Appendix B: DEFINITIONS

AbilityOne Program - FAR Subpart 8.7 - This socioeconomic program provides employment opportunities for over 40,000 Americans who are blind or have other severe disabilities by orchestrating Government purchases of products and services provided by nonprofit agencies employing such individuals throughout the country. The Committee for Purchase from People Who Are Blind or Severely Disabled statute, (41 USC 8501-8506) requires the Government to purchase supplies or services on the Procurement List, at prices established by the Committee, from AbilityOne participating nonprofit agencies if they are available within the period required.

Abuse - Intentional use of the GPC in violation of the FAR, DFARS, Agency supplements, or activity Government Charge Card Program policies/procedures. Evidence of intentionality will be inferred from repeat offenses of the same violation, following administrative and/or disciplinary action taken for this violation. This category is reportable to OMB and classified as Intentional.

Accountable Property - AR 735-5 - A term used to identify property recorded in a formal property management or accounting system. Accountable property includes all property purchased, leased (capital leases), or otherwise obtained having a unit acquisition cost of $5,000 or more (land, regardless of cost), and items that are sensitive. Sensitive items require a high degree of protection and control due to statutory requirements or regulations, such as narcotics and drug abuse items; precious metals; items which are of a high value, highly technical, or a hazardous nature; and small arms, ammunition, explosives, and demolition material or classified. (See Volume 10, Table 61 of DoD 4100.39-M reference (k).) Additional and/or separate records or other record-keeping instruments will be established for management purposes, or when otherwise required by law, policy, regulation, or agency direction, including, but not limited to pilferable items. Pilferable items have a ready resale value or application to personal possession and are, therefore, especially subject to theft. Screening by the Accountable Property Officer (APO) is required to determine the accounting requirements of the purchased property. The installation APO provides guidance on specific local property accountability procedures to the A/OPC, BOs, and CHs related to GPC purchases.

Administrative Discrepancy - Actions that violate operational policies/procedures but do not violate federal law or regulation. This category is not reportable to OMB.

Agency/Organization Program Coordinator (A/OPC) - A Government employee responsible for the implementation and execution of his/her agency/organization purchase card program in accordance with established regulations, policies and procedures. The A/OPC has overall administration to include developing and implementing policy, establishing and making changes to accounts, as well as training CHs and BOs. Multiple levels of A/OPCs exist at different hierarchical levels within the program for each agency/organization.

Assessable Unit Manager - A Head of Activity designated by the head of the reporting organization to provide leadership and support needed to ensure that internal controls are in place and operating effectively.

Average Days to Pay - The average number of calendar days between the billing cycle and when payment is received by the issuing bank.

Billing Invoice - The billing invoice identifies all the purchase card transactions made by the CHs assigned to a particular BO that are posted during a billing cycle. The invoice can be paper-based or

presented through the bank’s EAS.

Billing Official (BO) - A Government employee who has been nominated by his or her activity/organization to have oversight responsibility over the CHs assigned to his or her managing account. See section 2-6. for a summary of BO duties. Installation, unit, and local Heads of Activities or their designees nominates individuals from their organizations as BOs. The nominating official must be in the supervisory chain of the individual being nominated. Issuing appointments to BOs may be re-delegated in writing to the A/OPC. The BO is at Level 5 in the GPC reporting hierarchy.

Bulk Funding Method - The bulk funding method requires posting specific funds to the official accounting records prior to payment of a CH's account. Bulk funding may be made as appropriate to the funding environment of the activity.

Cardholder (CH) - An individual designated by an agency/organization to be issued a card. The card bears the individual’s name and can be used only by that individual for official purchases in compliance with agency internal procedures. The term “CH” also applies to checkwriters on convenience check accounts. CHs are responsible for the timely and accurate processing of monthly CH statements and maintaining a purchase log or the servicing bank’s automated system to record purchases. CHs must adequately control access to the card to preclude unauthorized use and take timely and proper action when unauthorized charges occur. Installation, unit, and local Heads of Activities or their designees nominates individuals from their organizations as CHs. The nominating official must be in the supervisory chain of the individual being nominated. Issuing delegations of authority to CHs may be re- delegated in writing to the A/OPC. The CH is at Level 6 in the GPC reporting hierarchy.

Cardholder Statement - The statement of charges provided to a CH detailing all the transactions posted to his or her account during a billing cycle.

