

Module One

Department of the Navy Government Commercial Purchase Card Training (DON GCPC)



DON Consolidated Card Program Management Division
(DON CCPMD)
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Welcome to the Department of Navy Government Commercial Purchase Card training.

This training consists of four modules and provides a general overview of the Purchase Card program and how it is managed.

We will look at the oversight controls, general rules, and disciplinary guidance for proper use of the Purchase Card and show you where you can obtain assistance regarding the DON GCPC program.

Starting with Module 1 will review the purpose of the Purchase Card program.

Let's take a look at the objectives of this module.



Module One Objectives



- Provide a **general overview** of the purpose of the Purchase Card program
- Explain the structure and the purpose of the Purchase Card **hierarchy system**
- Identify the major participants in the program and explain their **roles and responsibilities**
- Provide an overview of **management controls** and **training requirements**

The first objective of Module One is to provide a high level overview including the policy that forms the foundation for the DON Government Commercial Purchase Card program.

Second, we will introduce you to the program's hierarchy system.

Third, we will identify the major program participants and explain their roles and responsibilities.

And finally, this module explains the importance of internal management controls, defines the training requirements to become a program participant, and explains the conditions for the retention of training documentation.



PC Program Purpose



- The Purchase Card Program is intended to:
 - Simplify small purchase methods
 - Minimize paperwork
 - Streamline payment processes
- Provide a **fast** and **convenient** method to pay for all requirements under the micro-purchase threshold

We will start by looking at the purpose of the program.

The Purchase Card Program is intended to:

- Simplify small purchase methods
- Minimize paperwork
- Streamline the payment process

It was developed to provide a fast and convenient method to pay for all requirements under the micro-purchase threshold.

The Program is intended to provide Department of the Navy activities or organizations a convenient and commercially available payment method to acquire low cost supplies and services to support mission activity.



Program History



- Executive Order 12352
- General Services Administration (GSA) issued contract under SmartPay[®] program
- The Government Accountability Office (GAO) recommended strong internal controls
 - ❑ DOD Charge Card Guidebook
 - ❑ NAVSUPINST 4200.99 series
- Program remains highly visible



The need for the Government Commercial Purchase Card Program, known as GCPC, began with “Procurement Reform”, Executive Order 12352 issued in 1982.

After several pilot programs, the General Services Administration issued a multiple award contract under the SmartPay[®] program.

Under this program, Purchase Cards were issued rapidly, but training for their use was insufficient and internal accountability was poor at best.

Ease of use without proper oversight resulted in card misuse and fraud.

Because of this, the Government Accountability Office recommended the establishment of strong internal controls that would prevent card abuse and fraud.

NAVSUPINST 4200.99 series and the DOD Charge Card Guidebook reflect the recommended internal controls.

Today, the GCPC Program remains highly visible and requires diligent reviews and oversight.



Policy Guidance

Types of Policy

- Acquisition
- Financial
- Purchase Card Program Management

We just discussed the purpose and history of the Purchase Card program.

Let's take a look at three elements of policy that affect it.

Acquisition, Financial, and Purchase Card Program Management policy govern the Purchase Card program.

Internal controls to manage it are found in the policies on the next three slides.



Policy Guidance



Acquisition Policy

- Federal Acquisition Regulation (FAR)
 - Part 13 Simplified Acquisition Procedures (SAP)
- Defense Federal Acquisition Regulation Supplement (DFARS)
 - Part 213 Simplified Acquisition Procedures
- Navy Marine Corps Acquisition Regulation Supplement (NMCARS)
- DON Simplified Acquisition Procedures
 - NAVSUPINST 4200.85 Series

Acquisition policy originates from Federal Acquisition Regulation, Part 13 Simplified Acquisition Procedures, which is supplemented by Defense Federal Acquisition Regulation Supplement, Part 213 and the Navy Marine Corps Acquisition Regulation Supplement.

These acquisition regulations describe policies and procedures for using the GCPC to make purchases for contract payments or below the micro-purchase threshold.

DFARS Part 213 also provides policy that allows OCONUS Cardholders, with proper delegation of authority, to make open market purchases of commercial supplies acquired for use and services performed by OCONUS.

DON Simplified Acquisition Procedures in NAVSUPINST 4200.85 series provides guidance for using the GCPC to make payment for contract actions above the micro purchase threshold.



Policy Guidance



Financial Management Policy

- Financial Management Regulation (FMR)
 - ❑ Volume 5, Chapter 5 – Certifying Officers (CO) and Departmental Accountable Officials (DAO)
 - ❑ Volume 10, Chapter 23 – Purchase Card Payments

The next source of policy is the Financial Management Policy.

Per Volume 5, Chapter 5 of the Financial Management Regulation, only GCPC Certifying Officers appointed by a DD Form 577 are authorized to certify payment of invoices.

Any individual who provides information that a Certifying Officer uses to certify an invoice is a Departmental Accountable Official or DAO.

DAOs are designated by a DD Form 577 and may be held financially accountable for improper payment.

Volume 10, Chapter 23 of the Financial Management Regulation provides general GCPC payment policy and procedures and reiterates GCPC policy from the DOD Charge Card Guidebook.



Policy Guidance



Purchase Card Program Management Policy

- USC Title 10, Subtitle A, Part IV, Chapter 165, Section 2784
- Office of Management and Budget (OMB) Circular A-123, Appendix B
- DOD Government Charge Card Guidebook
- NAVSUPINST 4200.99 Series + Change Transmittals
- Local Internal Operating Procedure (IOP)

The last element of policy is the Purchase Card Program Management Policies.

USC Title 10, Subtitle A, Part IV, Chapter 165, Section 2784 states that the Secretary of Defense shall prescribe regulations governing the use and control of all Purchase Cards and convenience checks that are issued to DOD personnel for official use. Those regulations require Safeguards and Internal Controls and Penalties for Violations.

Appendix B of the Office of Management & Budget (OMB) Circular A-123 prescribes policies and procedures regarding internal controls that reduce the risk of fraud, waste, and improper use of government charge cards.

The DOD Government Charge Card Guidebook contains business rules to continuously strengthen the charge card programs. It contains mandatory business rules for establishing and managing a DOD charge card program and provides specific rules for managing a Purchase Card program. NAVSUPINST 4200.99 series establishes DON policy for using the GCPC. It also provides policy for management and oversight of the GCPC program and shall be supplemented with Activity Internal Operating Procedures also known as IOPs. Let look at the IOP, in more detail.



Internal Operating Procedures

- Commands and Activities are required to develop their own **Internal Operating Procedures (IOPs)** to implement broad DON GCPC policy
- The IOP will contain the following ...

Department of the Navy policies that govern the GCPC program are broad in nature regarding their application to DON Activities.

Commands and Activities are required to develop local IOPs that are applicable to their Command or Activity's mission.

IOPs may further restrict but not relax DON GCPC policies or management standards.

Every organization must have local IOPs that include procedures for implementing DON GCPC policy for their specific Command or Activity.

The IOP is distributed to all Program personnel.



Internal Operating Procedures

- Nomination, appointment, and replacement of participants
- Requirement processing and purchase authorization
- Record keeping & retention requirements
- Receipt, inspection, and acceptance of supplies/services
- Local property management procedures

This includes information regarding nomination, appointment and replacement of program participants.

The IOP should also explain specific procedures for processing requirements and authorizing a purchase, to include such things as obtaining funds and approvals and detailed guidance on record keeping and record retention requirements.

It should also discuss how to handle receipt, inspection, and acceptance of supplies and services.

Local property management procedures, especially property that can be misappropriated, should also be included.



Internal Operating Procedures



...continued

- Bank statement and invoice reconciliation, verification and certification process
- Restricted purchases
- Disciplinary/administrative actions
- Closure of accounts
- Any additional mission applicable procedures

Cardholder statement reconciliation, invoice certification procedures, as well as, guidelines for the retention of Purchase Card records should be included.

The IOP provides guidance on restricted purchases and includes procedures for disciplinary/administrative actions and account closure upon Cardholder transfer, retirement or termination of employment.

Additionally it should ensure the Activity's checkout process includes a requirement to physically turn in a departing Cardholder's card before departure.

Lastly, any other procedures applicable to the mission of the Activity should be included in the IOP.

The IOP reflects 'deck plate' guidance for managing and using the GCPC for the Activity and all program participants should be intimately familiar with their Activity's IOP.

