must ensure that adequate controls are in place to ensure the security of transaction data within their EAS. Only the CH or BO can approve, dispute, or reallocate purchase card transactions. The servicing bank must ensure that adequate controls are in place within their data warehouse to preclude anyone other than the BO from accessing, making changes and certifying the monthly billing statement.

6-11. Non-Disputable Charges

a. **Card Misuse by Cardholder.** Charges that involve misuse or abuse by the CH are not disputable with the bank. If the transaction was processed in accordance with established controls (e.g., within the purchase limits, not from a merchant with a blocked Merchant Category Code, then the bank has fulfilled its responsibilities under the contract, and the Government is obligated to make payment for

the transaction. The Government will seek recourse, as prescribed in Chapter 13, Disciplinary actions, and seek restitution from the employee as a result of their improper misuse or abuse.

b. **Sales Tax.** If a charge involves sales tax erroneously invoiced by the merchant, the amount of the tax cannot be disputed. The CH should make an effort to obtain a credit from the merchant. If a credit is not obtained, the CH should inform and request assistance from the A/OPC. The CH should seek restitution via the guidance provided by the [GSA SmartPay Tax Exemption website](#). The CH should document the file accordingly.

c. **Shipping Costs.** If a charge involves shipping costs erroneously invoiced by the merchant, the amount of the erroneous shipping costs cannot be disputed. The CH should try to obtain a credit for the amount of the transportation costs from the merchant. If a credit is not obtained, the CH should inform and request assistance from the servicing bank. The CH should document the file accordingly.

d. **Convenience Checks.** There is no convenience check dispute process within the bank. Any concerns with a purchase made by check must be resolved directly with the merchant. The checkwriter is responsible for securing restitution and/or credit for disputed purchases. The checkwriter will notify the A/OPC and request assistance to resolve disputes if necessary. Each organization is responsible for checks written on the account, unless it is determined fraudulent activity is involved.

e. **Third-party Payments.** If a dispute with a merchant involves a third-party payer (e.g., Google Pay, PayPal), the dispute is not with the third-party payer, but with the merchant. The bank has no privity to the transaction, and the CH must resolve the dispute with the merchant and/or the credit card company.

6-12. Rejected Payments

a. BOs must review LOAs selected by the CH as part of the review, reconciliation, and certification process. Payments are generally rejected as a result of missing or incorrect LOAs. The Army's financial management system will also reject missing or incorrect LOAs, requiring the finance office to make corrections or complete a manual payment in the system. When this happens, the A/OPC will notify the BO when a payment has been rejected in the system. The BO must immediately contact their RM for assistance in obligating funds in the system and processing the manual payment. For GFEBS-funded accounts, follow the GFEBS manual payment process.

b. Steps for processing manual payments for non-GFEBS-funded accounts.

- 1) Print the managing account statement from the servicing bank's EAS (located under Account Information).
- 2) Download the Statement Signature Page and certify the statement with a pen and ink signature.
- 3) The BO may obtain the document control number for each transaction by running the Standard Document Number report from the bank's EAS (located under Custom Reports).
- 4) After the document control number is applied, the BO must forward the request for commitment, obligation, and expense to the appropriate resource manager along with a copy of the certified GPC bank statement.

5) The resource manager must input the requirement to the financial management system within two business days of receipt.

6-13. File Retention

a. GPC transaction documentation must be retained for six years in accordance with FAR 4.805 and DoD Charge Card Guidebook Section A.1.14. Billing officials are responsible for ensuring that record retention requirements are met. GPC transactions with foreign military sales (FMS) funding must follow the retention guidance in DoD FMR Volume 15, Chapter 6, and ensure the FMS documents are retained for 10 years from the date of final case closure.

b. **Uploading Supporting Documentation.** CHs must upload all transaction supporting documentation in the bank's EAS. The uploaded documentation is the CH's official purchase file. If the complete file is uploaded in the EAS, CHs do not need to maintain a duplicate hardcopy or electronic file. For purchases that do not have uploaded documentation, the CH or BO must retain the corresponding hardcopy or electronic files for six years.

c. **Corrective Action.** When documentation is not retained in accordance with the GPC file retention policy, A/OPCs must evaluate the CH/BO's record retention processes and develop corrective action plans with target completion dates to prevent recurrence. A/OPCs should take disciplinary action as necessary for negligent CHs (e.g., suspending card accounts).

d. FAR 4.805 provides the following guidance on file storage: "Agencies must prescribe procedures for the handling, storing, and disposing of contract files...These procedures must take into account documents held in all types of media. Agencies may change the original medium to facilitate storage as long as the requirements of the part, law, and other regulations are satisfied. The process used to create and store records must record and reproduce the original document, including signatures and other written and graphic images completely, accurately, and clearly. Data transfer, storage, and retrieval procedures must protect the original data from alteration. Unless law or other regulations require signed originals to be kept, they may be destroyed after the responsible agency official verifies that record copies on alternate media and copies reproduced from the record copy are accurate, complete, and clear representations of the originals."