Certifying Officer - Certain Government employees (Resource Managers, Billing Officials) are held accountable for Federal Payments responsible to verify that payments made by the Federal Government are legal, proper and correct. Certifying officers are responsible for the accuracy and legality of the payments made from Federal funds that they approve (31 USC 3528). Certifying Officers review payment vouchers before certification to ensure that the information on the vouchers agrees with all supporting documentation. See DoD FMR Volume 5, Chapter 330308 A.2.c. For GPC purposes, certifying officer and certifying official are synonymous.

Computer Hardware, Enterprise Software and Solutions (CHESS) - The CHESS program is the Army's mandatory source for commercial information technology (IT) hardware and software.

Computer/Electronic Accommodations Program (CAP) - A centrally funded program that provides ergonomic-related and low-vision equipment for all DoD employees.

Contract Action Report (CAR) - Form used to report contract actions on the FPDS-NG web site.

Convenience Checks - Third-party drafts issued using the GPC account. Third-party drafts may be used to acquire and pay for supplies or services.

Delegation of Procurement Authority Letter - A document issued giving an individual procurement authority to use the GPC. This delegation of procurement authority specifies the single-purchase and monthly purchase limitations unique to that CH.

Delinquency - An undisputed charge card account balance that is unpaid for more than 61 days past the statement date. This category is not reportable to OMB.

Departmental Accountable Official (DAO) - A member of DoD, military or civilian personnel, designated in writing and not otherwise accountable under applicable law, who provides source information, data, or service (such as an RO, a CH, and an Automated Information System Administrator) to a reviewing or disbursing official in support of the payment process. The AO has pecuniary liability for erroneous payments resulting from his/her negligent actions.

Direct-Hire - Authorities: 5 USC 3304 and 5 CFR Part 337, Subpart B Using OPM–approved governmentwide or agency specific direct-hire authorities, agencies may appoint candidates to positions without regard to the requirements in title 5 USC 3309 through 3318. For an agency to use direct hire, OPM must determine that there is either a severe shortage of candidates or a critical hiring need for a position or group of positions.

E-Commerce Platforms - Also referred to as e-marketplace platforms or commercial online platforms. Web-based offerings that provide a managed channel for open-market purchases. Examples of non- DoD e-commerce platforms include GSA's Commercial Platforms program (participating platforms currently include Amazon Business.com, FisherSci.com, and OverstockGovenment.com) and AmazonBusiness.com (separate and distinct from AmazonBusiness.com participating in GSA's Commercial Platforms program).

Electronic Access System (EAS) - A web-based computer system required by the task order with the issuing bank for account set-up, maintenance, reporting, and electronic bill presentment and certification.

Electronic data interchange (EDI) - The automatic process of receiving electronic obligation and invoice records directly from the servicing bank into a DoD accounting system.

Erroneous Payment - Illegal, improper, or incorrect payment. DoD FMR Vol. 5 Ch. 33 paragraph 330903.

External Fraud - Any felonious act of corruption or attempt to cheat the Government or corrupt the Government's agents by someone other than Government Charge Card Program officials. This category is classified as Malicious Intent. It is not reportable to OMB.

Federal Procurement Data System Next Generation (FPDS-NG) - A computer-based Federal Procurement Data System for collecting, developing and disseminating procurement data to the Congress, Executive Branch and private sector in compliance with 41 USC 1101 et seq. and FAR Subpart 4.6. The data is used to measure and assess the impact of Federal procurement on the nation's economy, the extent to which awards are made to businesses in the various socio-economic categories, the impact of full and open competition on the acquisition process and other procurement policy purposes. The Office of Federal Procurement Policy (OFPP) requires that each Department and Agency certify annually that all data within FPDS-NG is valid and complete.

Fraud - Any intentional deception designed to deprive the Government unlawfully of something of value or to secure from the Government for an individual a benefit, privilege, allowance, or consideration to which he or she is not entitled.

General Fund Enterprise Business System (GFEBS) – DoD's financial system. It is a web-enabled enterprise resource planning (ERP) system allowing the U.S. Army to share financial, asset and accounting data across the Service. The system will standardize transactional input and business processes across the Army to enable cost management activities; provide accurate, reliable, and real- time data; and tie budgets to execution. GFEBS moves the Army from a "spend and consume culture" to a "cost and control culture" by providing value-added, decision-support tools.

