

DLA GOVERNMENT-WIDE COMMERCIAL PURCHASE CARD PROGRAM

A. REFERENCES.

1. DLAI 4105.3, DLA Government-wide Commercial Purchase Card Program, 10 May 2000, superceded.
2. DLAD 4105.1, subpart 13.301, Government-wide Commercial Purchase Card.
3. Federal Acquisition Regulation (FAR), 2001 Edition.
4. Under Secretary of Defense's *Purchase Card Reengineering Implementation Memorandum* #s 1-6 (these can be found at <http://purchasecard.sarda.army.mil>).
5. DLA's *Affirmative Procurement Program for EPA Comprehensive Procurement Guideline Items Containing Recovered Materials* (DLA's CPG guidance), 1998, and any revised versions.
6. DOE's Federal Energy Management Program *Buying Energy Efficient Products*, December 1998 and as revised.
7. GSA Purchase Card Contract, GS23F98002.
8. DoD Financial Management Regulation, DoD 7000.14-R, Volume 5, Disbursing Policy and Procedures. Note: The current version is available on-line only and can be found at <http://www.dtic.mil/comptroller/fmr/>.

B. PURPOSE. This instruction establishes policy for the use of the Government-wide Commercial Purchase Card.

C. APPLICABILITY AND SCOPE. This instruction applies to the HQ DLA and all DLA field activities.

D. DEFINITIONS.

1. Accountable Property. All minor and capital property with an acquisition cost equal to, or above, the micro purchase threshold. This also includes nonexpendable items that are classified, sensitive, and/or hazardous, regardless of cost.
2. Authorizing Official (A/O). The Head of the Contracting Activity (HCA) or authorized designee. The A/O, designated herein, is responsible for (i) delegating authority for purchase card use, (ii) establishing the cardholder's single purchase dollar limit, and (iii) ensuring coordination of the purchase card program with the cognizant finance office prior to final implementation. The Executive Directorate of Procurement (DLSC-P) delegates this authority to the Chief of the Contracting Office for the activities listed in DLAD 4105.1, Section 2.101 not designated as Contracting Activities.
3. Agency/Organization Program Coordinator (A/OPC). The A/OPC oversees the local purchase card program, serves as liaison between the DLA/HQ APC, cardholder and U.S. BANK I.M.P.A.C. GOVERNMENT SERVICES, and approves changes to authorized merchant type codes. All changes to dollar limitations or authorized merchant codes must be submitted to U.S. BANK I.M.P.A.C. GOVERNMENT SERVICES by the A/OPC. The A/OPC is appointed by the A/O. The A/OPC is normally an individual within the activity's office of installation services or within the local purchase contracting office that is responsible for support to the cardholder's organization. He/she will serve as the focal point for purchase card applications, cancellation/destruction of purchase cards, and determination of required

U.S. BANK I.M.P.A.C. GOVERNMENT SERVICES reports and changes thereto. In addition, he/she will be responsible for ensuring that cardholders receive required training and for establishing/changing spending limits (both single purchase and monthly). The DLA/HQ APC has oversight responsibility over the local A/OPC. In the absence of the local A/OPC and alternate, the HQ APC will assume the responsibility.

4. Billing Official (BO). The BO (also known as Approving Official/Certifying Official) or his/her designated alternate, is the individual who (a) reviews, approves, and certifies the cardholder's monthly statement of purchases charged to the card, (b) serves as liaison with the individuals identified in this section, and (c) is responsible for notifying the A/OPC when a card is to be cancelled. The billing official should be the cardholder's contracting officer, supervisor, or other higher level official. A cardholder cannot be his/her own billing official, nor can an individual be a BO for his/her supervisor. The BO and the A/OPC should not be the same individual. The BO shall also be the Purchase Card Certifying Officer as identified in Purchase Card Reengineering Implementation Memorandum #1, Change 1.

5. Cardholder. The individual delegated authority by the A/O to utilize the purchase card for authorized purchases. The purchase card will bear the individual cardholder's name and may be used only by that individual. Cardholders shall also be the Purchase Card Accountable Official as defined in Purchase Card Reengineering Implementation Memorandum #1, Change 1.

6. Comprehensive Procurement Guideline (CPG) products. *DLA's CPG guidance* lists the environmentally preferable products and services that Federal personnel are to purchase in lieu of products made with virgin material. DLA's CPG guidance may be obtained on the web site at http://www.dla.mil/dss/dss-e/caaenew/p2/affirm_procure.htm or by calling DSN 427-6253 Comm: (703) 767-6253.

7. Designated Billing Officer (DBO). The DBO is an individual within the cognizant Defense Finance and Accounting Service (DFAS) billing office responsible for ensuring that payment for purchase card charges is made by the activity. The DBO ensures that payment is made after the billing official has certified the monthly statements, maintains required accounting records and serves as the focal point for resolving financial problems concerning purchase card payments.

8. Energy Efficient. Products that reduce energy consumption over standard alternatives.

9. Energy Efficient Products (buying). DOE's Federal Energy Management Program's (FEMP) *Buying Energy Efficient Products* contains product energy efficiency recommendations for products that Federal Personnel are to use when purchasing energy-consuming equipment. DOE's FEMP recommendations may be obtained at <http://www.eren.doe.gov/femp/procurement> or by calling (202)586-4858.

10. Expendable Item. An expendable item is an item of relatively low value, or which is consumed after being used.

11. Environmentally preferable. Means products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose.

12. Foreign Drafts. A draft "checking" account utilized at overseas locations only. The draft is issued in foreign currency. Utilization of Foreign Drafts requires installation of USBank's Global Connections software.

13. I.M.P.A.C. An acronym that stands for International Merchant Purchase Authorization Card. This is the official name of the Government purchase card and is printed on the backside of all purchase cards furnished by U.S. BANK I.M.P.A.C. GOVERNMENT SERVICES. These initials also appear on most forms provided by U.S. BANK I.M.P.A.C. GOVERNMENT SERVICES.

14. Merchant Type Code. U.S. BANK I.M.P.A.C. GOVERNMENT SERVICES has established a code for each type of merchant, according to the type of supplies and services provided.

During account set-up, the activity will provide U.S. BANK I.M.P.A.C. GOVERNMENT SERVICES with the merchant type codes from which the cardholder is authorized to charge purchases.

15. Purchase Card Convenience Checks. Purchase card convenience checks (referred to in this document as "I.M.P.A.C. checks") are check-writing instruments issued by USBank.

16. Statement of Account (SOA). At the close of each 30-day billing cycle, a SOA (i.e., monthly statement) is provided by U.S. BANK I.M.P.A.C. GOVERNMENT SERVICES to each cardholder. This statement itemizes each transaction which was charged or credited to the cardholder's account and which was billed by the merchant during the 30-day billing cycle.

17. U.S. BANK I.M.P.A.C. GOVERNMENT SERVICES. The contractor who formally maintains all I.M.P.A.C. accounts, issues purchase cards, and provides monthly statements to cardholders, billing officials, and designated billing offices. U.S. BANK I.M.P.A.C. GOVERNMENT SERVICES pays merchants for cardholder charges and is, in turn, reimbursed by the cognizant DFAS paying office.

