

D-Link Text:

This is an animated splash page introduction. The initial animation includes the title of the topic "Government Purchase Card" followed by the appearance of seal/logos for a number of Government departments. This animation is followed by a text pop-up that reads "to perform critical missions on behalf of the American public". The Department logos and pop-up text disappear and are replaced by the text "Lower Cost", "Smarter" and "Faster", as well as two images of warfighters using the card. These images and their associated text then disappear and are replaced by the image of a Government Purchase Card and a stack of money with the text "\$2500". This is followed by three additional related images pertaining to card use, followed by a presentation of the topic's objectives. The text for the objectives reads as follows:

This topic addresses the key players in the Government Purchase Card (GPC) program.

Upon completion of this topic, you will be able to:

Identify the key roles and responsibilities of the players involved in the GPC program.

Recognize the importance of separating GPC roles and responsibilities.

Close window to continue

Government Purchase Card: Program Overview

The GPC Program facilitates low administrative costs for purchases and payments. It streamlines payment procedures and reduces financial management charges by reducing the number of lines of accounting processed and consolidating payments. The GPC improves cash management practices such as forecasting. It provides this cash management using monthly reports, improving management controls and decision-making. It also provides a thorough audit trail of all purchases. Under Defense Federal Acquisition Regulation Supplement (DFARS) 213.270, the GPC is the mandatory method of purchase and/or payment at or below the micro-purchase threshold of \$2,500, except under limited circumstances.



The Government Purchase Card Players

Several players, both government and commercial, contribute to the effective management and administration of the GPC Program. These include:

- The marketplace
- The agency or organization
- Procurement and finance offices
- Card-issuing bank services

Let's look at each.



The Market Place

Several entities, both Government and commercial, contribute to the effective management and administration of the Government Purchase Card Program. The key player of the market place involved with the Government Purchase Card is the merchant. The merchant provides commercial goods and services, and may include other Government agencies.



D-Link Text:

This is an interactive flash module that identifies the roles of the key players involved in the use and maintenance of the Government Purchase Card. By pressing "start" you move through the chart and identify the relationships. The text that appears for each role is as follows:

Supervisor: The supervisor recommends the individuals who will be designated as cardholders and Approving Officials (AOs) within the organization. He/she also recommends the spending limits appropriate for the expected purchasing activity.

Approving Official: The AO is responsible for approving the spending of one or more cardholders. The AO is usually the cardholder's direct supervisor.

Certifying Official: The Certifying Official (CO) certifies that a purchase card invoice is legal and proper for payment. Certifying Officers are responsible for information stated in the certificate, voucher, and supporting records. For the DoD, the AO usually acts as the CO.

Cardholder: The cardholder is the individual who has been issued the GPC and is authorized to make purchases. Cardholders must ensure that they are using their cards for official use only and that the information and data they provide to a CO is accurate and complete.

APC: The Agency/Organization Program Coordinator (APC) is a government employee designated to provide complete oversight of the local GPC program. The APC prepares policy and guidance with respect to the GPC program.

Close window to continue

Agency/Organization Players: The Supervisor

Let's look at each agency or organization player in more detail, beginning with the Supervisor. For the GPC program, the Supervisor will:

- recommend to the Agency/Organization Program Coordinator (APC) the names of personnel to be [designated as cardholders](#) and Approving Officials (AOs) within the organization.
- be diligent in his/her [selection of cardholders](#) and AOs to ensure that they are trustworthy, have a bona fide need to purchase items, and have adequate time to carry out their responsibilities.
- recommend the monthly and office limits in coordination with the [Financial Manager](#). These spending limits must be appropriate for the expected purchasing activity.
- be responsible for notifying the APC when naming or removing cardholders and AOs.
- include AO and cardholder duties in the performance standards of individuals delegated this authority.

Popup Text:

designated as cardholders

There is no set number of Cardholders for an agency. In certain circumstances, a large number of cardholders may be required to accomplish the mission of the agency. The risk of increasing potential liability by issuing more cards must be weighed against the savings that can accrue through decentralized purchasing procedures. A regular review of account activity will identify accounts with little or no activity. Accounts no longer needed must be closed.

selection of cardholders

The number of cardholders assigned to AOs should be reasonable, considering the volume of cardholder activity and the organizational structure. The AO must be able to conduct a 100% review of purchases and payments. In no case should an AO be responsible for more than seven cardholders or 300 transactions. Supervisors must continually assess the need to issue new cards; unnecessary cards must be cancelled.