GFEBS benefits the Army by reducing and eliminating waste; reducing variation and improving quality, and complying with regulatory and legislative directives.

Hand Receipt Holder - An individual responsible for property listed on a signed document, thereby acknowledging acceptance and responsibility for items therein.

Head of Activity (HA) - The military officer in command or the civilian executive in charge of the mission of a command or activity. This individual has disciplinary authority over CHs and BOs in his or her organization and is responsible for having proper internal controls that deter fraud and ensuring that those who violate the policies are properly sanctioned or counseled.

Head of the Agency - means, for DoD, the Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force. Subject to the direction of the Secretary of Defense, the Under Secretary of Defense (Acquisition, Technology, and Logistics), and the Director of Defense Procurement and Acquisition Policy, the directors of the defense agencies have been delegated authority to act as head of the agency for their respective agencies (i.e., to perform functions under the FAR or DFARS reserved to a head of agency or agency head), except for such actions that by terms of statute, or any delegation, must be exercised within the Office of the Secretary of Defense. (For emergency acquisition flexibilities, see DFARS 218.270.) (DFARS 202.101 Definitions)

Head of Contracting Activity - The official who has overall responsibility for managing the contracting activity, including use of the GPC by personnel under his or her contracting cognizance. (FAR 2.101) “Contracting activity" for DoD also means an element of a Defense agency, designated by the Head of Activity for that Defense agency that has been delegated contracting authority through its agency charter. (FAR 2.101)

Improper Purchase – Reference: OMB Circular A-123 Appendix B. An improper purchase is any purchase that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other applicable requirements. Incorrect amounts include overcharges and undercharges. An improper purchase can be one of two types - unauthorized or incorrect:

1) **Unauthorized purchases** consist of items that are intentionally purchased and are outside of the cardholder's purchasing authority.

2) **Incorrect purchases** are mistakes that are the result of an unintentional error during the purchase process. A series of seemingly incorrect purchases may require additional scrutiny to determine whether these purchases are actually unauthorized purchases.

Inter/Intra-Governmental Transaction (IGT) – Transactions or payments between different federal agencies (inter-governmental) or within the same agency (intra-governmental). In most instances, these transactions are classified under Merchant Category Code 9399, Miscellaneous Government Services.

Internal Fraud - Any felonious act of corruption or attempt to cheat the Government or corrupt the Government’s agents by Government Charge Card officials. Use of the GPC to transact business that is not sanctioned, not authorized, not in one’s official government capacity, not for the purpose for which the card was issued, and/or not as part of official government business. This category is reportable to OMB and classified as Malicious Intent.

Javits-Wagner-O’Day (JWOD Act) - A law that establishes as an independent federal entity the

Committee for Purchase From People Who Are Blind or People With Other Significant Disabilities. It establishes mandatory sources for supplies and services, administered by the Committee for Purchase from People Who Are Blind or Severely Disabled. Two national, independent organizations, National Industries for the Blind (NIB) and National Institute for the Severely Handicapped (NISH), help state and private nonprofit agencies participate in the AbilityOne Program.

Merchant Category Code (MCC) - A code used by the merchant (vendor's bank) bank to categorize each merchant according to the type of business in which the merchant is engaged and the kinds of goods and services provided. MCC codes are used as authorized-transaction-type codes on a card/account to identify authorized types of businesses from which purchases may be made with the GPC. DPCAP maintains the list of DoD-wide blocked codes. The Army Level 2 A/OPC is responsible to administer and record any waiver requests to these blocks.

Misuse - Unintentional use of the GPC in violation of the FAR, DFARS, Agency supplements, or Agency policies/procedures. These actions are the result of ignorance and/or carelessness, lacking intent. This category is reportable to OMB and classified as Unintentional.

OCONUS - *Outside the Continental United States (OCONUS)* - Any area beyond the 48 contiguous States and the District of Columbia, *i.e.,* CONUS. OCONUS is further divided into foreign areas and non- foreign areas:

1) Foreign area - Any area situated beyond both the CONUS and the non-foreign areas.

2) Non-foreign area - The states of Alaska and Hawaii, the Commonwealths of Puerto Rico and the Northern Mariana Islands, Guam, the U.S. Virgin Islands, and the territories and possessions of the United States.