E. PROCEDURES.

1. Purchase Card Procedures

a. Government-wide Commercial Purchase Card. The I.M.P.A.C. purchase card is the primary method of purchase for over-the-counter or telephone/electronic purchases when the supplies or services are immediately available and a single delivery and payment will be made, and that are within micro-purchase dollar limits at subparagraph g(1)(b) below. It shall also be used as the method of payment for all awards/orders valued at or below \$2,500. The decision to not utilize the I.M.P.A.C. card as a purchase or payment instrument for purchases at/below \$2500 requires a written determination by an SES, or General/Flag Officer. If an activity does not have a resident SES/General Officer, the authority to make this determination is delegable to the level of the senior local commander or director. The mandatory usage requirements previously mentioned in this paragraph do not apply to wholesale stock fund purchases. (Based on their extensive use of automated/electronic systems, wholesale stock fund purchases have been granted a waiver to mandatory usage of the I.M.P.A.C. card). The mandatory usage requirements also do not apply to 1) purchases where the place of performance is entirely outside of any state, territory, or possession of the U.S., District of Columbia, and the Commonwealth of Puerto Rico; 2) in the case of SF44s, for aviation fuel or oil purchases; overseas transactions by contracting officers in support of a contingency operation as defined in 10 U.S.C. 101(a)(13) or a humanitarian or peacekeeping operation as defined in 10 U.S.C.2302(7); transactions in support of intelligence and other specialized activities addressed by Part 2.7 of Executive Order 12333; or training exercises in preparation for overseas contingency, humanitarian, or peacekeeping operations; 3) if accommodation (i.e. I.M.P.A.C) checks are used for payment; and 4) for transportation bills.

b. The purchase card may also be used to pay for orders against established contracts and agreements (e.g., Federal Supply Schedules, blanket purchase agreements, and indefinite delivery-type contracts), if authorized by the terms of the contract or agreement, up to the simplified acquisition threshold, and for products listed in DLA's policy directives and guidance. The purchase card may also be used for overseas purchases up to \$25,000 IAW DFARS 213.301. The I.M.P.A.C card is also encouraged for use as a payment vehicle for contracts that exceed the micropurchase threshold, subject to the inclusion of such provisions in the terms and conditions of the applicable contract. Additionally, the purchase card shall also be the means of payment for all commercial training requests using DD Form 1556 valued at or below \$25,000. (If the I.M.P.A.C. card is not used as the method of payment for DD Form 1556 training valued at/below \$25,000, a waiver must be obtained from J-19.)

c. Use of a purchase card does not negate the applicability of acquisition regulations, which govern Government purchases (for other than DD Form 1556 training). Of particular note, utilization of the purchase card does not eliminate 1) FAR Part 8 requirements specifying orders of precedence Government organizations will adhere to when acquiring needed supplies and services, and 2) ordering requirements for items specified in the CPG and DOE FEMP. Without exception, the card may only be used to pay for

authorized Government purchases. UNDER NO CIRCUMSTANCES WILL THE PURCHASE CARD BE USED FOR CASH ADVANCES.

d. Setting up the Purchase Card Account.

(1) Billing Official and Cardholder accounts will be established with U.S. BANK IMPAC GOVERNMENT SERVICES by A/OPCs. Accounts will not be established until requisite training has been completed. Accounts may be established using account maintenance forms provided by I.M.P.A.C. or electronically via Customer Automation and Reporting Environment (C.A.R.E.)(when operational).

(2) Authorized merchant type codes, Single Purchase Limit, and Billing Cycle Monthly Limit will be determined by the A/OPC, after coordination with the billing official, and shall be provided to U.S. BANK I.M.P.A.C. GOVERNMENT SERVICES during the account set-up process. These codes will preclude purchases from unauthorized merchant types (e.g., restaurants and jewelry stores).

e. Delegation of Authority. The authorizing official may delegate authority to use a purchase card or convenience checks/foreign drafts to pay for authorized Government purchases to individuals who have a need for such authority and who have completed the mandatory training requirements set forth in subparagraph d below. In addition, the authorizing letter will designate a single purchase dollar limit for each cardholder within the limit set forth at subparagraph g(2) below. A sample authorization letter is provided at [Enclosure 1](#). Billing Officials shall be appointed by the Authorizing Official using the format specified at [Enclosure 2](#) and shall complete a DD Form 577 (Signature Card). The completed appointment form and DD Form 577 shall be submitted by the Authorizing Official to DFAS. Additionally, DLA activities shall not accept cards from outside agencies in order to execute purchases on behalf of that outside agency unless 1) the applicable DLA activity authorizing official approves such action, and 2) DLA purchase card procedures are utilized for the purchases. Under no circumstances shall DLA field activities issue cards to outside agencies unless the HCA from the issuing activity is also the HCA of the card receiving activity.

f. Training Requirements.

(1) Individuals delegated procurement authority are procurement officials, as defined under Section 27 of the Office of Federal Procurement Policy Act. The term procurement official does not include contracting officers (e.g., cardholders) if their authority is limited to the micro-purchase threshold (\$2,500).

(2) Prior to issuance of a purchase card, prospective cardholders and their cognizant billing officials must have successfully completed specifically developed acquisition training to include, as a minimum, coverage of the following essential elements:

- (a) Cardholder and billing official responsibilities;
- (b) Operating procedures and documentation requirements;
- (c) Required sources of supplies and services and their order of precedence as prescribed in FAR Part 8 and DFARS 208;
- (d) Equitable distribution among qualified suppliers;
- (e) Prohibition against splitting requirements;
- (f) Competition and price reasonableness;
- (g) Financial accountability requirements;
- (h) Awareness training of the DOE FEMP and energy efficient products;
- (i) Required CPG products in lieu of products made with virgin material as listed in reference A5, and reporting requirements.
- (j) Ethics and reporting suspected ethical violations/fraudulent activities.
- (k) Operations of USBank Global Connections software (only if Foreign Drafts will be utilized)

(3) A/OPCs are responsible for providing the required training. The A/OPC may develop activity specific training, or may utilize that available from IMPAC, supplemented as necessary for DLA/Activity procedures. GSA training materials are available at <http://www.fss.gsa.gov/webtraining/trainingdocs/smrtpaytraining.cfm>. USBank training materials are available at http://www.usbank.com/cgi/cfm/impac/impac_login.cfm. A/OPCs shall also retain evidence of successful training completion by assigned B.O.s and cardholders.

