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 up the MPT. Recurring service requirements estimated to exceed the MPT per FY must be directed to the contracting office. There is no single source that states contracts must be put in place for a recurring supply requirement costing $10k or less per 12-month period. The contracting office will determine if recurring supplies should be placed on a contract or BPA.

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 location is CONUS, 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 for action.

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 A/OPC for local guidance and procedures involving the use of the VAT form. To obtain a copy of the form, CHs may contact the local Morale, Welfare and Recreation (MWR) office.

i. **Terms and Conditions**. Neither cardholders nor billing officials have the authority to approve or sign written vendor terms and conditions. Cardholders will consult their A/OPC, contracting office, and/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. Checkwriters who write checks over the convenience check MPT (see Table 1-2) will have their convenience check account terminated. See Chapter 10.

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 Army Purchase Request and Approval (PR&A) or equivalent from requiring activity.	Ensure PR&A identifies a legitimate government need; market research performed; any recommended vendors; and consideration of required sources.

2	Verify appropriate procurement method. If GPC is not the appropriate method, return the request 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.
3	Determine the appropriate vendor.	Check mandatory sources first. See Chapter 9. If no mandatory source exists, screen the requirement from recommended Government sources and commercial platforms/sources. Rotate commercial sources.
4	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.

Step	**Action**	**Details**
5	Confirm if the vendor is 889 compliant.	Use the GSA Easy Search Tool, 889 Bot, Sam.gov, or a vendor's signed 889 form. If vendor is not registered in SAM.gov, ask vendor to complete an 889 form. If vendor is not 889 compliant, find another vendor.
6	Verify all required approvals prior to the purchase.	The BO must approve the request in writing. The BO will verify funding availability prior to approval. Other approvals may be required depending on the purchase (e.g., APO, legal, ITAS).
7	Place the order.	Make purchase over phone, in person, internet, or email. Only the CH is authorized to make the purchase.
8	Update the Purchase Log.	Match the transaction and complete all required fields (e.g., 889 Designation) in the bank's EAS.
9	Obtain independent receipt and acceptance. Give receipt to the APO when applicable.	Ensure that a government employee (not the CH or BO) confirms receipt of items/services in writing. Provide a copy of the receipt to the APO within 5 business days, when applicable.

10	Upload supporting documentation into the bank's EAS.	Attach the supporting documents identified in 6-2.g. below.
11	Resolve any problems. 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. Dispute transactions when appropriate. Ensure disputes are exercised no later than **45 calendar 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. If it is not, ensure the vendor is provided with the necessary information to allow the purchase to enter the Defense Transportation System (DTS), which requires that the shipment has a Military Shipping Label (MSL) that includes a Transportation Control Number, Final Destination (in country) address and DoD Activity Address Code (DoDAAC), Priority, Required Delivery Date, and Transportation Accounting Code.

e. **Precautions to Avoid Frustrated Freight**. A supplier shipment that becomes "frustrated" is, at a minimum, delayed along the transportation chain and will not move until all problems are resolved. Many times, the shipment never reaches the intended recipient. When using a GPC to purchase items with delivery to a destination outside the United States, two methods of transportation generally are available: commercial door-to-door and the DTS. If commercial shipping is not used, a purchaser must coordinate with his/her transportation service support office (e.g., Installation Transportation Office, Transportation Management Office, or Supply Support Activity) before ordering the item. The Component ordering the item with a GPC is responsible for ensuring the shipper (i.e., vendor) is provided the completed MSL to place on the cargo before it arrives at a DoD facility for movement in DTS. Shipments entering the DTS require additional funding and shipping, marking, and packaging instructions. Prior to shipment of hazardous material, the shipper is required to certify shipment to the final destination by attaching a certification certificate/document on the package in accordance with International Air Transport Association or International Maritime Dangerous Goods code, etc. Using only the stateside DTS military transit port or intermediate point without including the final destination DoDAAC in-country will cause a shipment to become frustrated.

f. **Thirty-Day Delivery**. Cardholders generally should seek vendors that have the required inventory supply (or labor capacity, for services) to enable delivery of the purchase within 30 calendar days

while also meeting the requirements at a fair and reasonable price. Delivery timeframes in excess of 30 days may cause problems such as tracking purchases against monthly billing cycle limits and shipping items charged to a closed account.

