

DON Fleet Card Certification Course

Lesson 1

Fleet Card Program Overview



March 1, 2012

Welcome to the Department of the Navy Fleet Card certification course. This training presents the policies, regulations, systems and procedures of the Fleet Card Program. When you complete all lessons, you can take the certification test and print your certificate of completion.

This first lesson provides an overview of the program. Let's review the major topics discussed in lesson 1.

Lesson 1 Major Topics

- The Purpose of the Fleet Card Program
- Valid Uses of the Fleet Card
- Major Personnel and Their Responsibilities
 - Commanding Officer
 - Agency Program Coordinator (APC)
 - Approving Official (AO)
 - Certifying Officer
 - Activity or Unit Level APC; Transportation Coordinator
 - Card User
- Fleet Card Program Hierarchy Structure

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This lesson begins with a discussion of the primary purpose of the Fleet Card Program followed by an overview of the valid uses of the Fleet Card. They are several major players who have significant responsibilities within the program. These roles and responsibilities are the next topic of lesson 1. And, finally, the Fleet Card Program Hierarchy Structure is explained.

Let's discuss the purpose of the Fleet Card Program.

Purpose of the Program

1. Effective, Convenient, and Commercially Available
2. Purchase Fuel and Related Maintenance
3. Commercial Service Stations and Repair Facilities
4. DoD-Owned or Leased Vehicles Only

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The Fleet Card Program is designed to reduce costs while improving the management of the government's fleet of vehicles. The program benefits DoD by allowing the Defense Logistics Agency to recoup taxes and receive rebates from the card provider. Also, vehicle management is enhanced by the capture of detailed maintenance records.

In short, the Fleet Card Program provides an effective, convenient, and commercially available method to purchase fuel and related maintenance for DoD vehicles. One of the main advantages of the program is its use of commercial service stations and repair facilities. Please note, use of the Fleet Card is limited to vehicles owned or leased by the Department of Defense.

Establishing the Program

- Defense Logistics Agency – Energy (DLA-E)
 - DoD Overall Program Management Office
- General Services Administration (GSA)
 - SmartPay2® Contract Administrator
- DON Consolidated Card Program Management Division (DON CCPMD)
 - Program Management Office

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Their are three main government agencies that play a role in the establishment and ongoing management of the DON Fleet Card Program. The Defense Logistics Agency – Energy, abbreviated DLA-E, manages the overall Fleet Card Program for DoD.

The General Services Administration, GSA, administers the SmartPay2 contract that allows the card provider to provide charge card services for Department of Defense owned or leased vehicles.

The DON Consolidated Card Program Management Division of NAVSUP, CCPMD, assumed operations management of the Fleet Card Program in October 2003. The DON CCPMD provides policy, training and daily support to all DON program participants. All Fleet Card related policy and guidance is available on the DON CCPMD web site at the address shown here.

Using the Fleet Card

- Purchase Fuel, Oil, Vehicle Parts and Repairs
- Authorized Emergency Roadside Assistance
- Single Purchase Limit - ***\$3,000***
- Cars, Trucks, Forklifts, Equipment, Boats, Tugs or Barges as Authorized by the Activity
- “Dry” Lease vs “Wet” Lease
- Premium and Super Unleaded Fuel Is Strictly Prohibited ...unless
- Not Authorized to Obtain Aviation Fuel

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The Fleet Card can be used for a wide range of products and services for DoD owned or leased “vehicles”. It can be used to purchase fuel, oil, vehicle parts, repairs and authorized emergency roadside assistance.

In no case can a single purchase exceed the micro-purchase threshold of \$3,000

The Fleet Card may be used not only for cars, trucks, equipment and forklifts, but also for small boats, tugs or barges, as authorized by the activity.

The Fleet Card should be used to purchase fuel for vehicles that are owned by DOD or leased by DON. This is referred to “Dry” Lease. Vehicles leased by GSA that come with fuel charge cards are not covered by the DON CCPMD Fleet Card Program; those leases are referred to as “Wet” leases and are managed by GSA.