(4) Individuals who have completed the Purchasing Fundamentals Course (PUR 101) or the Contracting Fundamentals Course (CON 101) (or equivalents as specified in the Defense Acquisition University catalog) need not complete the acquisition portion of the training (f)(2)(c), (d), (e), (f). Cardholders having single purchase limits in excess of the micro-purchase threshold (currently \$2,500), and their billing officials, must complete either PUR 101 or CON 101 (or equivalents as specified in the DAU catalog). [Note: See paragraph E.1.g.(2)(b) below for authorized purchases that may exceed the micropurchase threshold]. If cardholders can't attend one of the previously mentioned DAU courses required for cardholders with single purchase limits exceeding \$2,500, AOPCS may authorize alternate formal training courses. While the acceptability of specific courses is left to the discretion of the AOPC, the courses must include training on FAR Part 8 requirements for utilization of Federal Supply Schedules and DFARS 204.670 Contract Reporting Requirements. Cardholders who only process DD 1556s for training need not complete PUR 101 or CON 101 regardless of dollar threshold. However, this type of cardholder may be required to complete additional training as directed by the applicable training office.

(5) Refresher training is required at least every 2 years for all cardholders and billing officials. A/OPCs are responsible for providing the required training as stated in this instruction, as well as retaining evidence of all required training.

g. Purchase Card Dollar Limits. The following guidance applies in establishing dollar limits for the use of purchase cards. Cardholders shall not split required quantities or payments in order to stay within the single purchase limit.

(1) Cardholder Single Purchase Limit:

(a) The cardholder single purchase limit is a limitation on each IMPAC purchase made by the cardholder. This limit shall be established for each cardholder by the A/OPC and shall not exceed the dollar limits set forth in subparagraph (2) below. The

cardholder single purchase limit cannot be exceeded. When establishing this limit, consideration should be given to such factors as the employee's grade, job series, geographical location (proximity to a contracting office), and type/average dollar value of anticipated requirements that will be purchased.

(2) The DLA Single Purchase limit:

(a) the micro-purchase threshold, currently \$2,500 (\$2,000 for construction), for actions not described in (2)(b)and(c).

(b) \$100,000 for each order that is placed against an existing government contracting instrument (FSS or indefinite delivery-type contracts), and for payments to other Government agencies (e.g., the Government Printing Office for publication of synopses in the *Commerce Business Daily*, and *Supply Center Catalogs*). Orders against existing government contract instruments utilizing the IMPAC card as a purchase vehicle are authorized only if: 1) the schedule/contract's terms and conditions authorize the card as an ordering instrument and the order complies with all applicable terms and conditions; 2) the cardholder's authorized Merchant Type Code(s) are consistent with the items being procured; 3) the cardholder meets the contract's definition of an "authorized ordering officer"(or similar restriction as to who is authorized to purchase from the particular contractual instrument)and has been delegated such procurement authority; and 4) the order is not otherwise prohibited in this document or referenced documents. Activities that authorize cardholder single purchase limits in excess of the micropurchase threshold are responsible for all required contract reporting (i.e. DD Form 1057/DD350) and any applicable FAR (and supplements) requirements for such purchases.

(c) The purchase card may be used for overseas purchases up to \$25,000 IAW DFARS 213.301. Note that this dollar limit does not constitute a raising of the micro-purchase threshold. Therefore, all overseas purchase card usage between \$2,500 and \$25,000 where the card is used as the purchasing instrument (i.e., in lieu of a purchase order/delivery order) requires adherence to all FAR/DFARS requirements for competition, reporting (i.e., DD 1057), etc.

(3) Billing Cycle Monthly Purchase Limit. This limit is a monthly budgetary limit established by the A/OPC for each cardholder. When determining this limit, consideration should be given to historical purchasing levels, estimated future requirements and bulk funding commitments. The A/OPC shall coordinate the monthly limit with the BO and the cognizant DFAS paying office. The total dollar value of purchase card purchases for any single month may not exceed the billing cycle purchase limit set by the A/OPC.

(4) Billing Cycle Office Limit. This is a budgetary limit established by the A/OPC for purchases that make payment through use of the purchase card. It shall not exceed the sum of the billing cycle purchase limit for all cardholders for whom the billing official is responsible.

h. Authorized Use of the Purchase Card.

(1) The unique I.M.P.A.C. card is embossed with the cardholder's name and shall be used only by the person whose name appears on the card to pay for authorized Government purchases. To avoid mistaking the card for a personal purchase card, it has been imprinted with the seal of the United States and the words "United States of America."

(2) The card may be used to pay for the purchase of authorized Government requirements within the dollar limits cited in this instruction, except for the supplies and services set forth in subparagraph i. below. To ensure that only authorized purchases are paid for by use of the card, authorization codes for purchase limits and merchant types will be established for each cardholder/billing official and provided to U.S. BANK I.M.P.A.C. GOVERNMENT SERVICES during the account set-up. Under normal circumstances, merchants are required to obtain authorization from U.S. BANK I.M.P.A.C. GOVERNMENT SERVICES only when a charge exceeds \$50. However, many merchants now use electronic authorization methods that allow them to obtain authorization for all charges, regardless of dollar amount. When authorization is sought by the merchant, U.S. BANK I.M.P.A.C. GOVERNMENT SERVICES will check each individual cardholder's single purchase and billing

cycle purchase limit, the billing official's billing cycle office limit, and the merchant type before authorization for that transaction will be granted.

(3) When accountable property is purchased, the property accountability procedures in DLAD 4160.9, *Retail Supply and Property Accountability* must be followed.

i. Limitations on the Use of the Card. The card shall **NOT** be used to purchase or make payment for purchases of:

- (1) **Cash advances;**
- (2) **Rental or lease of motor vehicles in conjunction with temporary duty travel;**
- (3) **Rental or lease of land or buildings, except short term conference or meeting facilities;**
- (4) **Airline, bus, train, or other travel related tickets;**
- (5) **Meals, drinks, lodging, or other travel/subsistence costs;**
- (6) **Fuel or oil for interagency fleet management vehicles in the GSA Fleet Management program;**
- (7) **Repair of interagency fleet management vehicles in the GSA Fleet Management program;**
- (8) **Telecommunications (telephone) services** such as FTS 2000 or DSN (unless coordinated with the Activity's communications OPR);
- (9) **Hazardous materials (HAZMAT)** (unless authorized by and procured in accordance with the facility's HAZMAT pharmacy or HAZMAT manager's procedures). [Note: Materials are not always evident as being HAZMAT. Guidance in this area should be provided by A/OPC's to assigned cardholders regarding applicable field activity HAZMAT procedures];
- (10) **Recurring Services.** Services that are regularly performed on an installation should not be split into individual procurements for each occurrence in order to purchase such services with the IMPAC card. Examples of such recurring services includes installation trash/waste removal, building cleaning, and foodservices. However, the purchase card can be used as a payment vehicle on the purchase order/contract for such services subject to contract payment clauses and the provisions contained herein);
- (11) **Information technology equipment not in compliance with all applicable Y2K compliance directives;**
- (12) **Items that don't meet the CPG guidelines** unless a waiver is first obtained as identified in the DLA CPG guidance. (Note: the DLA E-Mall is the preferred means of procuring DLA managed CPG and energy efficient items. DLA managed CPG items are toner cartridges, re-refined oil, plastic lumber, sorbents, and mats. GSA is the preferred means of procuring other CPG items.)
- (13) **Split requirements.** Cardholders shall not divide a purchase of known requirements into multiple buys in order to circumvent the \$2500 micropurchase threshold.
- (14) **Food** - Without statutory authority, appropriated funds are not available to pay subsistence or to provide free food to government employees at their official duty stations or vicinity. Consult legal counsel for acceptability before any purchase card transaction involving food.
- (15) **Gifts** - Appropriated funds may not be used for personal gifts unless there is specific statutory authority to do so (68 Comp. Gen. 226, 1989). This includes "novelties" often encountered such as key chains, coffee mugs, etc. Consult legal counsel for acceptability before any purchase card transaction involving gifts.