Consolidated Card
Department of the Navy
Program Management

Program Hierarchy System

DEPARTMENT OF THE NAVY
UNITED STATES OF AMERICA

DON Purchase Card program hierarchies distinguish chains of command

- ❑ DON reports to DOD
- ❑ Level 3 A/OPCs report to DON
- ❑ Level 4 A/OPCs report to Level 3 A/OPCs
- ❑ Level 5 A/OPCs report to Level 4 A/OPCs
- ❑ AOs report to Level 5 A/OPCs
- ❑ Cardholders report to AOs

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graph BT; Cardholders --> AO[Approving Officials]; AO --> L5[Level 5 A/OPC]; L5 --> L4[Level 4 A/OPC]; L4 --> L3[Level 3 A/OPC]; L3 --> DON; DON --> DOD;
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The Program Hierarchy System is the backbone for managing the DON GCPC program. Hierarchies within the Purchase Card Program may be interpreted a chain of command.

For instance, Cardholders report to their Approving Officials, Approving Officials report to their Level 5 Agency/Organization Program Coordinators (A/OPCs).

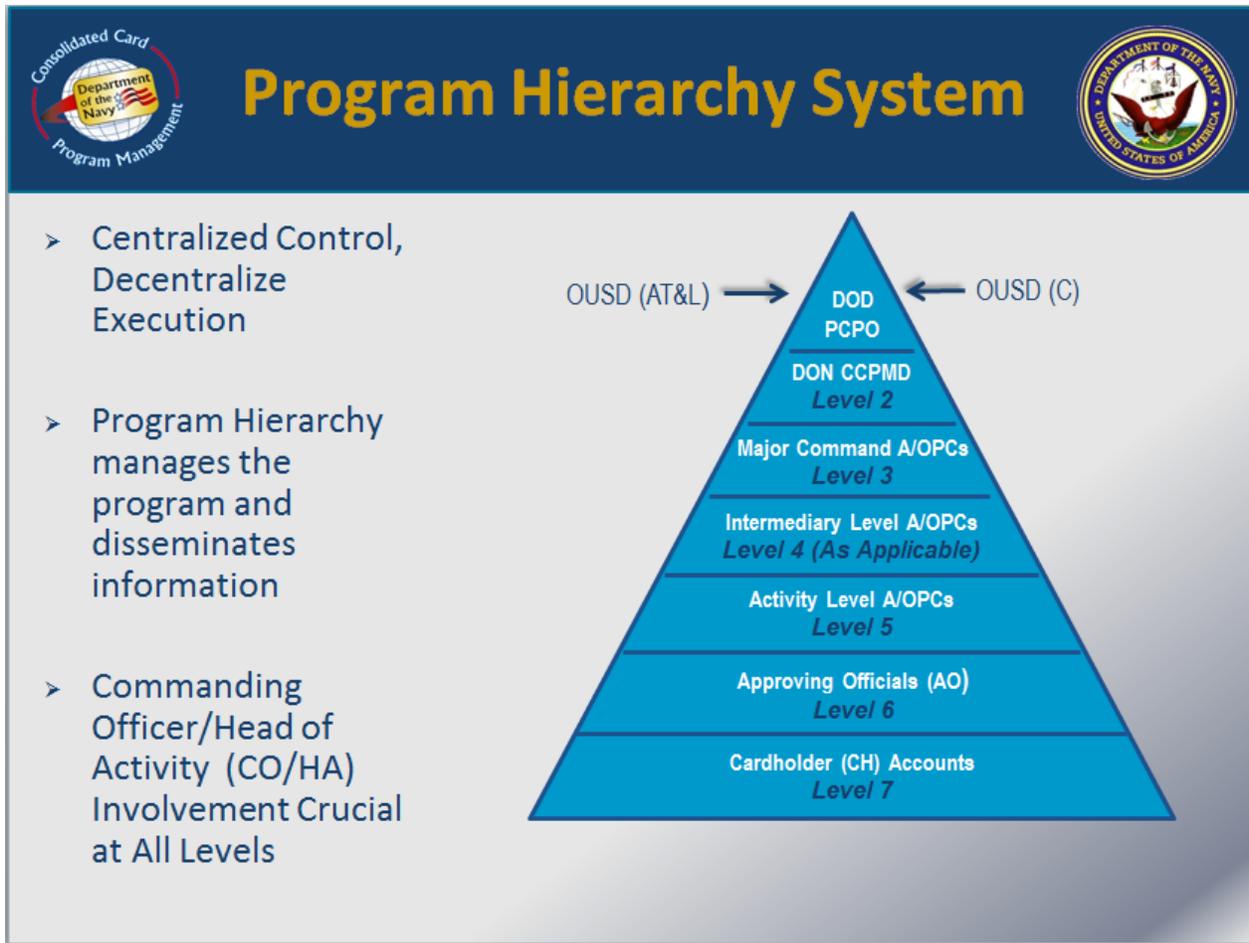
The Level 5 Agency/Organization Program Coordinators can report to a Level 4 A/OPC and Level 4 A/OPCs report to their Level 3 A/OPCs.

A small command may not have sufficient staffing for a Level 4 A/OPC. In that case, the Level 5 A/OPCs would report directly to their Level 3 A/OPC.

The Level 3 A/OPCs report to the Department of the Navy (DON) who reports directly to the Department of Defense (DOD).

The Program Hierarchy is further illustrated on the next slide.

Module One – Government Purchase Card Training GCPC Program Oversight



This triangle portrays the program hierarchy, using the program hierarchy allows for more efficient flow of information on all hierarchy levels.

It provides for the centralized control of the program with decentralized execution.

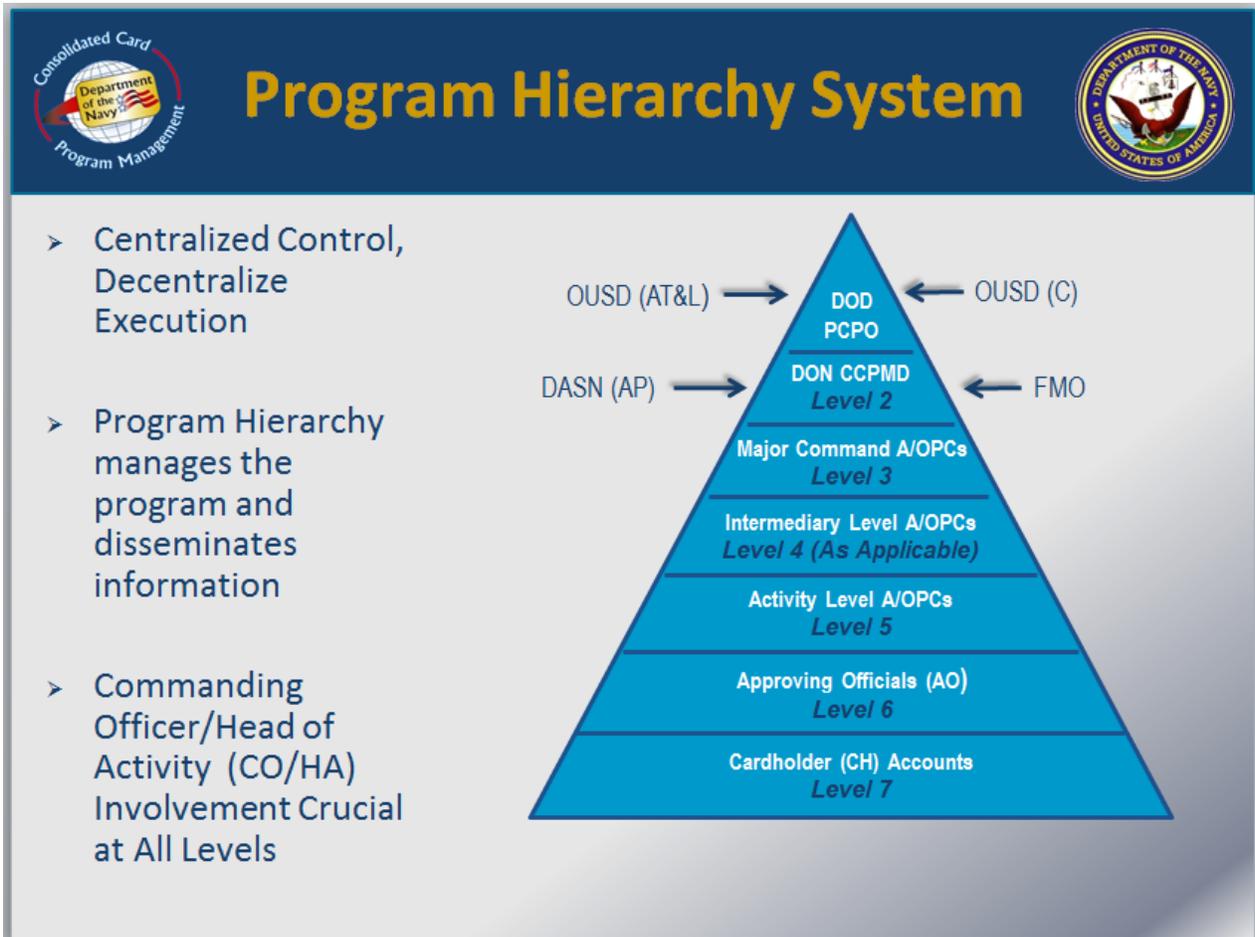
Level 1 refers to the Department of Defense.