g. **Purchase File Documentation**. Collection and retention of GPC documentation in centralized, electronic records is mandated to support Federal-Government-wide paperless initiatives; ensure information is available to support program operations and oversight functions; and fulfill record retention requirements. Per DoD FMR Volume 10, Chapter 23, Paragraph 230307, CHs must document and upload transaction supporting documentation for each and every purchase and its associated transaction 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. Records retention requirements are addressed in the 6-2. GPC Purchasing Process. The 6-2. GPC Purchasing Process requires that the CH include acceptance documentation for every purchase. Required file documentation includes but is not limited to the following:

1) Army Purchase Request & Approval (PR&A) or equivalent*

2) 889 Representation*

3) Invoice and/or itemized receipt

4) Proof of independent receipt and acceptance

5) Other approvals, when applicable (e.g., legal, ITAS, Statement of Non-Availability (SONA))

6) Local agency requirements

* For individual slot training payments, CHs must upload the SF 182 or equivalent in lieu of items 1) and 2) above. CHs must redact any personally identifiable information (PII) before uploading.

h. The Accountable Property Officer (APO) determines if the goods purchased will be placed on APO records in accordance with AR 710-4. Cardholders are required to provide receipts of accountable goods to the APO within 5 business days of obtaining the receipt.

i. **Independent Receipt and Acceptance**. CHs must obtain proof of independent receipt and acceptance for all purchases. The CH will ensure receipt and acceptance is properly performed and confirmed through documentation by a government employee other than the purchasing CH. The individual verifying receipt may be the CH's supervisor or other designated individual, as appropriate. CHs must upload the documentation 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. Acceptable documentation includes (but is not limited to) the following:

1) Signed invoice, packing slip or equivalent. In addition to the signature, the receiver should include the date of receipt, printed name, telephone number, and office symbol or address.

2) PR&A signed by the receiver.

3) Email confirmation from the receiver.

4) WAWF Purchase Card Receiving Report.

j. **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.

k. **Cybersecurity**. The Army GPC community must be aware of cybersecurity risks when making purchases using the GPC. Some of the key cyber supply-chain risks include:

1) Services provided by vendors and other third parties (e.g., heating, ventilation, and air conditioning services, IT software engineering services, or anyone with access to the physical or virtual network).

2) Poor information security practices and/or compromised software or hardware procured from suppliers.

Purchases of hardware, software, telecommunications equipment, video surveillance equipment, and related services from certain vendors are prohibited. The FY 2018 NDAA, Sections 1634(A) and (B) (see FAR 4.2002 and 13.201(i)) implemented a supply/service ban that prohibits the use of hardware, software, and services of Kaspersky Lab and its related entities by the Federal Government. The FY 2019 NDAA Section 889 implemented broader bans as described in section 6-3.

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. DPCAP 889 Memorandum dated September 9, 2020 requires recording of specific 889 designations in the bank's EAS for **all** GPC transactions. DPCAP GPC Memorandum dated June 29, 2022 provides further guidance on completing the required fields. CHs must record 889 Designation 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) Search for vendor on the 889 GSA Easy Search Tool: https://889.smartpay.gsa.gov/.

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) Log into the System for Award Management (SAM.gov) website. Locate the vendor's entity

registration and review FAR 52.204-26, under Reps and Certs.

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

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.

Text to Enter in the 889 Designation Field	**Applicability**
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.
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 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 will 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 requiring a third-party payment processor, CHs and 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. GPC oversight personnel and CHs should be aware that in accordance with GSA Smart Bulletin #023, 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.