(16) **Memberships/Subscriptions** - Appropriated funds may not be used to pay membership/subscription fees of an employee of the United States or District of Columbia in a society or association (5 USC 5946) regardless of the resulting benefit to the agency. An activity may purchase a membership/subscription in its own name upon an administrative determination that the expenditure would further the authorized activities of the agency and this is not affected by any incidental benefits that may accrue to individual employees. Consult legal counsel for acceptability before any purchase card transaction involving memberships/subscriptions.

(17) **Cellular Phones/Pagers** - While there are no purchase card specific prohibitions on purchasing cell phones/pagers, local policies should exist restricting types, who they may be purchased for, types of services to be obtained, etc. Consult with your telecommunications OPR.

(18) **Cash Returns/Refunds** - Cash refunds shall not be utilized for returned items. Rather, vendors should apply a credit to the applicable card account.

j. I.M.P.A.C. Checks/Foreign Drafts. I.M.P.A.C. checks/Foreign Drafts are an alternative to cash for official expenses previously using imprest funds. Purchase card I.M.P.A.C. checks/Foreign Drafts shall **not** be issued for more than \$2500.00 (see **(6)(e)** below), and shall only be used **after** the IMPAC card and other procurement vehicles have been determined unusable. DoD purchase card I.M.P.A.C. checks shall be established as "cardless accounts" under the purchase card (I.M.P.A.C.) account and number.

(1) The minimum requirements needed to establish a local check-writing (i.e. I.M.P.A.C. Check or Foreign Draft) capability are as follows:

(a) The use of I.M.P.A.C. checks or Foreign Drafts must be considered advantageous to the activity after evaluating all alternatives to accomplish the same purpose;

(b) Maximum efforts must have been made to find and use vendors that accept the purchase card (I.M.P.A.C.) as the primary payment vehicle (ex. use electronic or telephone catalog ordering coupled with overnight delivery);

(c) The authority to maintain a check-writing system (checkbook) was coordinated through the AOPC and justified on an individual organization basis by the Commander/Director of an installation. Delegations of authority to maintain and use I.M.P.A.C. checks/Foreign Drafts shall be issued in writing specifically to the activity billing/certifying official, check custodian, and cashier/foreign draft account holder by the Commander/Director. Delegations shall be consistent with the purchase card formats specified in enclosures 1 and 2.

(d) The number of checkbooks or Foreign Draft accounts shall not exceed one per DLA activity at each installation;

(e) Activities shall first hold an active (in good standing) purchase card prior to approval of a I.M.P.A.C. Check account. Separate accounts between checkbook/Foreign Draft and purchase card shall be maintained;

(f) Activities shall maintain appropriate internal controls over I.M.P.A.C. checks/Foreign Drafts, to include an approval authority that is at least one level above the check writer;

(g) Each I.M.P.A.C. Check/Foreign Draft account shall be audited quarterly on an unannounced basis by an officer or equivalent DoD civilian employee who is independent of the office maintaining the account.

(2) Conditions for Establishing an I.M.P.A.C. Check or Foreign Draft Account:

(a) Designation of Activity Billing/Approving/Certifying Official

(i) The activity billing/certifying official shall be appointed by the Authorizing Official to authorize and certify the issuance of I.M.P.A.C. checks/Foreign Drafts by cashiers.

(ii) In order to maintain effective internal controls, the activity billing/certifying official may not perform functions of I.M.P.A.C. Check/Foreign Draft custodian or cashier/account holder.

(iii) The activity billing/certifying official shall be held accountable and pecuniarily liable for the accuracy of the payments.

(iv) In the case of purchase card I.M.P.A.C. checks and Foreign Drafts, the "I.M.P.A.C. card billing official" is the same as the activity billing/certifying official.

[1] The activity billing/certifying official shall be designated as the billing (invoicing) official and shall receive and certify payment of the billing statement (invoice) to the appropriate paying activity (e.g., a DFAS operating location).

[2] Also, I.M.P.A.C. Check and Foreign Draft accounts shall be established with billing/certifying official accounts separate from billing official accounts for purchase cards.

(b) Designation of I.M.P.A.C./Foreign Draft Check Custodian:

(i) The custodian shall be appointed by the activity's Authorizing Official to order, receive, store, issue, inventory, reconcile and dispose of check stock. [Each activity has the discretion of identifying the minimum grade level for its check custodians.]

(ii) Each I.M.P.A.C. Check/Foreign Draft account shall be under the custody of one individual who is not responsible for originating, approving, and processing the requirement for a check. An alternate custodian may be appointed with the same authorities as the principal custodian; however, the alternate is to act only in the absence of the principal.

(iii) Both principal and alternate custodians, as applicable, may be held pecuniarily liable for account transactions under their control.

(iv) The I.M.P.A.C. Check/Foreign Draft custodian may perform the functions of the I.M.P.A.C. Check cashier/Foreign Draft Account Holder.

(c) Designation of Foreign Draft Approver

(i) Foreign Draft Accounts require the appointment of an Approver. The Approver is responsible for accessing USBank's Global Connections and electronically approving the issuance of a Foreign Draft that has been previously prepared by the Account Holder. The Approver is also responsible for printing the Foreign Draft once approved. This individual may be the Billing Official. Under no circumstances will the Approver be the same individual as the Account Holder.

(d) Designation of I.M.P.A.C. Check Cashier/Foreign Draft Account Holder:

(i) The cashier shall be appointed by the activity's Authorizing Official to inscribe (print), sign and issue checks. [Each DoD Component may establish a minimum grade level for its accommodation check cashiers.] In the case of Foreign Drafts, the Account Holder is appointed by the Authorizing Official and is responsible for preparing the Foreign Draft within USBank's Global Connections for the Approver's review, signs the Foreign Draft after the Approver has concurred and has printed the Draft, presents it to the merchant, and reconciles the draft on the account statement.

(ii) The I.M.P.A.C. Check cashier/Foreign Draft Account Holder may perform the functions of the I.M.P.A.C. Check custodian.

(iii) Only one named person shall be designated as the I.M.P.A.C. Check cashier/Foreign Draft Account Holder, and have authority to sign and issue I.M.P.A.C. checks.

(iv) An accommodation check cashier/Foreign Draft Account Holder may hold an I.M.P.A.C. purchase card as long as separate accounts are maintained and the policies and procedures established herein are observed.

(v) The cashier/Foreign Draft Account Holder may be held pecuniarily liable for account transactions under their control.