e. Original disbursing office records (BO or Certifying Officer), along with CH supporting documents in electronic format, negate the need for the CH to store duplicate hardcopy documents.

f. Electronic record storage requires adequate controls to ensure the digital images accurately represent the corresponding paper documentation and to detect changes to an original digital image. In addition, electronic storage must be in a centrally managed location that has an established backup process.

g. See 6-2.e for GPC transaction documentation and disbursing office records. For additional examples of documents classified as disbursing office records, see DoD FMR Volume 5, Chapter 15, 150803.

h. Receipts are considered supporting documents for the certified billing statement. Original receipts are preferred; however, printed electronic forms or copies of an itemized receipt are acceptable. The receipt must be legible and indicate vendor's name and address, date of the purchase, and paid by credit card or zero amount due. Goods must be itemized/detailed with the item description, quantity, price, and extended price. The BO maintains these records in physical

possession, or when appropriate, transfers them to a records holding area. However, if certifying electronically, the CH and BO may rely on the servicing bank's EAS for supporting documentation. Original records are considered Government property and may not be removed from Government control by the BO for any reason.

i. **Appointment Letters.** Delegation of authority letters and GPC appointment letters, executed by both the appointer and the appointee, will be retained in PIEE/JAM for six years after the delegation has been terminated through personnel action such as the appointee's separation, retirement, or transfer.

j. A/OPCs must retain any paper-based or email requests relating to new account issuance and maintenance for six years after the date of account issuance or update.

k. Data residing in the bank's EAS is maintained by the bank for six years. Reports may be retrieved from the bank's EAS for the previous two years. Reports covering data for periods beyond the previous two years are available from the bank upon request.

6-14. Services

a. The GPC may be used to purchase non-personal services up to the applicable MPT, whether recurring or non-recurring. If recurring, the requirement is the total estimated cost per fiscal year. Recurring services estimated to exceed the MPT per fiscal year will be acquired through the contracting office. Recurring services are performed at regular intervals and have a demand that can be accurately predicted on a yearly basis. Non-recurring services involve one-time, unpredictable, or occasional requirements, and may be purchased with the GPC up to the MPT whenever a requirement occurs.

b. When a CH receives a request to purchase services, it is crucial to identify whether or not the services are subject to the Service Contract Labor Standards (SCLS) and determine the applicable MPT.

c. **Services Subject to Service Contract Labor Standards.** Examples include services performed by carpenters, electricians, mechanics, plumbers, iron workers, craftsmen, operating engineers, and other laborers. Other examples include court reporters, administrative assistants, engineering technicians, and paralegals. To determine whether a service is subject to SCLS, CHs and A/OPCs can search the Service Contract Act wage determinations in SAM.gov to locate a list of applicable occupations for a specified state and county.

d. **Services Not Subject to Service Contract Labor Standards.** The following services are not subject to SCLS:

1) **Professional Services.** Examples include services performed by architects, engineers, professors, chemists, lawyers, doctors of medicine or dentistry, and software engineers. These services may include office work related to operations, teaching, practice of law or medicine, and skilled services such as computer services, sales, and business management. The primary duty must be the performance of work by persons requiring knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction or the performance of work requiring invention, imagination, originality or talent in a recognized field of artistic or creative endeavor. If unsure, CHs and A/OPCs can search the Service Contract Act wage

determinations in SAM.gov to confirm whether the type of worker is on the list for the applicable location.

2) **Statutory Exempt from SCLS Coverage.** These services include the following:

- (a) Construction, alteration, or repair, including painting, and decorating, of public buildings or public works (These services are covered by the Davis-Bacon Act.)
- (b) Transporting freight or personnel where published tariff rates are in effect
- (c) Furnishing services by radio, telephone, telegraph, or cable companies subject to the Communications Act of 1934
- (d) Public utility service
- (e) U.S. Postal Service
- (f) Services performed outside the U.S. (except in territories administered by the U.S., as defined in the Act)

3) **Regulatory Exempt from SCLS Coverage.** These services include the following:

- (a) Shipping by common carrier, when the Government packs the item for a company to pick up and ship (e.g., UPS or FedEx)
- (b) Maintenance, calibration or repair of the following types of equipment:
 - (1) Automated data processing equipment
 - (2) Scientific equipment and medical apparatus or equipment if the application of micro-electronic circuitry or other technology of at least similar sophistication is an essential element
 - (3) Office/business machines not otherwise exempt if such services are performed by the manufacturer or supplier of the equipment

4) **Commercially Exempt.** The below services are also exempt when the noted criteria apply:*

- (a) Maintenance and servicing of motorized vehicles owned by Federal agencies
- (b) Lodging, meals, and space in hotels/motels for conferences
- (c) Real estate services
- (d) Transportation on regularly scheduled routes
- (e) Relocation services
- (f) Maintenance, calibration, repair, and/or installation services for all types of equipment obtained from manufacturer or supplier of the equipment under a sole source contract.