There are restrictions on the types of fuel that can be purchased. Premium and super unleaded fuel is strictly prohibited unless required by the vehicle manufacturer. In addition, the Fleet Card is not authorized to obtain aviation fuel; the DoD AIR Card is available for that purpose.

The Fleet Card Program reduces administrative costs and provides easy access to a wide array of products and services. Next we will review the roles and responsibilities of the majors players in the program.

Fleet Card Program

Major Players

- Commanding Officer (CO)
- Agency Program Coordinator (APC)
- Approving Official (AO)
- Certifying Officer
- Activity or Unit Level APC and Transportation Coordinator
- Card User

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Many individuals at various levels play key roles in the success of the program. The next several slides present an overview of the responsibilities of each of the program's major players. The APC's responsibilities are presented in more detailed in lesson 3.

We will begin our discussion with the program responsibilities of the activity's Commanding Officer.

Fleet Card Program Responsibilities
Commanding Officer

- Ensure Local Program Executed in Accordance with DoD and DON Guidance
- Ensure Effective Internal Management Controls Exist
- Ensure Key Personnel Are Properly Appointed, Trained and Certified

<https://www.navsup.navy.mil/ccpmd>

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The Commanding Officer has the primary oversight responsibility for the local Fleet Card Program. The CO must ensure the local program is being executed in accordance with DoD and DON guidance. This includes oversight of periodic program management reviews as detailed in the Fleet Card Program instruction.

The CO must ensure effective internal controls exist to administer the management, operation, and oversight of the local Fleet Card Program. An important part of these controls is the establishment of local policies and procedures for proper use of the Fleet Card. This local guidance should outline disciplinary actions in case of an infraction of the Fleet Card Program policies and procedures.

The CO must also ensure key personnel are properly appointed, trained, certified and capable of performing their respective duties. This is the address of the DON CCPMD website; the Fleet Card policies web page includes information regarding personnel appointments as well as a sample Letter of Delegation & Acknowledgment for this purpose.

Fleet Card Program Responsibilities
Commanding Officer

- Ensure Separation of Functions
- Ensure Appropriate Administrative and Disciplinary Action Is Taken and Documented
- Ensure Documented Disciplinary Actions Are Reported to DON CCPMD

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In addition to properly appointing personnel, the Commanding Officer must ensure proper separation of functions. Basically, this means that each person performing a role in the program cannot be in a position to initiate and approve a purchase. These functions must be separated and performed by different personnel.

Management oversight and controls may uncover fraudulent, improper or abusive use of a Fleet Card. If this occurs, the CO must ensure that appropriate administrative and disciplinary action is taken and documented. In addition, all documented disciplinary actions for such fraudulent use must be reported to the DON CCPMD within 30 days of the infraction.

Finally, the CO needs to ensure that local agency clearance and check-out procedures include the surrender of any Fleet Cards previously issued to personnel leaving the activity.

The Commanding Officer has major responsibilities regarding the oversight of the Fleet Card Program. The execution of many of these responsibilities are delegated to the Agency Program Coordinator, the APC.

Fleet Card Program Responsibilities
Agency Program Coordinator

- Major or Subordinate Command Level
 - Implement DoD and DON Policies and Procedures
 - Communication
 - Maintain Training Certification Records
 - Maintain Lower Level APCs Contact Information
 - Notify When Fraud Investigation Is Initiated

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The APC, as the name states, is the agency's program coordinator and is responsible for the implementation of the program. This slide lists the major responsibilities of the APC.

First, APCs must ensure that all subordinate Commands are in compliance with DoD and DON Fleet Card Program policies and procedures.

Communication is a key responsibility for this APC. They are the main channel of information from the DON CCPMD to lower level APCs. They disseminate information both up and down the hierarchy chain.