6-5. Tax-Exempt Status

a. GSA SmartPay GPC accounts are centrally billed accounts (CBAs) and, as such, should be exempt from state taxes. See the GSA SmartPay website for state-specific information and forms. Cardholders can download a copy of the specific State letter to present to a vendor when the vendor is requesting a tax-exempt certificate.

b. GSA also provides tax exemption best practices for GPC accounts under the heading “Purchase Account” on the linked webpage. Additional information about State sales taxes and CH best practices may be found in GSA Smart Bulletin #020.

c. 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. 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 #017. 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 Sample Template

Requiring activities will use the Army’s standard Purchase Request and Approval (PR&A) sample template or a substantially similar document when submitting purchase requests to CHs. Cardholders will process and route the document for signature prior to making a purchase. A purchase request document will not be used for individual 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 710-4 (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. Accountable property includes (1) Government property purchased or otherwise obtained, having a unit acquisition cost of $5,000 or more; (2) property of any value that is controlled or managed at the item level; (3) leased items of any value; (4) assets that are sensitive or classified; and (5) other items as specified by Army property instructions. Examples include pilferable property subject to theft, property hazardous to public health, small arms, property designated as heritage assets, IT property, and Government-furnished property (GFP).

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 should be suspended. 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. The Certifying Officer's minimum qualifications and eligibility are discussed in DoD FMR Volume 5, Chapter 33. Certifying Officers are responsible for the accuracy of payments, including designation of the proper appropriation(s) or other funds certified to the paying office and disbursing officer. To certify GPC invoices for payment by DFAS, the BO must be appointed as and accept the responsibilities of a Certifying Officer using the DD Form 577 generated in JAM. The BO certifies the statement as the Certifying Officer, and the RM certifies the funding in GFEBS/other.

d. **Cardholder Statement Reconciliation and Certification**. The Army certifies invoices for payment after all purchased items have been confirmed. This procedure is called "Confirm and Pay." 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. 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.

e. Cardholders are responsible for reconciling the charges appearing on each statement for their GPC with receipts, purchase log, and other supporting documentation. Reconciling a card account involves the following key actions:

1) Review the transactions on the statement from the card-issuing bank and match them to the purchase log. Note: Transaction review and invoice obligation will be completed in only one system (i.e., either the bank EAS or another waiver-approved automated system, but never both). Component policy and procedures will designate the automated system in which CHs will perform review and obligation.

2) Reconcile/reallocate/dispute transactions, as appropriate. For each transaction posted to the statement, reallocate, if appropriate, from the default to an alternate LOA and approve or dispute each charge as appropriate.

3) Approve the statement.

4) Upload supporting documentation in the bank's EAS.

5) If the CH does not reconcile and approve the statement within 15 days after the close of the billing cycle, the CH is locked out of the file and the BO is required to perform the CH reconciliation/approval role. After a BO certifies a statement on the bank's EAS, the transaction file is locked and no further changes to the invoice are permitted.

f. **Billing Official Certification**. Reconciling and certifying a managing account involves the following key actions:

1) Review transactions to ensure they are legal, proper, correct, and mission essential.

2) Ensure all supporting documentation is obtained and correct. Billing officials should review the uploaded transaction documentation in AXOL to confirm 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.

3) Ensure CH reviews have been completed properly.

4) Ensure receipt of all accountable property has been properly documented.

5) Final-approve their CHs' transactions and certify the billing statement within five business days of the billing cycle end date.

6) For improper purchases (including unauthorized charges made by a properly appointed CH or GPC transactions 0intended for Government use but not permitted by law, regulation, or Component policy, such as splitting purchases), the Government is liable to pay; however, action may be taken against the CH.

7) If BOs find a questionable or fraudulent transaction, they should contact their A/OPC and follow the guidance in section 6-10.

g. **Processing Credits**. The 6-9. Payments of Monthly Invoices is the authoritative source of guidance related to application of credits. As stated in the FMR, transaction credits are funds sent back to DoD from the contracted bank resulting from returned items, billing errors, overpayments, duplicate payments, or erroneous payments. The GSA SP3 Master Contract defines "credit" as "any transaction that reduces the amount due to the agency/organization or account holder." Transaction credits must be credited to the original appropriation from which they were disbursed. Transaction credits will be posted as credits against CH statements, using the default LOA at the CH statement level, and should be reallocated as appropriate if the default LOA did not incur the original expenditure. In the case where a closed account carries a credit balance, the amount will be sent via check or using ACH to an installation account predetermined by the A/OPC. Checks will be addressed to "U.S. Treasury." The A/OPC will work with his/her RM in identifying an account and determining how the credit will be distributed across LOAs as warranted. The BO will send the check and LOA(s) to the supporting accounting office with a request to deposit.