(e) Designation of Foreign Draft Security Officer:

(i) The security officer is responsible for 1) receipt of USBank's Global Connections software, 2) setup of new users, and 3) exercising system override capabilities as necessary. The security officer shall be the cognizant AOPC.

(3) I.M.P.A.C. checks/Foreign Drafts may be used for purchases of \$2500.00 (\$2000 for construction) or less when:

(a) Supplies or services are available for delivery within 15 days whether at the contractor's place of business or at destination;

(b) The purchase does not require detailed technical specifications or inspection;

(4) I.M.P.A.C. checks/Foreign Draft may be used for purposes other than purchases when such expenditures are authorized by other regulations, such as:

(a) Delivery charges associated with a purchase made with a I.M.P.A.C. Check when the contractor is requested to arrange for delivery, providing the charges are determined reasonable and acceptance is in the best interest of the government;

(b) C.O.D. charges for supplies ordered for payment with a I.M.P.A.C. Check upon delivery;

(c) Civilian volunteers for participation in approved medical research projects;

(d) Travel advances when no disbursing official is available in the immediate area to effect payment, and the traveler does not have access to travel advances via automated teller machines through the Government-wide travel card;

(e) Local travel expenses (e.g., mileage allowance for travel in and around his or her permanent duty station not under travel orders) when no disbursing official is available in the immediate area to effect payment;

(f) Transportation charges (not related to purchases);

(g) Payments to prisoners;

(h) Transportation passes or tokens.

(5) I.M.P.A.C. checks/Foreign Drafts are prohibited from use for:

(a) Payment of salaries and wages;

(b) Travel advances or any other advances except as authorized above in f(4)(b);

(c) Payment of travel claims (except for claims for local travel not under orders, when a disbursing officer is not available in the immediate area to effect payment);

(d) Payment of public utility bills;

(e) Purchase from contractor's or contractor's agents who are military personnel or civilian employees of the government;

(f) Repetitive purchases from the same contractor when another method of purchase, such as a purchase card or blanket purchase agreement, would be more appropriate;

(g) Payment of spot awards.

(6) Additional Conditions of Usage:

(a) I.M.P.A.C. Check/Foreign Draft accounts shall be "bulk funded" in accordance with "Advance Reservation of Funds" policies delineated in "Purchase Card Reengineering Implementation Memorandum #3: Streamlined Financial Management Procedures-Change 1", dated June 30, 1998;

(b) Check/Draft amounts shall not exceed \$2500.00 per check and always be issued for the exact amount (**see (e) below**). Requirements/payments shall not use more than one check to meet the \$2500.00 restriction;

(c) Checks/Drafts shall not be issued as an "exchange-for-cash" vehicle;

(d) Checks/Drafts may be mailed so long as internal procedures are in place to avoid duplicate payments to payees;

(e) I.M.P.A.C. checks/Drafts may be used for payments in overseas transactions up to \$10,000 in support of contingencies declared by the Secretary of Defense.

(f) Issuing activities are responsible for all administrative costs associated with the use of I.M.P.A.C. checks/Foreign Drafts.

(g) Activities shall complete IRS Form 1099-MISC reporting for all payments for services utilizing I.M.P.A.C. checks. This information must be provided to DFAS.

2. Acquisition Procedures

a. Regulatory Requirements

(1) All purchases that are made using Government-wide commercial purchase cards are subject to all applicable acquisition regulations in the FAR, DFARS, and DLAD and must be authorized and documented accordingly. In the event there is a conflict between the regulatory guidance contained in this instruction and the FAR, DFARS, and DLAD, the FAR, DFARS, and DLAD guidance will take precedence.

(2) Regardless of whether the purchase is made by telephone, over-the-counter, or by issuance of a written order, the cardholder must:

(a) Ensure that funds are available and that requirements are approved, prior to making the purchase in accordance with local procedures. Written pre-approval at one level above the individual making the purchase request is required for all purchases outside of routine office supplies.

(b) Obtain supplies or services in accordance with the priorities for use of Government supply sources contained in FAR Part 8. When purchasing from other than FAR Part 8 sources, waivers must be obtained prior to making the purchase (when applicable), and, in all cases, the file must be documented explaining why these mandatory sources were not used. Far Part 8 sources, in order of priority, are as follows:

(i) For supplies:

[1] Agency inventories;
[2] Excess from other agencies;
[3] Federal Prison Industries, Inc;
[4] Products available from the Committee for Purchase From People Who Are Blind or Severely Disabled;
[5] Wholesale supply sources, such as stock programs of GSA, DLA, the Department of Veterans Affairs, and military inventory control points;

[6] Mandatory Federal Supply Schedules;

[7] Optional use Federal Supply Schedules;

[8] Commercial sources (including educational and nonprofit institutions).

(ii) For services:

[1] Services available from the Committee for Purchase From People Who Are Blind or Severely Disabled;

[2] Mandatory Federal Supply Schedules;

[3] Optional use Federal Supply Schedules; and

[4] Federal Prison Industries, Inc., or commercial sources (including educational and nonprofit institutions).

Note: Federal Prisons Industries' (UNICOR) web page, which provides product and ordering information, can be located at www.whc.net/iwbnb/uncovered.htm. National Industry for the Blind and National Industry for the Severely Handicapped products and ordering information can be accessed at www.jwod.gov/links.htm.

(c) For over-the-counter purchases, certify that the quantity and quality of the items/services received are in accordance with the agreement (verbal or written) with the vendor, and products are environmentally preferred products in accordance with DLA's CPG guidance.

(d) Ensure that the fee paid to U.S. BANK I.M.P.A.C. GOVERNMENT SERVICES by merchants is not added as a separate element to the price of items or services purchased by cardholders. This fee should already be in the merchant's price as it is a cost of doing business (overhead cost). Any separate fee charged by the merchant is considered "double" billing and is not an acceptable cost.

(e) Each acquisition of supplies/services, which has an anticipated value in excess of \$2,500 but less than the \$100,000, shall be conducted in accordance with the procedures in FAR Part 8, 12, and 13.

b. Telephone or Over-The-Counter Purchases

(1) "Oral procedure," as used in these instructions, means a procedure in which (i) an order is placed or a purchase is made through an oral agreement which is made in person (over-the-counter) or by telephone, (ii) no written purchase order or contract is issued by the Government, (iii) the supplies or services are provided by the vendor, (iv) payment is made using the I.M.P.A.C. card.

(2) Oral procedures may be used to acquire supplies or services that can be described in sufficient detail so that the parties to the agreement have a clear understanding of what is being acquired, PROVIDED that the oral procedure is authorized in the FAR or DFARS (e.g., orders under Federal Supply Schedules, calls against blanket purchase agreements, and orders under indefinite delivery contracts), or a written order or contract is not required by either the supplier or the Government. The purchase card is an authorized oral procedure. Note: Payments shall not be made in advance of delivery.