The Purchase Card Policy Office (PCPO) provides Purchase Card policy guidance and oversight.

The Office of the Under Secretary of Defense for Acquisition, Technology and Logistics, referred to as the OUSD (AT&L) provides acquisition guidance and oversight.

The Office of the Under Secretary of Defense, Comptroller, known as the (OUSD (C)) provides financial management guidance and oversight for all of DOD.

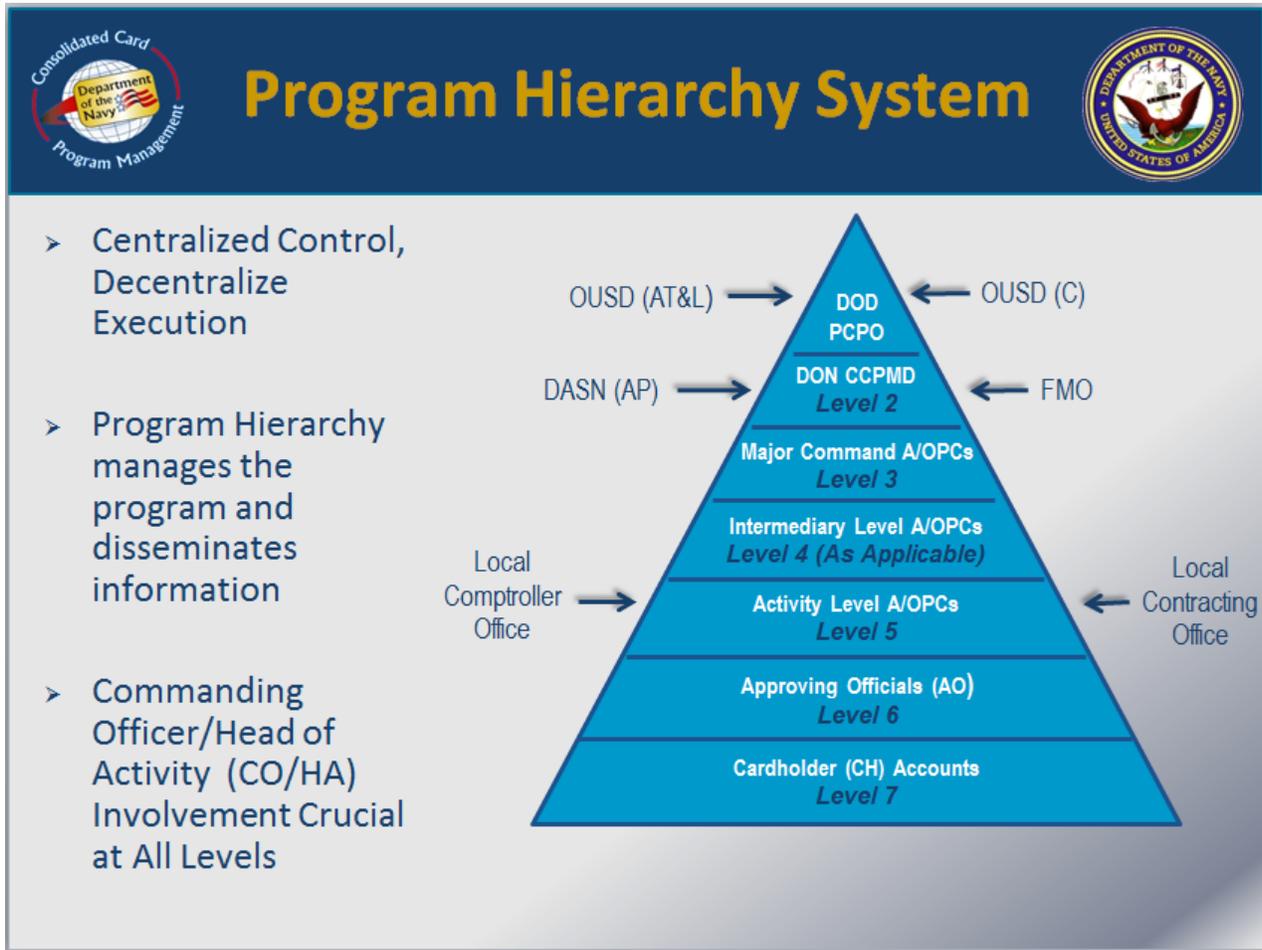
Module One – Government Purchase Card Training GCPC Program Oversight



Level 2 is the Department of the Navy represented by the Consolidated Card Program Management Division identified as DON CCPMD.

The Deputy Assistant Secretary of the Navy for Acquisition and Procurement (DASN AP) as well as the Navy's Financial Management Office (FMO) also provide guidance and oversight to the program.

Module One – Government Purchase Card Training GCPC Program Oversight



The next level is the Level 3 Agency/Organization Program Coordinator (A/OPC) at the Major Command level.

Continuing down the hierarchy is the Level 4 A/OPC which represents a region or a Type Commander (TYCOM).

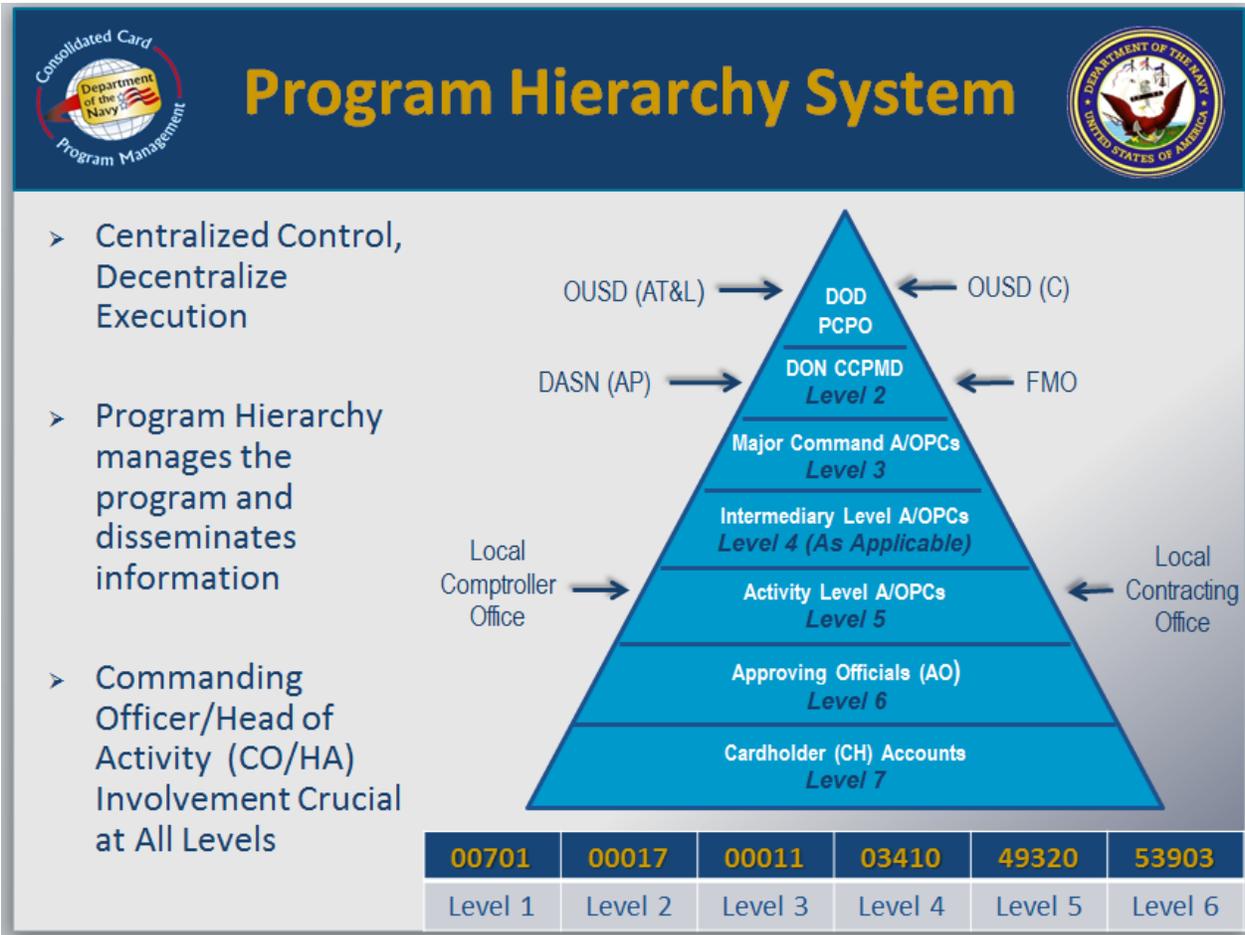
The Level 5 A/OPC is the Activity level A/OPC.