Packing List/Slip - (also known as a bill of sale, unpacking note, packaging slip, (delivery) docket, delivery list), is a shipping document that accompanies delivery packages, usually inside an attached shipping pouch or inside the package itself. It commonly includes an itemized detail of the package contents and does not include customer pricing. It serves to inform all parties, including transport agencies, Government authorities, and customers, about the contents of the package. It helps them deal with the package accordingly.

Pre-Purchase Approval - When required and identified by Army or local procedures, documentation showing authority has been obtained to purchase special-use items such as IT or hazardous material.

Prompt Payment Act - A law that requires prompt payment of invoices (billing statements) within 30 days of receipt (FAR Clause 52.232-25, Prompt Payment, (May 1997)). An automatic interest penalty is required if payment is not timely.

Receipt - A receipt is a written record of a transaction documenting proof of payment. The receipt acts as the title to the property obtained in the exchange. A receipt is a legal document which serves as a permanent record of the transaction that can be used to support financial records (i.e., billing official invoice). Internet shopping has led to the creation of electronic receipts. Many online businesses provide the cardholder with the option of printing a receipt of the transaction as soon as the payment is approved. In addition, the vendor may provide the cardholder with an email copy of the receipt. The receipt includes basic information about the nature of the sale. This essential detail includes the date of the transaction, a list of the prices of the items purchased, subtotal, applicable taxes, and a final total.

Some receipts will provide unit prices and extended prices when multiple units of the same item are purchased, as well as a detailed description of each item.

Required or Mandatory Sources of Supply - The priority of sources is dictated by FAR Part 8, Required Sources of Supplies and Services, Subpart 8.001, Priorities for Use of Government Supply Sources, and DFARS 208. Mandatory sources must be considered before an open-market source can be considered. Other mandatory sources include DLA Printing Services, Army CHESS, Army BPAs.

Resource Manager (RM) - RM is a Certifying Officer who certifies that funds are available for the GPC program and establishes lines of accounting used on the GPC program. The RM is responsible for the proper assignment of funding on an obligation document before the obligation is incurred, and for maintaining a system of positive funds control.

Split Purchase - Occurs when a CH splits a known requirement at the time of the purchase into several transactions to circumvent dollar thresholds in order to use the GPC; to avoid competitive bids for purchases over the MPT; or to avoid other established credit limits (this is prohibited). When a known small purchase requirement exceeds the MPT, it must be purchased through a contract using simplified acquisition procedures.

Third-party Payments – An online payment processor (e.g., PayPal, Square) provides ways for a merchant to accept credit cards and other payments online without the extra cost and obligation of a merchant account. Where it is identified that a purchase will be processed via a third-party merchant (i.e. PayPal), the CH should make every attempt to choose another merchant with whom to procure the goods and/or services. If still found necessary to procure using a third-party payment merchant, the CH and BO must ensure there is adequate supporting documentation to prove that there was a detailed review of the purchase and that the use of the third-party payment merchant was unavoidable.

Transactions made with a third-party payment merchant are considered high risk for both subsequent audit and data mining screening.

Third-Party E-Commerce Merchants – Third-party merchants are entities that fulfill orders on e-commerce platforms who are NOT the platform providers themselves. These individual merchants might offer products for sale on various online marketplaces, such as AmazonBusiness.com.

Third-Party Payment Processors – Commercial financial service providers offering on-line payment solutions for commercial transactions. These processors own merchant accounts that allow them to accept and process purchase card payments on behalf of merchants who provide supplies and services. Many merchants choose to utilize third party payment processors to accept payments without having to establish a merchant account through a merchant bank. Examples include PayPal, Venmo, or Square.

Training – Commercial Off-the-Shelf Training - is defined as training products and services regularly available to the public and/or Government personnel. The term includes training offered in catalogs or other printed material by a college, university, professional association, consultant firm or organization. It does not include training specifically developed, designed, and produced to meet requirements unique to an organization and/or program. **Non-Government training** sources include, but are not limited to:

1) State government or instrumentality;

2) Interstate government organization;

3) Medical, scientific, technical, educational, research, or professional institutions, foundations or organizations; and,

4) Universities, technical, business, and vocational schools**,** business, commercial, or industrial firms, corporations, partnerships, proprietorships, or other organizations.

United States - The 50 States and the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, Guam, American Samoa, Wake Island, Johnston Island, Canton Island, the outer Continental Shelf lands, and any other place subject to the jurisdiction of the United States (but not including leased bases).

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