Financial Manager

This is the individual responsible for reserving funds prior to card use, and for providing accounting in support of Government Purchase Card purchases. This individual is also known as the Resource Manager.

Agency/Organization Players: The Approving Official

The Approving Official (AO) is an individual who has responsibility for one or more GPC holders. Some Department of Defense (DoD) components refer to this position as the Approving Official or the Billing Official.

The AO should be the cardholder's direct Supervisor. If the AO is not the cardholder's Supervisor, the AO must have the ability to influence the cardholder's performance appraisal and be able to recommend disciplinary action to the cardholder's Supervisor if warranted. For the DoD, the AO usually acts as the Certifying Official.

Agencies must minimize conflicts of interest when appointing AOs by [separating duties](#) to the greatest extent possible.

Popup Text:

separating duties

Separation of duties creates a situation that should preclude errors or attempts at fraud or embezzlement from going undetected. Key duties such as authorizing, approving, and recording transactions; issuing or receiving assets; making payments; preparing checks and check signing; certification of funding; and reviewing or auditing shall be assigned to separate individuals to minimize the risk of loss to the government. See Financial Management Regulation at www.DTIC.mil/comptroller/fmr, Volume 5, Chapter 1, Section 010505.

Agency/Organization Players: The Approving Official, Cont.

The AO is responsible for:

- ensuring that transactions of individual cardholders meet the legal requirements for authorized purchase card transactions.
- ensuring that adequate documentation is available to support individual purchase card transactions.
- ensuring that the facts presented in the cardholder's documentation are complete and accurate.
- ensuring that cardholders follow all required policies and procedures regarding GPC purchases.
- retaining certified [billing statements](#) and supporting documents for 6 years and 3 months after final payment, and [cardholder statements of account](#) and associated receipts for 3 years after final payment according to FAR 4.805, Storage, Handling, and Disposal of Contract Files.
- notifying the APC prior to leaving his or her position.

Popup Text:

billing statements

This is the official invoice sent to the CO by the card-issuing bank that itemizes all purchases made by cardholders during the billing cycle.

cardholder statements of account

These documents, electronic or otherwise, are sent by the card-issuing bank. They contain data for all purchases, credits, and other transactions that the cardholder has made in the 30-day billing cycle.

Agency/Organization Players: Certifying Official (CO)



For most of DoD, the Approving Official acts as the Certifying Official. For the U.S. Air Force, the Financial Service Officer (FSO) serves as the Certifying Officer.

The Certifying Official (CO) is an individual who certifies payments for purchases. He/She certifies that the purchase card invoice is legal and proper for payment. Certifying Officers are responsible for:

- Information stated in the certificate, voucher and supporting records
- The computation of a certified voucher
- The legality of a proposed payment under the appropriation or fund involved
- Repaying a payment that is:
 - Illegal, improper, or incorrect because of an inaccurate or misleading certification
 - Prohibited by law
 - That does not represent a legal obligation under the appropriation or fund involved

Agency/Organization Players: Certifying Official, Cont.

When receiving paper copies of billing statements, the CO is also responsible for ensuring:

- The billing statement is dated upon receipt
- A complete and legible accounting classification appears on the face of the billing statement.
- The signed billing statement promptly arrives at the Paying/Accounting Office according to agency procedures.

A purchase card Certifying Official appointment is accomplished by issuing a letter of appointment and, for some agencies, by completing a Signature Card (DD Form 577). The appointment letter and DD Form 577 shall identify the types of payments to be certified. The completed signature card and Certifying Officer appointment letter will be forwarded to the supporting Accounting/Paying Office.

Agency/Organization Players: Certifying Official, Cont.

Certifying Officials (COs) are insurers of the public funds and have pecuniary liability for erroneous payments. As such, they are responsible for knowing the policy related to what is allowable and what is prohibited in GPC purchases. Ignorance of applicable law or regulation is not an acceptable excuse.