All key personnel must be properly trained to execute their responsibilities. The APC must maintain training hardcopy certificates as proof this training occurred for subordinate program participants.

Good program administration requires good record keeping. At a minimum, APCs must maintain a list of all lower level APCs contact information, including name, email address, telephone number, fax number, etc. In addition, these program participants must ensure that their own contact information in the card provider's electronic system is correct.

Finally, all APCs have a responsibility to keep their local chain of command informed of significant changes within the program. They must notify the CCPMD, next higher level APC and the local chain of command immediately when an investigation is initiated that involves alleged or suspected fraud, misuse or abuse of the Fleet Card by personnel under their command.

Fleet Card Program Responsibilities
Activity Level APC's

- **Level 5/6/7 APC**
 - Ensure Fleet Card Users Are Trained
 - Have Users Sign Statement of Understanding (SOU)
 - Verify Receipts Against Fuel Logs
 - May Assist the AO with Reconciliation of the Invoice
 - Notify Card Provider of Cards Not to Be Renewed Or Reissued

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There are multiple levels of APCs each with specific responsibilities depending on the level they occupy in the hierarchy; this will be explained in more detail later in this lesson. The Activity or Unit Level APC can be located at the Level 5, 6 or 7 depending upon the commands hierarchy structure. Activity or Unit APCs are the primary operations person who provides complete oversight of the fuel cards. Navy activities may also have a transportation coordinator who reports to the level 5 APC. Please note that transportation coordinators are optional, not required and may not exist at all activities. Some Marine Corps units have a Level 7 APC.

The APC at the Activity or Unit level must ensure Fleet Card Users are properly trained and are instructed on the appropriate use of the card.

All Card Users are required to sign a Statement of Understanding prior to using a card. The APC must maintain these signed documents on file along with Fleet Card logs and transaction receipts.

The APC must ensure that all purchases are appropriate and charges are accurate. The Fleet Card transaction log is used to facilitate the reconciliation process.

APCs may assist the AO with the reconciliation of the monthly invoice from the card provider.

All Fleet Cards have an expiration date. Unless notified to the contrary, the card provider will renew or reissue cards upon their expiration. Therefore, the APC must notify Card Provider of cards not to be renewed or reissued.

Fleet Card Program Responsibilities
Activity Level APC's

- **Level 5/6/7 APC**
 - Maintain List of AOs and Certifying Officers
 - Retain Copies of Training Certificates
 - Maintain List of Authorized Drivers & Vehicles
 - Monitor Purchases for Suspected Misuse

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The APC must maintain a complete list of point of contact information for AOs, Certifying Officers and Card Users and their training certificates.

They must notify the card provider of any changes that affect the management, reporting, or billing of the account. In addition, APCs are encouraged to maintain a list of authorized drivers and vehicles.

The APC is the first person to see the documented use of the card. They must notify the Commanding Officer, supervisor, and next higher level APCs in the event of any suspected unauthorized purchases that would indicate non-compliance, fraud, misuse or abuse. If fraud, misuse or abuse is discovered the DON CCPMD office must be notified immediately.

Fleet Card Program Responsibilities
Approving Official

- Approves Purchases by Validating Receipts Against Monthly Invoices
- Identifies Purchases to be Disputed or Investigated
- Comply With All Policies and Procedures
- Provide Certifying Officer With Timely and Accurate Data
- Monitor MILSBILS Fuel Transactions using FES
- Track Outstanding Balances

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The Commanding Officer and the Agency Program Coordinator provide critical oversight and management of an activity's Fleet Card Program. The next key player in the program, the Approving Official, implements the program policies and procedures as delegated by the CO and APC.

The Approving Official (AO) is responsible for comparing all receipts and fuel logs against the monthly invoice. Transactions that are suspected as invalid should be disputed as defined in the dispute process section of the IOP. Those purchases that appear to be fraudulent must be investigated.