6-10. Disputes, Defective Items and Fraudulent Transactions

a. **Disputes**. Cardholders must protect the Army's interest by initiating disputes when applicable. Failure to do so may result in administrative or disciplinary action. 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 CH and the merchant. If the merchant is unwilling to accommodate a resolution, the CH will file a dispute in the bank's EAS. If a dispute is resolved in favor of the CH, a credit will be placed on the CH's statement. If the dispute is resolved in favor of the merchant, a letter will be sent to the CH explaining the decision and, since the charge was already paid, no further action will be taken. 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 45 days from the posted date of the transaction.

4) Respond to any bank requests for additional information.

b. **Defective Items**. 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. **Fraud**. 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.

d. Only the CH or BO can approve, dispute, or reallocate purchase card transactions. The servicing bank is responsible to ensure adequate controls are in place within their EAS 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 servicing 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 take appropriate action, as prescribed in Chapter 11, Disciplinary actions, to seek restitution because of the 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 with the bank. The CH should try 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 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 because 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. 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.

d. **Storage, Handling, and Contract files (FAR 4.805)**

1) Procedures for the handling, storing, and disposing of contract files must be in accordance with the National Archives and Records Administration (NARA) General Records Schedule 1.1, Financial Management and Reporting Records.

2) The Financial Management and Reporting Records can be found at http://www.archives.gov/records-mgmt/grs.html.

3) Procedures must consider documents held in all types of media, including microfilm and various electronic media.

4) The Army may change the original medium to facilitate storage if the requirements of the FAR 4.8, law, and other regulations are satisfied.

5) 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.

6) 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, 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.g. 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 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 if 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 Exemptions 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 Exemptions 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 exempt when the following criteria apply: The service is offered and sold regularly, furnished at “market” or “catalog” prices, and provided by merchant employee spending a small portion of available hours for Government services.

(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.

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

a. The Deploying Activity will identify CHs and BOs that will be using the GPC while in a deployed status OCONUS. It is preferred to use existing Cardholders if available.

b. Deployed situations may include humanitarian and contingency operations, training exercises, and/or TDY that involves use of the card to make mission-related purchases while OCONUS.

c. The OCONUS AOR will determine whether the deploying CH will either 1) use their existing card or 2) receive a new card for use within the OCONUS AOR. The deploying CH’s home station contracting office will coordinate with the contracting office and A/OPC of the deployment AOR for instructions. If deploying CHs receive new OCONUS cards, their existing card accounts will be suspended or terminated. 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 if needed. 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. **Card Deployment Steps**:

1) Cardholder receives OCONUS orders/assignment.

2) Deploying Activity determines which CHs will need to make purchases OCONUS and notifies the billing official(s).

3) Billing official informs home station A/OPC.

4) Home station A/OPC coordinates with OCONUS AOR to determine if CH will retain current card or receive new card at the AOR.

a) **Retain current card**. CONUS home station A/OPC will provide support and oversight.

b) **Receive new card**. OCONUS contracting office will provide support and oversight. Home station A/OPC suspends or terminates former card.

5) Resource manager adjusts LOAs on the card account to be used OCONUS if needed.

6) Supporting A/OPC provides training to the deploying CH and billing official on use of $25,000 Overseas Simplified Acquisition authority and/or Emergency Type Operation (ETO) training.

6-16. Official Representation Funds (ORF)

a. The GPC is the preferred method of payment for ORF expenditures when the infrastructure supports GPC usage. A separate GPC account should be established to ensure accountability and transparency of ORF expenditures. Commands must adhere to all requirements of DoDI 7250.13 and Army instructions. Cardholders and authorizing officials should verify the availability of ORF funds before making purchases for properly authorized functions.

b. Official Representation Funds 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.

c. 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)

The GPC is the preferred payment method for CUTS contracts pursuant to FAR 13.301(c)(3) and FAR 32.1108. 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. 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 public, the servicing bank charges a $350 fee to the party requesting the data to be paid prior to the search. In instances where search results 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.