Because COs are pecuniarily liable, they should seek advice from the [appropriate authority](#) when approving funds for questionable purchases.

AOs and COs must advise the APC to cancel the card of any cardholder they do not believe to be trustworthy or who habitually fail to follow procedures.



Popup Text:

appropriate authority

Approving/Certifying Officials must seek guidance before approving a purchase if they have any doubt about its propriety. This guidance may come from:

- Activity fiscal attorney
- Government Purchase Card Agency/Organization Program Coordinators
- Their Financial Managers

Agency/Organization Players: Certifying Official Cont.



Certifying Officials have the right to:

- participate in any audit or investigation of purchases for which they have certified payment.
- request a determination from the local fiscal attorney as to the appropriateness of any proposed payment.
- request [relief from liability](#) from the Comptroller General depending on the characterization of the loss.

Specific requirements for requests for relief are covered in the [DoD Financial Management Regulation](#) (DoD 7000.14-R), Volume 5, Chapter 1, Section 010502, and 31 U.S.C. 3528.

Popup Text:

relief from liability

Relief may be available under governing DoD regulations if:

- The fiscal irregularity was not the result of a Certifying Officer's negligence.
- The payment is based on official records and the Certifying Official could not have been reasonably expected to discover the correct information.
- The payment was made in good faith, was not prohibited by law, and the Government received value for the payment.

Agency/Organization Players: The GPC Cardholder

Cardholders hold a public trust and must meet the highest ethical standards.

Cardholders are responsible for:

- Receiving proper training and authorization in accordance with Agency procedures
- Using the card "For Official Use Only"
- Providing accurate information and data to a Certifying Official in support of a Government Purchase Card Purchase
- Reconciling erroneous payments that result from information, data, or service, including designation of proper appropriations or other funds they provide to a Certifying Official. The cardholder is to seek advice from the activity fiscal attorney when questioning use of funds for specific purchases



Read an example [GPC Cardholder Appointment](#) Form.

Agency/Organization Players: The GPC Cardholder, Cont.

Cardholders must:

- Use the purchase card "For Official Use Only".
- Safeguard the GPC and account number at all times.
- Maintain proper documentation such as written request, funding availability, purchase log, local purchase authority, and property book procedures, as appropriate.
- Check mandatory sources of supply prior to initiating purchases.
- Ensure purchase is consistent with policies and procedures for the GPC program.
- Ensure that all approvals, if required, are obtained prior to making a purchase.

Agency/Organization Players: The GPC Cardholder, Cont.

In addition, cardholders must:

- Ensure purchases are within the single purchase and monthly purchase limits.
- Inform the merchant that billing cannot occur until the item(s) are shipped and/or delivered.
- Ensure that the Statement of Account is completed and forwarded to the Approving/Certifying Official, along with all backup documentation, to allow timely certification of the billing statement.
- Notify their APCs before they leave and dispose of their GPC in accordance with local procedures.

Agency/Organization Players: Agency/Organization Program Coordinator (APC)

The Agency/Organization Program Coordinator (APC) is a Government employee designated to provide complete oversight of the local Government Purchase Card program. The APC:

- Maintains a liaison with the [card-issuing bank](#), acting as a point of contact to discuss any matters that may arise due to credit card use.
- Receives and processes cardholder, Approving and Certifying Official requests for appointments in accordance with Agency procedures.
- Conducts training of cardholders, Approving and Certifying Officials.
- Prepares policy, guidance, and delegation of authority memoranda to appoint cardholders, Approving Officials, and Certifying Officials.



Popup Text:

card-issuing bank

The financial organization that issues purchase cards to the DoD. The card-issuing bank produces and disseminates credit card Statements of Account and Billing Statements, and investigates all amounts formally disputed by the cardholder.

Agency/Organization Players: Agency/Organization Program Coordinator, Cont.