(3) The following conditions apply to use of the card:

(a) The general policy is that items ordered by telephone or over-the-counter must be immediately available (e.g., will be delivered by the merchant prior to the end of the 30-day billing cycle). Exceptions to this policy may be made for authorized purchases on a case-by-case basis by the billing official. Items ordered, if on the CPG list, must be ordered in accordance with DLA's CPG guidance. Items that consume energy should, at a minimum, meet the DOE's *FEMP Buying Energy Efficient Product Recommendations* recommended efficiencies in that product category.

(b) When purchasing items by telephone or over-the-counter, the cardholder shall inform the merchant that the purchase is for official U.S. Government purposes and, therefore, not subject to state or local sales tax. The purchase should **not** be made if the vendor refuses to omit taxes from the final purchase price. For additional clarification, the face of the card is imprinted with "U.S. GOVT TAX EXEMPT."

(c) The vendor must agree to process the charge to the purchase card account at the time of shipment. This will allow the cardholder to reconcile receipt of the supplies in a timely manner.

(d) Orders utilizing purchase cards will be documented on a log (see [enclosure 3](#)). If the purchase exceeds \$2,500 and, therefore requires competition, the purchase will be documented on an abstract. The documentation shall be attached to the billing official's file copy. The approving official will retain the documentation in accordance with FAR Part 4.805 and DFARS 204.8.

(e) The shipping document or packing slip shall include the cardholder's name, address, telephone number and correspondence symbol, and the term "Payment by Purchase Card." This information will allow the receiving offices and the requisitioner to contact the cardholder if a problem arises with an item.

(f) If the item is listed in DLA's CPG guidance or DOE's FEMP *Buying Energy Efficient Products Recommendations*, ensure the shipping document includes the name, quantity, and price of the specific CPG items and/or virgin products, and FEMP items to meet tracking and reporting requirements.

c. Purchase Card Use with a Written Order/Contract. On written orders with payment by purchase card, the vendor will be provided the purchase card information orally, either in person or by telephone, and "Payment Will Be By Government Purchase Card" will be on the face of the order. DO NOT INCLUDE SPECIFIC INFORMATION FROM THE CARD IN THE WRITTEN ORDER (to prevent misuse of the purchase card number). Purchase card orders must be issued in accordance with the terms of the contract. In addition to the normal distribution of the order, one copy will be provided to the vendor and one will be maintained by the contracting officer (cardholder) for use in certifying the monthly billing statement.

3. Accounting and Finance Procedures

a. Commitment and Obligation of Funds

(1) The I.M.P.A.C. commercial purchase card is intended to streamline payment procedures and reduce the administrative burden associated with purchasing of supplies and services within the simplified acquisition threshold. The purchase card may be used for payment purposes with either the Defense Business Operations Fund or operations and maintenance funds. No separate funding of purchase card purchases, as an identifiable category, will be made.

(2) Advance reservation of funds shall be established by the cognizant resource manager, in conjunction with the assigned A/OPC, and should be considered when setting office and cardholder purchase limits.

(3) Each I.M.P.A.C. card shall employ a single line of accounting.

b. Documentation, Reconciliation, and Payment

(1) When a purchase is made by telephone or over-the-counter and payment will be by purchase card, the following documents must be retained as proof-of-purchase. These documents will be used to verify the purchases shown on the cardholder's monthly statement.

(a) For over-the-counter purchases, the cardholder will obtain a customer copy of the charge slip for use as the accountable document and ensure that all carbons are destroyed.

(b) For telephone purchases the cardholder will document the transaction on a log ([Enclosure 2](#)) and retain any associated shipping documents for use in reconciling the cardholder's monthly statement.

(c) The HCA or authorized designee shall determine Activity documentation requirements (in excess of that specified for purchase card utilization) for orders that exceed the micropurchase threshold(see E.1.g.(2)(b)) off of existing government contractual vehicles.

(2) U.S. BANK I.M.P.A.C. GOVERNMENT SERVICES will provide the following monthly statements within 5 working days after the end of the 30-day billing cycle.

(a) Cardholder Statement of Account (SOA) - Printed on the billing cycle date for any Cardholder that had activity during that cycle period. Includes data on all charges and credits made by the cardholder during the 30-day billing cycle. This statement should be date marked upon C/H receipt.

(b) Billing Statement - The Billing Statement is the official invoice sent to the Billing Official. It should be date marked upon receipt. The billing statement provides purchase summaries for cardholders that report to him/her. The Billing Official certifies the Billing Statement and forwards to the cognizant DFAS office for payment.

(3) At the end of each monthly billing cycle, the cardholder must reconcile the information on his/her statement and add a description on the "Description" line for each item purchased. When the cardholder has completed verification, he/she will sign the statement, attach all supporting documentation (e.g., purchase card invoices, telephone logs, abstracts, associated shipping documents), and forward to the billing official or designated alternate.

(4) The cardholder will verify each charge listed on the statement. If an item has been returned and a credit voucher received, the cardholder will ensure that the credit is reflected on this or subsequent statements. If charges and/or credits are not on the first monthly statement received after the transaction is processed, the transaction documentation will be retained by the cardholder until the charge and/or credit appears on a statement. If the charge and/or credit does not appear on two consecutive monthly statements after the transaction, the cardholder must initiate a dispute by completing a Cardholder Statement of Questioned Item (CSQI) Form. A copy of the form shall be attached to the Statement of Billing.

(a) Cardholders initially shall refrain from issuing a CSQI for instances of non-receipt for recently ordered goods that appear on the SOA. The CSQI and subsequent Notification of Invoice Adjustment shall not be filed prior to attempts to resolve such cases directly with the vendor. Rather, cardholders should:

(i) Contact the vendor to validate that shipment has been made. For cases of nonshipment, items will be disputed officially only if the merchant fails to credit the account in the next billing cycle;

(ii) Make note of the nonreceipt in retained records;

(iii) If, by the time of receiving the second billing statement, receipt and acceptance of the goods can not be verified, the cardholder shall submit a CSQI.

(iv) Any remaining discrepancies shall be disputed within 60 days of the billing statement date on which the original billing of the transaction occurred.

(5) If, for some reason, the cardholder does not have documentation for a transaction, he/she must attach a memorandum for record that includes a description of the item, date of charge, merchant's name, and an explanation as to why the supporting documentation could not be provided. Items purchased that are listed in DLA's CPG guidance will be properly recorded for reporting and tracking purposes.

(6) Within 5 working days after receipt by the cardholder of the monthly statement from U.S. BANK I.M.P.A.C. GOVERNMENT SERVICES, he/she must certify its accuracy and sign and forward it to his/her billing official. If the cardholder cannot review the statement at the time of receipt, the billing official shall review and certify the cardholder's statement. However, upon the cardholder's return, the billing official will meet with the cardholder and review his/her statement to ensure its accuracy. If discrepancies are found during this review, the cardholder must immediately notify the cognizant DFAS paying office to ensure that the proper corrections are made and also contact I.M.P.A.C. customer service to initiate a dispute or complete a Cardholder Statement of Question Item (however, see (4)(a) of this section).