***Criteria to Apply the SCLS Exemption:**

- (a) Services are offered and sold regularly
- (b) Services are furnished at “market” or “catalog” prices

(c) Service provided by merchant employee spending a small portion of available hours for Government services

6-15. Deployed to an OCONUS Area of Responsibility (AOR)

a. Cardholders must follow operational orders and coordinate with their Level 4 A/OPC regarding procedures for deployed or contingency situations. In most cases, Army units deployed to a different AOR will receive new cards under the AOR per the SOFA agreements.

b. Units must coordinate with their Level 4 A/OPC. The transfer of program and oversight responsibilities from the CONUS A/OPC to the OCONUS A/OPC is prohibited. Deployed cards will be managed by the home station A/OPC.

c. If after coordination with the contracting authority for the deployed area, it is determined the deploying units are not taking their GPCs, these accounts must be temporarily suspended by the A/OPC, upon notification from the BO, during the period of deployment. If GPCs are authorized while deployed, the local RM must make appropriate adjustments to the LOAs, and additional information must be entered in the servicing bank's EAS. The BO must notify the A/OPC in writing if GPCs are authorized while deployed. OCONUS GPCs will be managed to meet the program requirements of the issuing agency.

d. **Active Component Units.** Units deploying in support of contingency operations should take their locally issued GPCs with them to use while deployed. Prior to deployment, A/OPCs must coordinate with the contracting authority in the contingency area to see if there are special requirements for using the GPC while deployed in the AOR and ensure the cards' lines of accounting are properly funded. GPCs are issued through contracting; therefore, the decision on whether the GPC will be taken to deployed locations will be determined by the contracting office Level 3 or 4 A/OPCs. Resource Managers do not determine whether GPCs are taken to deployed locations.

e. **Deploying National Guard (NG) Members.** Deploying NG members may continue to use their home station GPC up until they arrive at the Mobilization (MOB) station. The NG home station Level 4 A/OPC deactivates the mobilized soldier's GPC account at this point, through temporary closure or termination. The gaining activity in the new AOR will then determine if the NG member requires a GPC. If it is determined that the mobilized NG member requires a GPC, the Level 4 A/OPC in the new AOR will be responsible for issuance and oversight responsibility of this new GPC account. All GPC accounts (CH and BO) for mobilized NG members are managed by the Level 4 A/OPC to whom the NG member is assigned. Cards are to be used in theater for mission essential requirements only.

f. **OCONUS Annual Training.** NG home station (54 states and territories) GPC cards are not "portable" and must not be used to support OCONUS Annual Training (AT) events and must be temporarily set to \$1.00 during the OCONUS AT event.

6-16. Official Representation Funds

a. Official Representation Funds (ORF) may be used to extend official courtesies to authorized guests of the U.S., DoD, and the Department of the Army. Cardholders may use the GPC to make ORF purchases and must comply with the policy and instructions in AR 37-47.

b. Cardholders making ORF purchases must have a designated card solely for this purpose. A/OPCs must request third-line embossing of "ORF" when creating the card account.

6-17. Cable, Utilities, and Telecommunications Services (CUTS)

a. The GPC is strongly recommended as the method of contract payment for CUTS pursuant to FAR 13.301(c)(3) and FAR 32.1108, applicable to contract payments made to CUTS providers that accept the GPC. Energy and services under this authorization are defined as water, steam, sewage, electricity, natural gas and propane gas, heating oil, cable television, and cell and landline telecommunications expenses.

b. Contracting officers or contract payment CHs appointed in JAM are authorized to make contract payments. See FAR 32.1108.

6-18. Freedom of Information Act (FOIA) Requests

a. Local A/OPCs will respond to FOIA requests made at the installation, base, or activity level, from the appropriate FOIA offices, for the organizational addresses and telephone numbers of CHs. FOIA requests will only be released as required by the Freedom of Information Act, 5 USC 552, and 29 Jun 2006 DoD Memorandum "FOIA Policy on Release of Credit Card Data."

b. In response to FOIA requests submitted by the public for transaction-related GPC data, only the following specific data is authorized for release:

- 1) Merchant Category Code
- 2) Transaction amount
- 3) Merchant name
- 4) Merchant city, state, ZIP code, and phone number
- 5) Transaction date

c. When the servicing bank is needed to provide transaction data to comply with FOIA requests from the general public, the servicing bank charges a \$350 fee to the party requesting the data to be paid prior to the search. In the instances where some searches result in no data or limited data, the servicing bank does not refund the charge, since they have performed the data search and provided the results. If the party desires another search, a new fee of \$350 is required.