This level may get further guidance from their local contracting officer or comptroller.

The next level down is the Approving Official (AO) at Level 6.

And finally, at Level 7 is the Cardholder.

Module One – Government Purchase Card Training
GCPC Program Oversight



Depicted at the bottom of this slide is the numerical system that is linked to the hierarchy.

Beginning with Level 1 and ending with Level 6, a five digit number is assigned to each level for tracking accounts in the bank card management systems.



Knowledge Check



The Purchase Card program was developed to provide a fast and convenient method to pay for all requirements **above** the micro-purchase threshold.

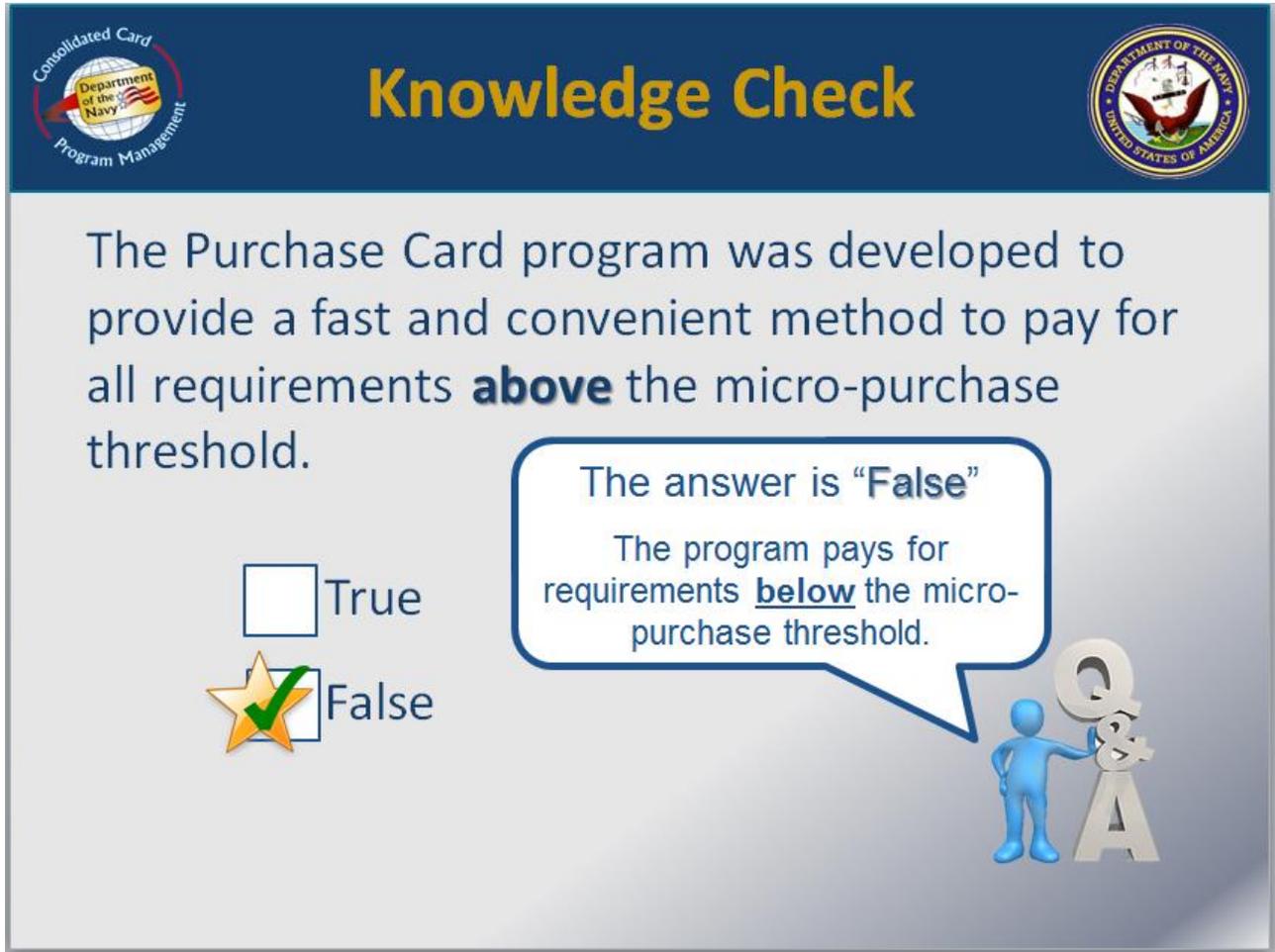
True

False



Let's take a minute for a knowledge check.

True or false? The Purchase Card program was developed to provide a fast and convenient method to pay for all requirements **above** the micro-purchase threshold.



The slide features a dark blue header with the text "Knowledge Check" in yellow. On the left is the "Consolidated Card Department of the Navy Program Management" logo, and on the right is the "Department of the Navy United States of America" seal. The main content area is light gray and contains a question: "The Purchase Card program was developed to provide a fast and convenient method to pay for all requirements **above** the micro-purchase threshold." Below the question are two radio button options: "True" (unchecked) and "False" (checked with a green star). A speech bubble on the right contains the answer: "The answer is 'False' The program pays for requirements below the micro-purchase threshold." At the bottom right, a blue 3D figure stands next to large letters "Q" and "A".

The correct answer is False.

The Purchase Card program was not developed to provide a fast and convenient method to pay for all requirements **above** the micro-purchase threshold.

The program pays for requirements **below** the micro-purchase threshold.

Let's try another question.



Knowledge Check

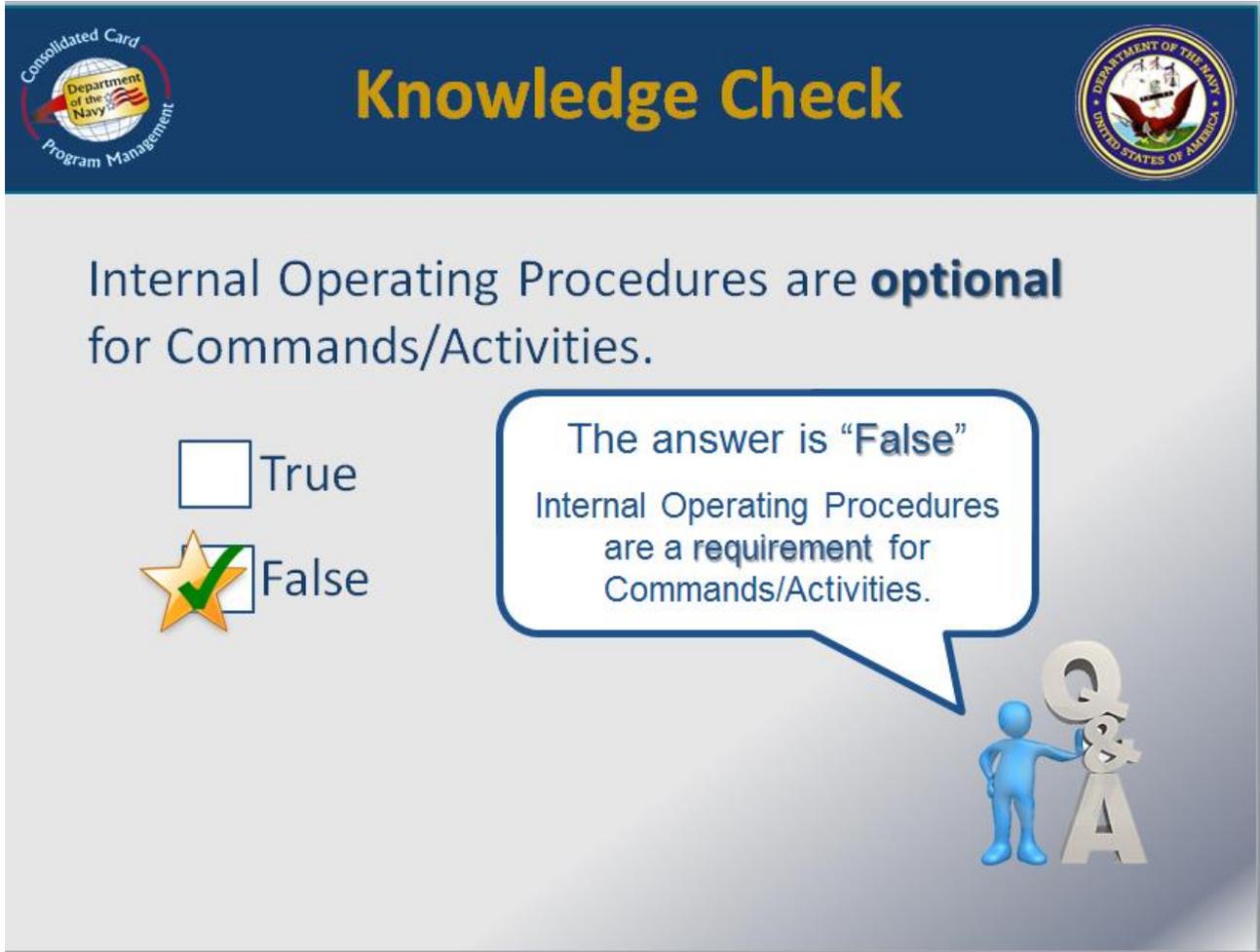
Internal Operating Procedures are **optional** for Commands/Activities.