The AO must adhere to all DOD and DON financial policies.

The AO works closely with the Certifying Officer and provides timely and accurate data and service to ensure proper payments.

The AO should monitor and validate MILSBILS fuel transactions using the FES system and report any erroneous transactions to DLA-Energy.

The AO has tools to monitor the account within the card providers system and possibly with financial systems to avoid delinquencies.

The Approving Official is the key financial operations player in the Fleet Card Program. There is another major player whose responsibilities are primarily financial in nature – the Certifying Officer.

Fleet Card Program Responsibilities

Certifying Officer

- Timely Reconciliation of All Invoices
- Certify Within the Prompt Payment Act Timeframes
- Inform Chain of Command of Suspected Unauthorized Purchases
- Remain Current on Policy Updates

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The Certifying Officer is the primary focal point for the prompt payment of invoices. Working closely with the Approving Official, the Certifying Officer must ensure the timely reconciliation of all invoices within the Prompt Payment Act timeframes. This requires that invoices are processed within 5 working days from the closing cycle date, which is the last day of the month. The Certifying Officer also creates the obligations in the financial system.

In the event of any suspected unauthorized purchase, the Certifying Officer must notify the Card User's chain of command.

The DON CCPMD website has a Fleet Card Program section. The Certifying Officer needs to visit the site on a routine basis to remain current on policy issues.

In summary, the Approving Official and the Certifying Officer monitor activity and manage the financial aspects of the program.

Now let's discuss the responsibilities of the Card User.

Fleet Card Program Responsibilities

Card User

- Understand Program Policies and Procedures
- Understand Record Keeping Requirements
- Sign a Statement of Understanding (SOU)
- Observe the **\$3,000** Single Purchase Threshold
- Use Self-Service Gasoline Pumps
- Purchase Only Regular Grade Unleaded Gasoline
...Unless ...
- Complete Fleet Card Transaction Log

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The Fleet Card Card User is handed a charge card and entrusted to use it properly. Card Users are held liable to the government for their actions. A clear understanding of card user responsibilities is, therefore, very important to the success of the program.

Card Users must understand the policies and procedures regarding authorized Fleet Card purchases and record keeping requirements. Prior to using a Fleet Card, card users are required to take the Card User training provided by DON CCPMD and sign a Statement of Understanding (SOU) which documents their knowledge of the rules and regulations that govern the program.

There are several user “dos and don’ts” regarding the use of the Fleet Card. The most basic of these is to use self-service gasoline pumps whenever available and only purchase regular grade unleaded gasoline. The only exception is when the vehicle manufacturer specifies that a higher grade fuel must be used.

Card users generate the transactions that feed all other activities in the program. It is, therefore, very important that accurate records of these transactions be maintained. Card Users are required to complete a Fleet Card fuel log as a part of their record keeping tasks so that all charges on the card provider’s monthly statement can be reconciled. Card Users must always turn in the receipts from the merchant to the AO.

Let’s summarize what we’ve discussed concerning the program’s major participants.

Fleet Card Program

Major Players

- Commanding Officer (CO)
- Agency Program Coordinator (APC)
- Approving Official (AO)
- Certifying Officer
- Activity/Unit APC
 - Transportation Coordinator
- Card User

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Once again, here is a list of the major roles in the Fleet Card Program. The Commanding Officer and APC provide the management and oversight for the program; the Approving Official and Certifying Officer carry the main financial and accounting responsibilities; the Activity Level APC or Transportation Coordinator are the operational members of the team and the Card User is responsible for appropriate card usage.

There is an inherent reporting structure built into the program. A Card User is responsible to a particular Transportation Coordinator or APC, who works with a particular AO, who works with a specific Certifying Officer. In addition to these relationships, the program has several APC levels. The card providers electronic system uses a hierarchy coding structure to keep these APC relationships organized.

The final topic of this lesson is a discussion of the Hierarchy Structure of the Fleet Card Program.