(7) The billing official is responsible for the following:

(a) Supplying the cognizant DFAS paying office with the date services (monthly statements) provided by U.S. BANK I.M.P.A.C. GOVERNMENT SERVICES were received and accepted. The date services were received will be the last day of the monthly billing cycle for U.S. BANK I.M.P.A.C. GOVERNMENT SERVICES. The date services were accepted will be the date the billing official signs the reverse side of the statement of account. The billing official will have no more than 3 working days to review cardholder statements, certify the billing official statement and forward to the payment office. IT IS CRITICAL THAT COMPLETE AND TIMELY INFORMATION IS SUPPLIED IN ORDER TO AVOID LATE PAYMENT PENALTIES.

(b) Certifying and signing the billing official's monthly summary statement and ensuring that charges are for purchase card purchases which are authorized and made in accordance with applicable FAR, DFARS, and DLAD regulations. However, this certification does not negate any other reviews and/or approvals required by FAR, DFARS, DLAD, or local regulations or procedures.

(c) Ensuring that supporting documentation on charges for each cardholder is retained in accordance with regulations (see FAR 4.805 and DFARS 204.8).

(d) Conducting a periodic review of the continued need for a purchase card for each cardholder under his/her cognizance.

(8) The Billing Official will send the certified Billing Statement to the cognizant DFAS paying office for each purchase card account (the B.O. shall retain a copy of this statement). When the billing office receives the certified information from the Billing Official, the official statement will be verified and adjusted in accordance with annotations and adjustments indicated on the cardholder's statement. If the cardholder has not submitted a statement 10 days prior to the payment due date, the billing office will contact the cardholder. In addition, if there is an unpaid balance in the accounts payable account for a purchase card, the billing office will request that the cardholder reconcile and verify the balance.

c. Billing Errors and Disputes

(1) If a cardholder receives a statement that lists a transaction for merchandise that has not been received or accepted, has been incorrectly charged, or includes a sales tax, the cardholder (or the billing official) will immediately contact the vendor and attempt resolution. If unresolved, the Cardholder shall complete and forward the IMPAC form, "Cardholder Statement of Questioned Items," to the disputes office contact (see 3.b.(4)(a) for items not yet received). The disputes office contact will forward the form to U.S. BANK I.M.P.A.C. GOVERNMENT SERVICES, within 5 working days of receipt, who will credit the transaction until the dispute is resolved. The cardholder must attach a copy of the form to the Cardholder Statement of Account when forwarding to the Billing Official.

(2) If an item is found to be defective upon receipt, the cardholder will request that the vendor replace or correct the item as soon as possible. If the merchant refuses to replace or correct the faulty item, the charge will be considered in dispute. Defective items in dispute are handled in the same manner as billing errors (see subparagraph (1)).

4. Safeguarding the Card.

a. Lost or Stolen Cards.

(1) As soon as the cardholder determines that a card has been lost or stolen, he/she will notify their A/OPC and U.S. BANK I.M.P.A.C. GOVERNMENT SERVICES at 1-888-994-6722 and request that the card be cancelled immediately. These numbers will be answered 24 hours per day, 7 days a week. Calls outside the U.S. may be made collect to 701-461-2232.

(2) Within 1 working day after discovering that a card is missing, the cardholder will notify the Billing Official of the loss/theft of the card and that U.S. BANK I.M.P.A.C. GOVERNMENT SERVICES has been notified.

(3) U.S. BANK I.M.P.A.C. GOVERNMENT SERVICES will mail a new card with a new account number within 24 hours after being notified of the loss or theft. A card that is subsequently found by the cardholder, after being reported lost or stolen, will be cut in half and given to his/her billing official. The billing official will complete a destruction notice on an I.M.P.A.C. Cardholder Account Update form and forward it to U.S. BANK I.M.P.A.C. GOVERNMENT SERVICES through the A/OPC.

b. Card Security. It is the cardholder's responsibility to safeguard the purchase card and account number at all times. The cardholder shall not allow anyone to use his/her card or account number. A violation of this trust will require that the card be withdrawn

from the cardholder with the possibility of subsequent disciplinary action (see paragraph f below). It is recommended that cards be safeguarded in the same manner as cash.

c. Separation of Cardholder from Activity. Upon separation of a cardholder from the activity (retirement, termination, or transfer), the cardholder will cut the card in half and surrender it to his/her approving official who will complete a cancellation/destruction notice and forward it to U.S. BANK I.M.P.A.C. GOVERNMENT SERVICES through the A/OPC.

d. Change of Billing Official. If a cardholder is transferred to an office with a different billing official, the new billing official must determine if the employee will be a cardholder within his/her office. If it is determined that a card should be retained by the cardholder, the new billing official must request, through the A/OPC, that U.S. BANK I.M.P.A.C. GOVERNMENT SERVICES change the billing official and set up a new account. If a billing official is relinquishing that function and a new billing official is replacing him/her, a change of billing official request can be submitted without the need for a new cardholder account. If it is determined that the employee should not retain a card, the procedures in subparagraph c will be followed.

e. A/OPCs shall periodically (at least twice a year) conduct reviews of 1) local activity training/procedures for currency and 2) of billing official and cardholder accounts for adherence to procedures and governing policy (i.e. utilization of mandatory sources, etc). A/OPCs shall provide a status report to the DLA APC (level 3) stating the findings of the semiannual review and any corrective actions taken. A sample report is provided at [enclosure 4](#).

f. Liability of Cardholder and Agency.

(1) DLA is not liable for any unauthorized use of the I.M.P.A.C. purchase card. "Unauthorized Use" means the use of a purchase card by a person other than the cardholder, who does not have actual, implied, or apparent authority for such use, and from which the cardholder receives no benefit.

(2) DLA will be liable for use of the purchase card by authorized cardholders making payment for official Government purchases. The billing officer appointed in writing to certify the purchase card invoice for payment shall have pecuniary liability.

(3) Intentional use of the Government-wide commercial purchase card for other than official Government business will be considered an attempt to commit fraud against the U.S. Government and may result in immediate cancellation of a card and appropriate disciplinary action against the cardholder under applicable DLA or U.S. Government administrative procedures. The cardholder will be personally liable to the U.S. Government for the amount of any non-Government purchases and subject to a fine of not more than \$10,000 or imprisonment for not more than 5 years or both under 18. U.S.C. 287.

F. RESPONSIBILITIES.

1. HQ DLA. The Executive Director, Procurement will:

- a. Establish procedures for the use of Government-wide commercial purchase cards.
- b. Provide oversight of the DLA Government-wide commercial purchase card program.

2. Field Activities. The Commanders of field activities participating in the Government-wide commercial purchase card program will assure compliance with the procedures contained in this instruction.