True

False



True-false, Internal Operating Procedures are optional for Commands/Activities.



The slide features a dark blue header with the "Consolidated Card Department of the Navy Program Management" logo on the left and the "Department of the Navy United States of America" seal on the right. The title "Knowledge Check" is centered in large yellow font. The main content area is light gray and contains the text: "Internal Operating Procedures are **optional** for Commands/Activities." Below this text are two radio button options: "True" (unchecked) and "False" (checked with a green checkmark and a gold star icon). A blue speech bubble points to the "False" option, containing the text: "The answer is 'False' Internal Operating Procedures are a requirement for Commands/Activities." To the right of the speech bubble is a 3D illustration of a blue figure standing next to large white letters "Q" and "A".

The correct answer is "False".

Internal Operating Procedures are a requirement for Commands/Activities, they are not optional.

Now we are going to take a look at the major participants in the Purchase Card Program.



Major Program Participants



Major Participants Roles



Now that you are familiar with the Purchase Card Program hierarchy structure, let's look at the 15 major participants in the program and review the responsibilities of each role within the hierarchy structure.

Module One – Government Purchase Card Training GCPC Program Oversight



Major Program Participants

- Program Manager **(PM)**
- Head of Contracting Activity **(HCA)**
- Head of Activity **(HA)**
- Supervisors
- Agency/Organization Program Coordinator **(A/OPC)**
- Certifying Officer **(CO)**
- Approving Official **(AO)**
- Cardholder **(CH)**

Communication in the Purchase Card program must move up and down the chain.

DON GCPC program participants need to understand the roles of the program and how their specific role relates to roles of other program participants.

The Major Program Participants include:

- Program Manager
- Head of Contracting Activity
- Head of Activity
- Supervisors
- Agency/Organization Program Coordinator
- Certifying Officer
- Approving Official and the Cardholder

Module One – Government Purchase Card Training GCPC Program Oversight



Major Program Participants



...continued

- Resource/Financial Manager **(R/FM)**
- Local Legal/General Counsel
- Local Contracting Office
- Card Association
- Disbursing/Paying Office
- Card Issuing Bank
- The Merchant

The remaining Major Program Participants include:

- Resource/Financial Manager
- Local Legal/General Counsel
- Local Contracting Office
- Card Association
- Disbursing/Paying Office
- Card Issuing Bank and
- The Merchant

Now that we have listed the major program participants, let's take a closer look at the roles and responsibilities of each of these participants.



Major Program Participants



DON GCPC Program Manager

The Program Manager for the Department of the Navy Purchase Card Program is the DON Consolidated Card Program Management Division (**CCPMD**)

Program management responsibilities include:

The Consolidated Card Program Management Division (CCPMD) is the Program Manager for the Department of the Navy's Purchase Card Program.

The office is located in Mechanicsburg, PA and is part of the Naval Supply Systems Command (NAVSUP)

CCPMD has been granted authority and responsibility for management of the DON Government Commercial Purchase Card (GCPC) program as per NMCARS 5201.6.



Major Program Participants



DON GCPC Program Manager

The Program Manager for the Department of the Navy Purchase Card Program is the DON Consolidated Card Program Management Division (**CCPMD**)

Program management responsibilities include:

- Establish and update DON GCPC policy, training and communication with all DON GCPC Program participants
- Assist and ensure subordinate A/OPCs and other program participants understand and perform their duties

CCPMD establishes and updates the Government Commercial Purchase Card Program policy, desk guides and training products in coordination with DASN A&P.

CCPMD oversees the daily operations of the Purchase Card Program and provides a continuous stream of communication to the program participants.

CCPMD assists and ensures that subordinate A/OPCs and other program participants understand and perform their duties in accordance with policy.



Major Program Participants



Head of Contracting Activity (HCA)

- Establish and Delegate Contracting authority to Head of Activity
- Audits Purchase Card programs

Acquisition law states that you have to be authorized to commit government funds.

The Head of Contracting Activity (HCA) is responsible for establishing and delegating contract authority to an Activity prior to establishing a Government Commercial Purchase Card program.

The HCA ensures compliance with delegated contract authority by performing audits of the Activity's Card program.



Major Program Participants



Head of Activity (HA)

- Commanding Officer or Senior Civilian Executive of Activity
 - Determine need and request establishment of GCPC Program
- Accountable for program
 - Approve Activity IOP
 - Review and sign their Activity's Semiannual Review (SAR)
- Appoint trustworthy participants
 - Delegate GCPC program authority to A/OPC and CHs
 - Appoint Approving Officials / Certifying Officers

The Head of Activity (HA) is usually the Activity's commanding officer or high-level senior management official and is accountable for the performance and management of their Command or Activity's Purchase Card program

The Head of Activity may delegate their responsibilities within their chain of command to any qualified individual except the Command or Activity A/OPC.

If the HA is going to delegate one of their responsibilities to another individual it must be noted in writing.

For example, the appointment could be through an instruction or in their strategic plan or an appointment letter to a qualified individual. The appointment must specify the HA responsibilities that are being delegated.

The HA determines the need for a GCPC program and initiates the request to establish a program from the appropriate HCA.

Module One – Government Purchase Card Training GCPC Program Oversight

Head of Activity (continued)

The HA is accountable for their Activity's GCPC program and therefore approves the Activity's Internal Operating Procedures.

The HA oversees program performance by reviewing and signing their Activity's Semiannual Review and has the overall responsibility for managing the contracting authority granted to the organization by the Head of Contracting Activity.

One of the HA's main responsibilities is appointing qualified personnel to perform GCPC program duties.

The HA delegates program authority received from the HCA to an A/OPC and Cardholders.

Another responsibility of the HA is the appointment of an Approving Official/Certifying Officer.

The HA may delegate the authority to appoint these program.

Module One – Government Purchase Card Training GCPC Program Oversight



Major Program Participants

Supervisors

- Identify program participants
- Implement disciplinary action
- Remain actively involved

Supervisors are responsible for identifying and selecting trustworthy individuals as program participants for GCPC program duties.

They are responsible for implementing appropriate disciplinary action for negligence of duties and improper use of the Purchase Card involving program participants under their supervision.

Supervisors are actively involved in the performance of the individuals they supervise.



Major Program Participants



Agency/Organization Program Coordinator (A/OPC) Hierarchy Level 3 (HL3)

- Main liaison with DON CCPMD
- Manage the major command's Purchase Card program
- Establish internal policies, training and communication
- Establish program hierarchy for their command
- Ensure program participants understand and perform their duties

The Hierarchy Level 3 A/OPC manages the Government Commercial Purchase Card program on behalf of the Major Command Head of Activity.

They are the Command's Purchase Card Program Manager and the main liaison with the DON CCPMD Program Management Office.