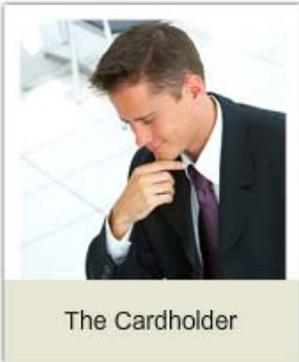
In addition, the Agency/Organization Program Coordinator (APC):

- changes dollar thresholds, cancels cards and performs annual audit reviews. This individual is also authorized to revoke any credit card and recommend termination of any cardholder or Approving/Certifying Official from the program.
- serves as the GPC focal point at each activity.
- sets up cardholder and Approving Official accounts in the Bank's Electronic Access System (C.A.R.E. or CitiDirect). On an exception basis, the card-issuing banks will accept paper applications.
- provides written or electronic confirmation of all card cancellations to the card-issuing bank.

APCs are responsible for ensuring that cardholders, Approving Officials and Certifying Officials are notified by letter of designation apprising them of their respective duties and responsibilities under the GPC Program. The Certifying Officials' letter of delegation must explicitly advise them of their pecuniary liability for purchases they certify for payment that may later be determined to be erroneous.

Knowledge Review

Select the question mark below to reveal a question, then select the player described in the statement.



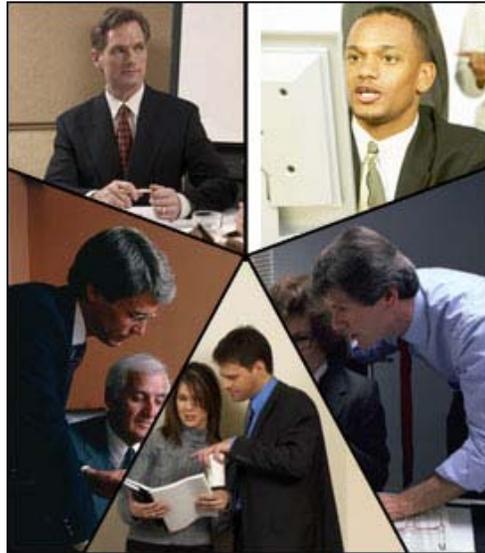
Separating Roles and Responsibilities

One method of internal controls for using the GPC is separating various functions as much as possible so no single person has multiple responsibilities.

Agency policy should include direction regarding separation of duties to minimize the risk of fraud and/or loss of property and to ensure that management controls are not circumvented.

In particular, responsibilities of the following individuals should not overlap:

- Cardholder
- Approving/Certifying Official
- Agency/Organization Program Coordinator
- Disbursing Officials
- Hand Receipt Holders



Separating Roles and Responsibilities, Cont.

Duties should be assigned to separate individuals to the greatest extent possible. These include duties such as:

- Authorizing
- Approving and recording transactions
- Receiving assets
- Approving cardholder statements
- Making payments
- Certifying funding
- Reviewing or auditing

Requirements exist to separate such duties as:

- Pre-authorizing
- Recording
- Certifying payment
- Delivery receipt functions
- Hand receipt holder

Separating Roles and Responsibilities: Dual Roles



In limited cases, an individual may serve dual roles. In these cases, additional internal controls must be established to safeguard assets. These controls would vary according to the Activity's structure.

Some roles may not be shared by an individual at the same time. For example, a Government Purchase cardholder may not serve as an Approving Official for purchase that the cardholder makes.

As a best practice, when appointing APCs and Approving/Certifying Officials, consider factors such as their grades, positions and training. This ensures they can successfully perform their duties.

Knowledge Review

Please select a correct answer.

True or False? Separating various functions is one method of internal control for the use of the Government Purchase Card.