G. EFFECTIVE DATE AND IMPLEMENTATION. This publication is effective immediately.

H. INFORMATION REQUIREMENTS. (Reserved for future use.)

BY ORDER OF THE DIRECTOR

RICHARD J. CONNELLY
Director
DLA Support Services (DSS-D)

4 Encl.

1. [Sample Cardholder Appointment](#)
2. [Sample Billing Official/Approving/Certifying Officer Appointment Letter](#)
3. [Sample Log](#)
4. [Model Semiannual A/OPC Review Report](#)

SAMPLE CARDHOLDER APPOINTMENT

SAMPLE CARDHOLDER APPOINTMENT

MEMORANDUM FOR [Insert cardholder's name and title]

FROM: [Insert name and title of the HCA or authorized designee]

SUBJECT: Delegation of Authority for Purchase Card Use

[Insert name of individual] is hereby delegated authority to use the Government-wide commercial purchase card for official Government purchases within the single purchase dollar limitation of [insert dollar limit]. Your need for use of the purchase card will be periodically reviewed by the cognizant billing official who may order the card canceled or retained, as determined appropriate. However, this delegation will automatically terminate upon your separation from [insert name of activity].

The purchase card may be used to pay for authorized valid requirements consistent with your organizational responsibilities and your single purchase and monthly cardholder limits. All purchase card purchases must be made in accordance with applicable laws and directions, including, but not limited to, the Federal Acquisition Regulation (FAR), the DoD FAR Supplement (DFARS), DLA Acquisition Directive (DLAD), and DLAI 4105.3. Your attention is directed to the list of supplies and services in DLAI 4105.3, paragraph E.1.i. The purchase card shall not be used to pay for purchases of the supplies or services listed therein. In addition, you are not authorized to purchase supplies or services on the open market that are required to be obtained from mandatory sources of supply (see FAR Part 8).

SAMPLE BILLING OFFICIAL/CERTIFYING OFFICER APPOINTMENT LETTER

MEMORANDUM FOR (INSERT NAME OF APPOINTMENT INDIVIDUAL)

SUBJECT: Appointment as Certifying Officer

You presently occupy a position wherein your duties include the functions of a purchase card certifying officer. This memorandum is formal notification that you are hereby appointed as a purchase card certifying officer to (insert location and address of disbursing office to whom certification will be made (i.e., DFAS)).

As a purchase card certifying officer you will be responsible for certifying payment vouchers and documents for the following types of payments: Government Purchase Card Contractor invoices covering purchases and services obtained with the Government purchase Card.

You must become thoroughly familiar with your responsibilities and accountability as identified in Chapter 33, Volume 5 of the DoD Financial Management Regulation. You must acknowledge this appointment and that you have read and understand your responsibilities and accountability by signature below. In addition, you must complete DD Form 577, Signature Card for each disbursing office identified above. After completion, a signed copy of this appointment and the completed DD Form 577 must be returned to me for approval and forwarded to the disbursing office noted above. For all documents under this appointment, your signature must be in the form indicated by you in block 5 of the DD Form 577.

SIGNATURE BLOCK OF AUTHORIZING OFFICIAL

ACKNOWLEDGEMENT

In accordance with your memorandum of (insert date) I hereby execute the following statement:

"By signature hereon, I acknowledge my appointment as a certifying officer. I have read and understand my responsibilities as described in Chapter 33, Volume 5, of the DoD Financial Management Regulation. I understand that I have the right to request an advance decision under 31 U.S.C., section 3529 from the DoD Office of Deputy General Counsel (Fiscal), or designee, prior to certifying any payment which I believe to be of doubtful validity. I understand that I have the right to request relief of liability for any payment I certify that is determined to be an illegal, improper, or incorrect payment. I further understand that this appointment will remain in effect until revoked in writing by you (or your successor) or until I am transferred, separated for any reason, or retire from service."

Attached for your approval is the DD Form 577, Signature Card for each type of payment I am authorized to certify.

SIGNATURE OF CERTIFYING OFFICER

SAMPLE LOG

PURCHASE CARD ORDER LOG (SAMPLE)					1. CARDHOLDER'S NAME	2. FOR MONTH OF:
NOTE: One line per line item or as directed by the Agency Program Coordinator						
3. LOG #	4. DATE ORDERED	5. DATE DELIVERED	6. \$ AMOUNT	7. VENDOR	8. DESCRIPTION OF SUPPLIES/SERVICES	9. PROPERTY SERIAL/LICENSE NUMBER (if applicable)
I certify that I have purchased the above supplies or services in accordance with DLA credit card Procedures. I certify that, to the best of my knowledge and belief, all of my statements are true, Correct, complete, and made in good faith, and subject to Title 18 U.S. Code, Section 1001.					10. CARDHOLDER'S SIGNATURE	11. DATE

Model Semiannual A/OPC Review Report

NOTE: Replace “activity” with your activity’s name.

“Activity” Purchase Card Program Semiannual Report

ACTIVITY has __ Billing Officials and __ Cardholders. All CH’s and BO’s receive training prior to being issued appointment and delegation letters. A training certificate is completed prior to issuance of an account. In addition to training by the APC, Billing officials now complete the J8-Certifying Official on line module. In addition, all training documents can be reviewed from the **ACTIVITY** Purchase Card Web Page. CH’s and BO’s are provided updated program and policy changes regularly by the APC during refresher training. The APC retains copies of all delegation letters and training certificates. With the **exception** of cards maintained in the contracting office and those used for payment of 1556 training forms, all CH’s have a \$2,500 SP limit. In addition to each cardholder maintaining a log that monitors their monthly expenditures, **ACTIVITY** has a budget analyst assigned to the purchase card program monitoring monthly expenditures and types of purchases. The APC reviews monthly reports for possible card misuse. CH’s are required to have receipts for all purchases along with internal purchase request forms. CH’s have been instructed on processing purchases in accordance with property accountability regulations. The APC conducts on site semiannual audits on all accounts. The written report is then submitted to the Center Senior Procurement Official for review and signature. Audit report findings are sent to each BO and Regional Commanders for each respective office. Discrepancies noted in audit reviews require correction. The APC works with BO’s and CH’s to see that corrections are being made. The APC maintains a database for all account numbers that includes addresses, room and phone numbers, single and monthly purchase amounts and merchant activity codes.

We believe **ACTIVITY** has a very good purchase card program and have program procedures in place to help guard against possible fraud or misuse of the purchase card.

Summary of Discrepancies found throughout **ACTIVITY** during FY 00 Audit Reviews:

- Lack of Signature on Monthly Statements
- Documentation to support the purchase of bottle water
- Failure to obtain UNICOR waiver
- Payment of tax without supporting documentation
- Lack of vendor receipts
- Failure to complete Descriptions on CH Statements
- Failure to Date Stamp BO and CH Statements at time of receipt
- Failure to note purchase on log
- Failure to have copy of contract document to support purchase over \$2,500
- Changing Contract method for a few purchases in which the aggregate yearly amount exceeded 2,500.
- Failure of BO to sign CH statement
- Failure to coordinate ADP buys with _____ (Office Code)
- Failure to obtain waiver from DAPS when using outside vendor for printing
- Recommendations were made to several CH’s on maintaining of their log

These discrepancies may have appeared in one or more of the 22 independent audit reviews conducted. Refresher training was provided to all CH’s and BO’s at the time of the audit. To date the APC has followed up with CH’s and BO’s to make sure discrepancies have been corrected or are in the process of being corrected.