The HL3 A/OPC establishes internal policies, training and communication with all lower level A/OPCs and program participants within their Command.

They establish and maintain their major command program hierarchy.

Finally, they ensure subordinate A/OPCs and other program participants understand and perform their duties properly.

Bottom line, the HL3 A/OPC provides the general oversight of their command's Purchase Card program.



Major Program Participants



Agency/Organization Program Coordinator (A/OPC) Hierarchy Level 4 (HL4)

- Intermediate program management level that performs the same duties as the HL3 A/OPC
- All commands have an HL4 hierarchy and A/OPC
 - In smaller commands one individual may perform duties of several hierarchy levels

The Hierarchy Level 4 (HL4) A/OPC manages the Government Commercial Purchase Card program on behalf of the Level 4 HA.

The HL4 A/OPC performs a similar role as the HL3 A/OPC, especially in large commands where intermediate management level is needed to provide adequate oversight.

In smaller commands, a single person may fill the role of the HL3 and HL4 A/OPC or an HL4 and HL5 A/OPC.



Major Program Participants

Agency/Organization Program Coordinator (A/OPC) Hierarchy Level 5 (HL5)

- Implement Program Management Policy
- Establish their Activity hierarchy
- Conduct training
- Maintain liaison with the card issuing bank
- Provide oversight of their Activity's Purchase Card program

The Hierarchy Level 5 A/OPC implements Program Management Policy on behalf of the Activity HA.

The HL5 A/OPC establishes and maintains their Activity GCPC program hierarchy.

They train the program participants to ensure they understand and perform their duties.

By serving as the point of contact with the issuing bank they do the following:

- Process account applications
- Perform account management
- Assist with account reconciliation
- Ensure accounts reflect authorized limits
- Suspend and close accounts

The HL5 A/OPC is responsible for developing the internal operating procedures specific to the mission of the Activity.

Module One – Government Purchase Card Training GCPC Program Oversight

A/OPC HL5 (continued)

They provide oversight of their Activity's GCPC program. They:

- Advise the Activity HA on program performance
- Establish management controls
- Monitor and verifying AO accounts are paid on time
- Conduct monthly and semiannual program reviews and audits
- Monitor misuse of the card
- Coordinate with AO/CO and CH supervisors to ensure appropriate disciplinary action is taken when needed



Major Program Participants



Agency/Organization Program Coordinator (A/OPC) Hierarchy Level 5 (HL5) ...continued

- Create and maintain local Internal Operating Procedure (IOP)
- Maintain awareness of Purchase Card policies and procedures
- Coordinate spending limits and funding with the Resource/Financial Manager (R/FM)



The HL5 A/OPC creates and maintains Internal Operating Procedures (IOPs) for the Activity.

They maintain awareness of program policies by communicating with higher level A/OPCs and reviewing information on the DON CCPMD website.

They must also understand their command's financial management system.

The HL5 A/OPC ensures spending limits and funding are coordinated with the Resource/Financial Manager (R/FM).



Major Program Participants



Agency/Organization Program Coordinator (A/OPC)

Hierarchy Level 5 (HL5) ...continued

- Create and maintain local Internal Operating Procedure (IOP)
- Maintain awareness of Purchase Card policies and procedures
- Coordinate spending limits and funding with the Resource/Financial Manager (R/FM)
- Maintain administrative files for each AO/CO and Cardholder

Lastly, the HL5 A/OPC is responsible for maintaining individual administrative files for each Approving Official/Certifying Officer (AO/CO) and Cardholder (CH).

These files are retained for the duration the employee serves in their capacity plus three years beyond.



Major Program Participants



Certifying Officer (CO)

- Certifying Officer is also the Approving Official (AO)
- Validate transactions are legal and proper prior to certification
- Verify and retain supporting documentation
- Ensure CH transactions are reallocated if necessary
- Certify invoice (billing statement) for payment

It is DOD policy that a single person fills the role of the Certifying Officer and Approving Official. Only GCPC Certifying Officers appointed by a DD Form 577 are authorized to certify payment of GCPC invoices.

The Certifying Officer verifies supporting documentation is retained and available for inspection and/or assessments and validates transactions are legal prior to certification.

If necessary, the Certifying Officer ensures transactions are reallocated to a proper Line of Accounting (LOA) prior to certification.

The Certifying Officer certifies that a Purchase Card invoice is legal and proper for payment. Certification should be done electronically in the bank system or Navy ERP, but in some cases must be done manually.



Major Program Participants



Certifying Officer (CO) ...continued

- Prevent submission of duplicate invoices
- Pecuniarily liable for erroneous payments
- Retain billing statements/invoices and supporting documents for ten years after final payment

The Certifying Officer takes appropriate action to prevent submission of duplicate invoices.

They are peculiarly liable for erroneous payments so they must ensure all Cardholder purchases are legal and seek advice from fiscal counsel and/or the comptroller when uncertain if funding is authorized for a specific purchase.

The CO should also seek advice from the A/OPC for Purchase Card policy or procedures.

They must also ensure proper receipt, acceptance and inspection for all items and retains all documents that support the certification for ten years after final payment.



Major Program Participants



Approving Official (AO)

- Oversee Cardholders
- Review and approve CH monthly statements
- Review purchase documentation and ensure transactions are proper and legal
- Track purchases paid for but not received
- Complete transaction review in the approved DON audit system
- Notify A/OPC to close a CH account

The AO is the first line of defense in preventing misuse, abuse and/or fraudulent use of the GCPC.

AOs should be, to the greatest extent possible, the supervisor of the CH or be in the direct line of authority of their CH, but not supervisor of their A/OPC in order to maintain a system of checks and balances within acquisition responsibilities.

It is the AO's responsibility to conduct monthly reviews of the Cardholder's monthly bank statements. The AO ensures transactions are legal and proper. This verification is accomplished by reviewing supporting documentation for completeness and accuracy.

They notify the A/OPC of any suspected purchases that would indicate non-compliance, fraud, misuse and/or abuse and are responsible for tracking purchases that have been paid for but not received.

The AO also completes the transaction review in the approved DON audit system and notifies the A/OPC to close a Cardholder account prior to Cardholder's departure.



Major Program Participants



Cardholder

- Use card “For Official Use Only”
- Review requirement and verify approval
- Ensure funding availability, keep purchases under single and monthly purchase limits
- Ensure purchases comply with acquisition policy
- Instruct merchant that billing cannot occur until the item(s) are shipped and request exemption from sales tax



The Cardholder is the individual who has been issued the GCPC and is authorized to make purchases. When making a purchase, the CH must comply with statutory, contractual, administrative, and locally applicable requirements.

Cardholders must ensure that they are using their cards for official use only and that the information and data they provide to an AO/CO is accurate and complete.

Cardholders must verify the requirement is approved in accordance with local procedures prior to purchase. They confirm funds are available before they make the purchase and they must observe the purchase limits authorized in their Letter of Delegation.

Cardholders must follow acquisition policy. They instruct the merchant not to charge the GCPC until after the supplies are shipped and request the purchase be exempt from state sales tax.



Major Program Participants



Cardholder *...continued*

- Maintain a log and obtain receipts for all purchases
- Review monthly statement for accuracy
- Reconcile statement with documentation and provide accurate information and data to AO
- May be held pecuniarily liable for erroneous payments that result from information/data they provide



It is the Cardholder's responsibility to maintain a log of all purchases and obtain receipts for all purchases.

The Cardholder must ensure a complete review of their monthly bank statement for legality and accuracy.

The monthly bank statement must be reconciled against their purchase log and other documentation before their CO certifies it for payment.

It is important for the Cardholder to obtain proper documentation since they may be held financially liable for erroneous payments that result from information/data they provide.

Module One – Government Purchase Card Training GCPC Program Oversight



Major Program Participants

Cardholder *...continued*

- Safeguard card and notify A/OPC when they leave
- Immediately report lost or stolen card to bank and A/OPC



The Cardholder must secure their card and be aware of phishing schemes to compromise their card account number.

Encrypt any email that contains account information or numbers.

Immediately report a lost or stolen card to the A/OPC and the card issuing bank.

The Cardholder must return their card to the A/OPC upon departure from the agency/organization.



Major Program Participants

- ✓ Program Manager
- ✓ Head of Contracting Activity
- ✓ Head of Activity
- ✓ Supervisors
- ✓ Agency/Organization Program Coordinator
- ✓ Certifying Officer
- ✓ Approving Official
- ✓ Cardholder



As a quick review, so far we've discussed the roles and responsibilities of the following major Purchase Card Program Participants including:

- Program Manager
- Head of Contracting Activity
- Head of Activity
- Supervisors
- Agency/Organization Program Coordinator
- Certifying Officer
- Approving Official
- Cardholder

Next, we'll discuss the Resource/Financial Manager.