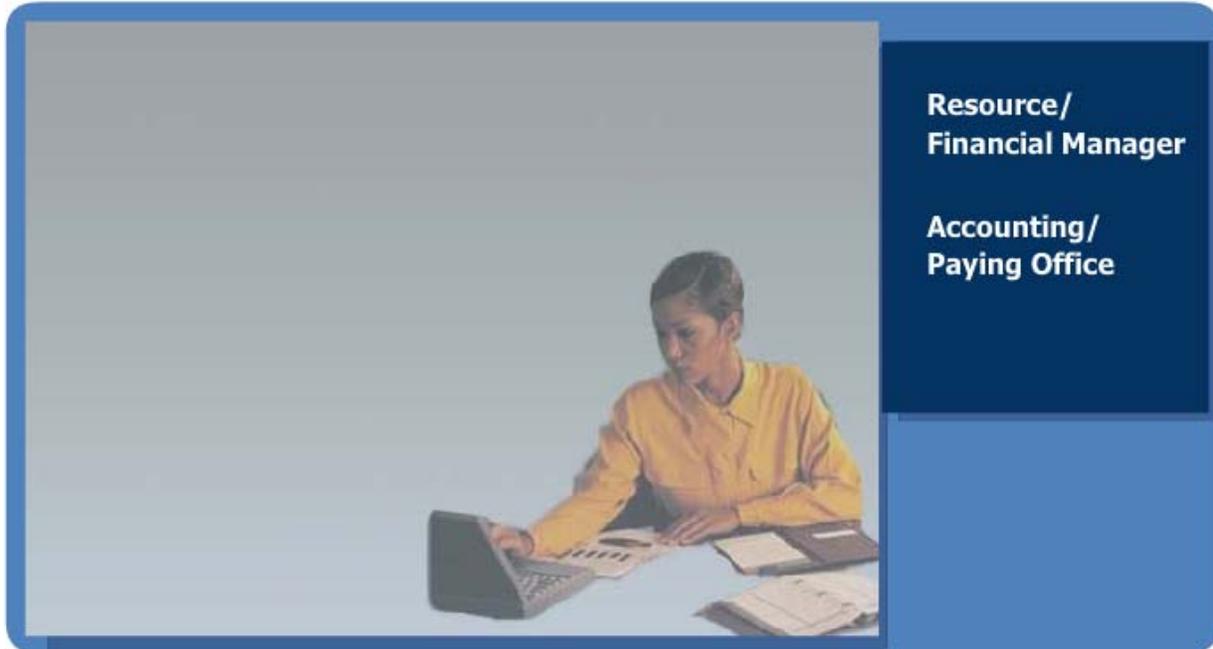
- True
- False

Submit



Procurement and Finance Offices

In addition to the players in the Agency/Organization, there are two key roles in the Procurement and Finance Offices; select the titles to learn more about each players' role and responsibilities.



D-Link Text:

This is a two option interactive flash module that presents the following information concerning the two key roles of the Procurement and Finance Offices.

Resource/Financial Manager:

The Resource/Financial Manager is the individual responsible for reserving funds prior to card use, and for providing accounting in support of Government Purchase Card purchases.

This includes:

Providing accounting data in support of Government Purchase Card purchases

Committing/obligating funds in support of GPC buys

Maintaining a system of positive funds control over card purchases

Accounting/Paying Office

The Accounting/Paying Office is the organization responsible for:

Maintaining official accounting records

Making payments to the card-issuing bank against Government Purchase Card statements of account

Close window to continue

The Card-Issuing Bank

The card-issuing bank:

- Provides credit for all Government Purchase Card charges
- Produces and disseminates monthly billing statements and cardholder statements of account
- Investigates all disputes
- Issues and administers the distribution of cards
- Issues rebates

Note: Cardholders will be issued a Government Purchase Card by either US Bank or Citibank.



According to the terms of the General Services Administration (GSA) contract with the card-issuing bank, the Government is required to pay the card-issuing bank for purchases when an authorized cardholder uses his/her card fraudulently or improperly. The U.S. Government will then recover the funds from the responsible cardholder and take appropriate administrative/criminal action against that individual.

Knowledge Review

Please select a correct answer.

Which of the following is responsible for making payments to the card-issuing bank?

- The Approval/Certifying Official
- The cardholder
- The Accounting/Paying Office
- The Resource/Financial Manager

Submit



Topic Summary

This topic addressed the key players in the Government Purchase Card program. These include:

- The market place
- The Agency/Organization
- Procurement and Finance Offices
- The card-issuing bank

You should now be able to identify the key roles and responsibilities of the players involved in the GPC program and recognize the importance of separating GPC roles and responsibilities.

You have now completed this topic. Please select the next topic from the table of contents to continue.

Click [here](#) for a print version of this topic.