Fleet Card Program

The Hierarchy Structure

Purpose:

The Hierarchy Structure Provides Communication Channels at All Levels within the Fleet Card Program.

Hierarchy Levels:

- HL1: Defense Energy Support Center
- HL2: DON CCPMD
- HL3: Navy Major Commands / HQ USMC
- HL4: Navy or USMC Subordinate Commands
- HL5: Navy Activities / USMC Sub.Commands / Units
- HL6: Transportation Coordinators / USMC Units
- HL7: USMC Units

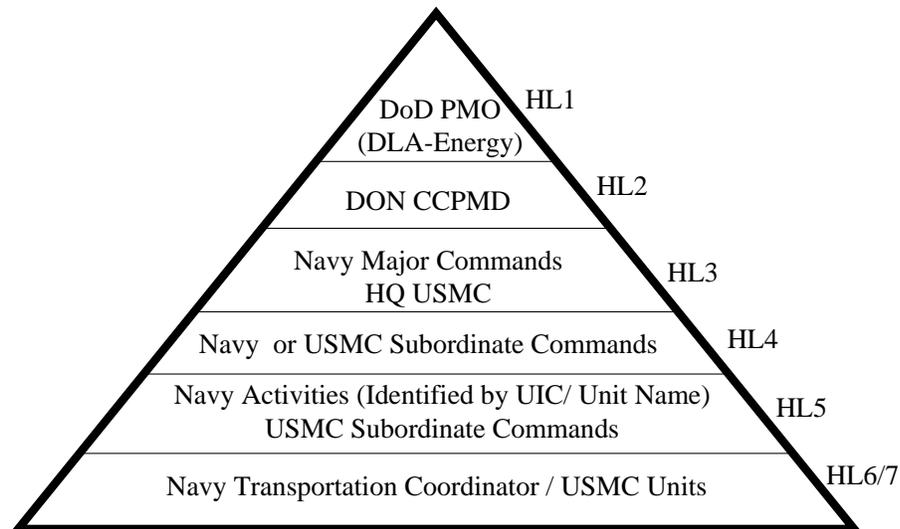
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The purpose of the Fleet Card Hierarchy Structure is two fold – first, it clearly defines the relationships within the Fleet Card program; second, it provides a communications channel of command for all program levels.

From the card provider's perspective, every Fleet Card account must be assigned a position in the hierarchy at the time of its creation. This establishes clear responsibility for all transactions made on each charge card account. A card account is assigned to an APC or Transportation Coordinator, who is normally at the hierarchy Level 5 or 6. For some USMC units, there may be an HL7.

The next slide shows a graphical representation of the Fleet Card Hierarchy Structure.

Fleet Card Program The Hierarchy Structure



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This pyramid shows the seven levels of the DoD - Department of the Navy Fleet Card hierarchy. Each level of the hierarchy has a code associated with it which is entered into the card provider's system. For example, the card provider assigns a code at level 1 that identifies DoD accounts managed by DLA-Energy. Level 2 identifies the Department of the Navy Component Program Manager who is the DON CCPMD.

By continuing this logic, the Fleet Card hierarchy structure is designed to uniquely identify each Fleet Card account. Each card account can be assigned to a Level 5, 6 or 7 activity that can then be tracked up through the hierarchy. This hierarchy is the Fleet Card Program's chain of command for reporting activity up the chain and for communicating policy down the chain.

Lesson 1: Major Topics Review

- The Purpose of the Fleet Card Program
- Valid Uses of the Fleet Card
- Major Personnel and Their Responsibilities
 - Commanding Officer
 - Agency Program Coordinator (APC)
 - Approving Official (AO)
 - Certifying Officer
 - Activity or Unit Level APC; Transportation Coordinator
 - Card User
- Fleet Card Program Hierarchy Structure

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This concludes lesson 1. Close this lesson and return to the main menu; then select lesson 2 to continue your training.