Major Program Participants



Resource/Financial Manager (R/FM)

- Maintain positive funds control
- Provide accounting data
- Coordinate funding and spending limits
- Provide advice on legal use of funds
- Ensure obligations are recorded for transactions
- Resolve payment issues



The Resource/Financial Manager (R/FM) is responsible for reserving funds prior to card use and for providing accounting data in support of Government Commercial Purchase Card purchases.

They coordinate funding and spending limits with Approving Official/Certifying Officer and the HL5 A/OPC.

The Resource/Financial Manager provides advice on legal or regulatory constraints on the use of funds and they ensure obligations are recorded in the appropriate accounting system.

In addition, they assist with resolution of account payment/disbursing problems.



Major Program Participants



Local Legal/General Counsel

- Provide legal advice

Local Contracting Office

- Provide acquisition and contracting policy advice

The local General Counsel provides legal and ethical advice interpreting acquisition, appropriation, financial management and Purchase Card laws governing the use of GCPC.

The local contracting office provides advice interpreting acquisition and contracting policy.



Major Program Participants



Card Association

- Provide charge card infrastructure and data to the banks
- Establish business rules for charge card use



The Card Association, in our case being VISA Inc., is an electronic payment processing service provider that connects merchants, banking institutions and customers.

The Card Association provides the charge card infrastructure and data to the banks and establishes business rules for charge card use including rules for disputes and surcharges.



Major Program Participants



Disbursing/Paying Office

- Disburse payments
- Post records to accounting systems
- Monitor and make prompt payments



The Disbursing/Paying Office is responsible for disbursing prompt payments to the card issuing bank.

They post records to accounting and entitlement systems and ensure timely processing of disbursements.



Major Program Participants



Card Issuing Bank

- Issue and distribute cards
- Produce monthly Cardholder Statements and Billing Statements/Invoices
- Process charges and credits
- Investigate disputes
- Monitor for external fraud
- Disburse rebates and credit refunds
- Provide web based access

The Card Issuing Bank issues and distributes Purchase Cards and provides Purchase Card services in accordance with the GSA SmartPay contract.

They create and maintain DON Purchase Card accounts and generate monthly statements.

They also process charges, credits and payments, investigate disputes, monitor for external fraud, disburse rebates, and credit refunds.

Lastly, the card issuing bank is responsible for providing web based access for account management and reporting.



Major Program Participants



Merchant

- Provide commercial goods and services
- Properly charge and credit accounts in accordance with card association rules

The merchant is the most important entity involved in acquiring goods and services.

Purchasing policy requires purchases be distributed among merchants as much as possible.

Purchases should only be made from reliable merchants.

Module One – Government Purchase Card Training
GCPC Program Oversight

 **Major Program Participants** 

- ✓ Program Manager
- ✓ Head of Contracting Activity
- ✓ Head of Activity
- ✓ Supervisors
- ✓ Certifying Officer
- ✓ Agency/Organization Program Coordinator
- ✓ Approving Official
- ✓ Cardholder
- ✓ Resource/Financial Manager
- ✓ Local Legal/General Counsel
- ✓ Local Contracting Office
- ✓ Card Association
- ✓ Disbursing/Paying Office
- ✓ Card Issuing Bank
- ✓ The Merchant



This concludes our review of the Purchase Card program’s major participants and their roles and responsibilities.

Module One – Government Purchase Card Training
GCPC Program Oversight



Knowledge Check

Approving Officials are responsible for identifying trustworthy individuals as program participants for GCPC program duties.

True

False



It's time for a knowledge check.

True or False?

Approving Officials are responsible for identifying trustworthy individuals as program participants for GCPC program duties.

Knowledge Check

Approving Officials are responsible for identifying trustworthy individuals as program participants for GCPC program duties.

True

False

The answer is “False”
The Supervisor is responsible for identifying trustworthy individuals

The answer is “False” because it is the Supervisor who is responsible for identifying trustworthy individuals as program participants for GCPC program duties not the Approving Official.



Knowledge Check



Only the _____ is authorized to make purchases using the Purchase Card.

- Approving Official
- Resource/Financial Manger
- Cardholder
- Head of Activity



OK, try this one.

Which of these four roles is the only one authorized to make purchases using the Purchase Card?

 **Knowledge Check** 

Only the _____ is authorized to make purchases using the Purchase Card.

- Approving Official
- Resource/Financial Manager
- Cardholder
- Head of Activity

Only the Cardholder is authorized to make purchases using the Purchase Card



Yes, the correct answer is Cardholder.

Only the Cardholder is authorized to make purchases using the Purchase Card.



We just wrapped up the review of program participants.

Now let's look at some internal management controls established to provide reasonable assurance that the Purchase Card program is properly managed and the card properly used.

These controls include personnel requirements, separation of duties, span of control, appointment of authority, and training.

Let's learn more about the management controls.



Personnel Requirements

The following personnel **may be issued** a GCPC or **be appointed** as an AO/CO or an A/OPC:

- Civilian government employees
- Armed Forces members
- Foreign national direct hire employees
 - If they can be held pecuniarily liable
- Foreign national indirect hire employees
 - May **NOT** be held pecuniarily liable
 - **NOT** authorized to perform AO/CO duties

Contractors are **not authorized** to perform GCPC duties but may provide limited administrative support

One of the internal management controls relates to personnel requirements.

Only civilian government employees, members of the Armed Forces and foreign national direct hire employees (If they can be held peculiarly liable) may be issued a GCPC or be appointed as an AO/CO or A/OPC.

Foreign national indirect hire employees are not authorized to perform AO/CO duties. They may perform A/OPC and Cardholder duties but may not be held peculiarly liable.

Contractor support services are not authorized to perform Cardholder, AO or CO duties, but they may assist in performing A/OPC administrative responsibilities.

The primary A/OPC must provide direct oversight over the contractor who must sign a non-disclosure statement and the contractor's Statement of Work must be explicit regarding the functions to be performed.

Contractor access to the bank's web based system is restricted to "read only access" for data collection/analysis needed to assist in managing the program.

Each request for contractor support must be approved by the HA.



Separation of Duties



- Roles and responsibilities are not in conflict
- Adequate checks and balances are in place
- Within the same hierarchy:
 - ❑ AO/COs shall not be the A/OPC or Cardholder
 - ❑ A/OPCs will not be Cardholders
 - ❑ Under no circumstances assign Cardholder as own AO
- Accountable Property Officers and Property Custodians cannot be Cardholders
- R/FM or Budget Managers cannot be Cardholder or AO/CO responsible for execution of their own funds

Separation of Duties ensures that the roles and responsibilities of individuals within their program are not in conflict and that adequate program checks and balances are in place.

For example, within the same hierarchy, an AO/CO cannot be an A/OPC or Cardholder and an A/OPC cannot be a Cardholder. If personnel considerations require an AO to be a Cardholder, under NO circumstances will they be their own AO. This includes alternate AO and A/OPC positions as well.

Accountable Property Officers, Property Custodians or equivalents cannot be Cardholders with authority to purchase accountable items.

Resource/Financial Managers (R/FM), Budget Managers or equivalents cannot be Cardholders or AO/COs with responsibility for executing their own funds.

CCPMD approval is required in cases where commands have a limited number of personnel and separation of duties is not possible.



Span of Control

- AO to Cardholder & Convenience Check accounts ratio not to exceed **1:7**
- A/OPC to AO & Cardholder accounts not to exceed **1:300**
- Span of control ratios apply across multiple hierarchies and includes alternates
- Monitored monthly
- Span of control **violations** may result in account closure
- Contingency and deployed accounts included

Span of Control is another management control. The purpose of this is to ensure there is proper oversight of GCPC use.

An AO cannot oversee more than seven Cardholder and convenience check accounts. In some cases, fewer than seven accounts may be too many for a particular AO if the total number of transactions per month is excessive. Organizations should apply discretion and good judgment to determine the optimal ratio at seven or below.

Ensuring a reasonable number of accounts are assigned to each AO account is paramount for the effective accomplishment of their responsibilities.

An Activity (HL5) A/OPC cannot oversee more than 300 AO and CH accounts.

Span of Control requirements also apply across multiple hierarchies and includes alternate AOs and alternate A/OPCs.

Span of Control is monitored monthly. Activity A/OPCs are required to correct any span of control violations or risk account closures. Contingency and deployed accounts are included in span of control.



Initial Training Requirements



TRAINING!

- Vital to program success
- Prevents fraud, waste, and abuse
- Prerequisite to performing DON GPCP program duties
- Ensures program participants understand governing policies and procedures

The most important management control is training.

Ensuring that A/OPCs, AOs/Cos, and Cardholders are properly trained is vital to program success.

Proper training is important to prevent fraud, waste, and abuse.

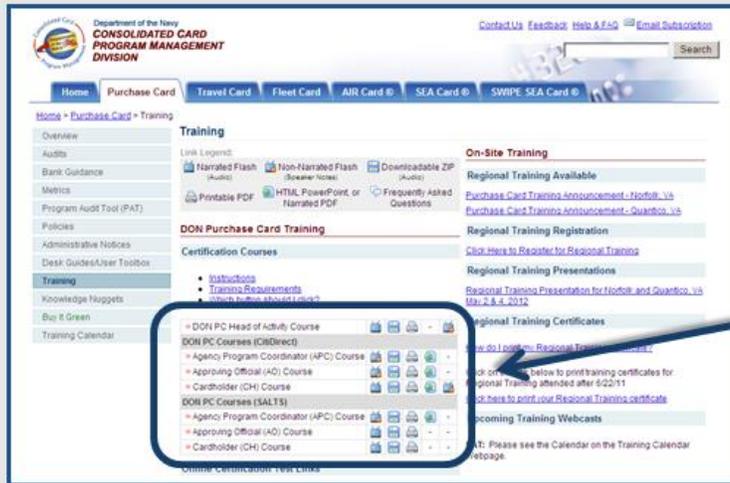
Completion of initial training requirements is a prerequisite to performing DON Government Commercial Purchase Card program duties.

The initial mandatory training is designed to ensure that each program participant has a good understanding of the governing policies and procedures before being entrusted with the responsibility of their Government Commercial Purchase Card program role.

Module One – Government Purchase Card Training GCPC Program Oversight



DON CCPMD Online Training



https://www.navsup.navy.mil/ccpmd/purchase_card/training

The course that you are currently taking is the DON Consolidated Card Program Management Division (CCPMD) online training.

Module One – Government Purchase Card Training GCPC Program Oversight

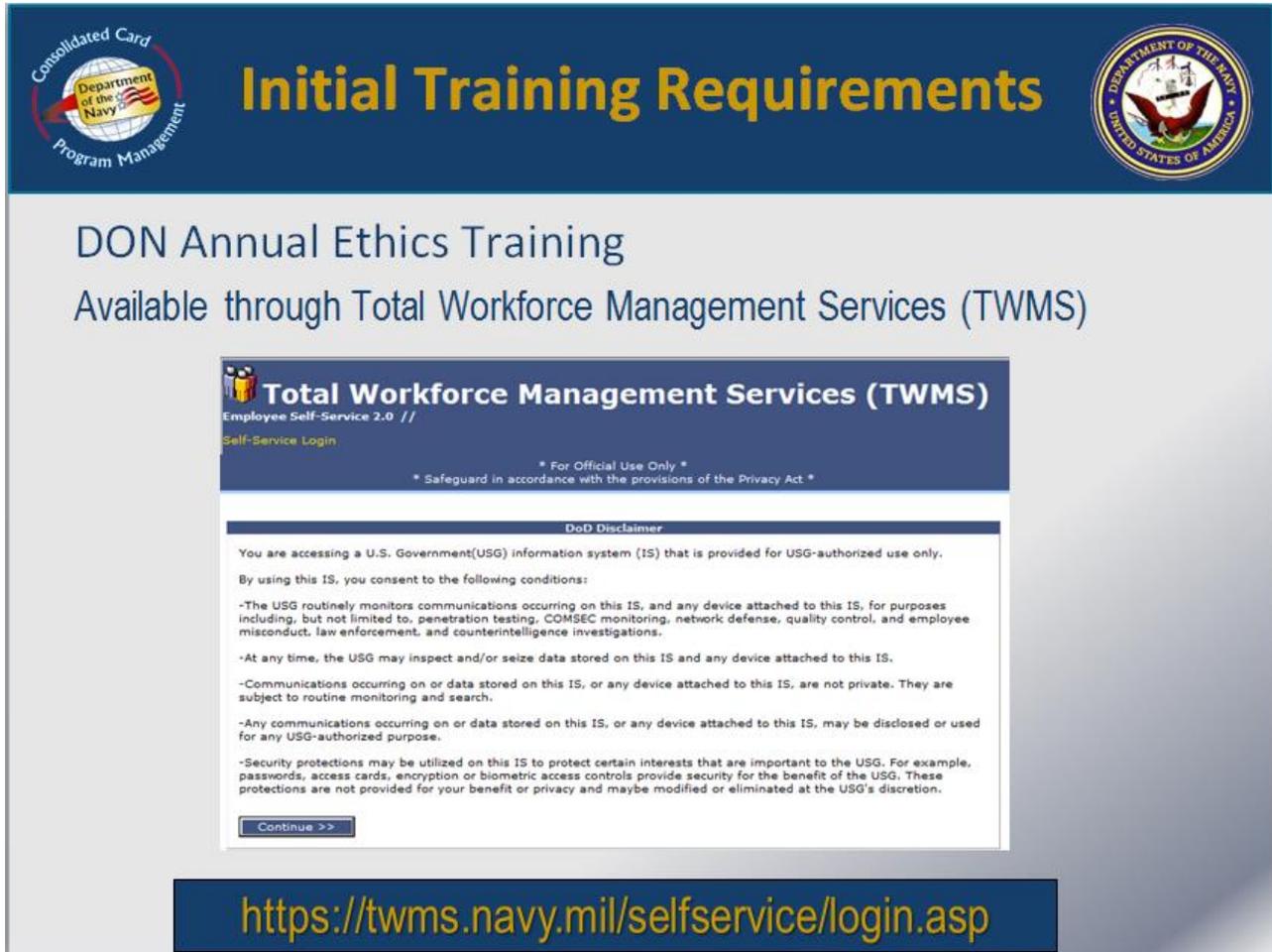
The screenshot shows the DAU website interface. At the top left is the 'Consolidated Card Department of the Navy Program Management' logo. At the top right is the 'DEPARTMENT OF THE NAVY UNITED STATES OF AMERICA' seal. The main heading is 'Initial Training Requirements'. Below this is the text 'DOD Government Purchase Card Training, DAU CLG001 - <http://www.dau.mil/clc/>'. The website content includes a navigation bar with links like 'Home', 'Training', 'Other Products', 'Catalog', 'Publications', 'Locations', 'About DAU', 'Careers', 'DAP', and 'FAQ'. The main content area features a 'Continuous Learning for the Defense Acquisition Workforce' section with a sidebar of links: 'CLC Home', 'Point Credit', 'Policy & Guidance', 'CL Modules', 'Training Courses', 'Conferences & Symposia', 'Publish', and 'Professional Activities'. A blue callout box with the text 'CL Modules (Continuous Learning)' has an arrow pointing to the 'CL Modules' link in the sidebar. The main content area also includes a 'How to Earn Continuous Learning Points' section with icons for 'Training Courses', 'CL Modules', 'Publish', 'Professional Activities', 'Conferences & Symposia', and 'Gaming & Simulation'. A 'Useful Links' section is visible on the right side of the page.

The second course requirement is mandated by the Department of Defense and is offered on the Defense Acquisition University website.

The course is located in the Continuous Learning section of the DAU website and is officially titled, the DOD Government Purchase Card.

The course code is CLG001 and only needs to be taken once.

Module One – Government Purchase Card Training GCPC Program Oversight



Initial Training Requirements

DON Annual Ethics Training
Available through Total Workforce Management Services (TWMS)

Total Workforce Management Services (TWMS)
Employee Self-Service 2.0 //
Self-Service Login

* For Official Use Only *
* Safeguard in accordance with the provisions of the Privacy Act *

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<https://twms.navy.mil/selfservice/login.asp>

The third mandatory course is the Annual Ethics course offered by the DON Office of General Counsel.

Module One – Government Purchase Card Training GCPC Program Oversight

Initial Training Requirements

Certifying Officer Legislation (COL) Training (For COs & DAOs only)

COL Foundations

Welcome to the
Certifying Officer Legislation (COL)
Training

COL Foundations

[Click here to go to the next page](#) containing instructions for using this WBT.
[Click here to skip instructions](#) and proceed to the start of training.

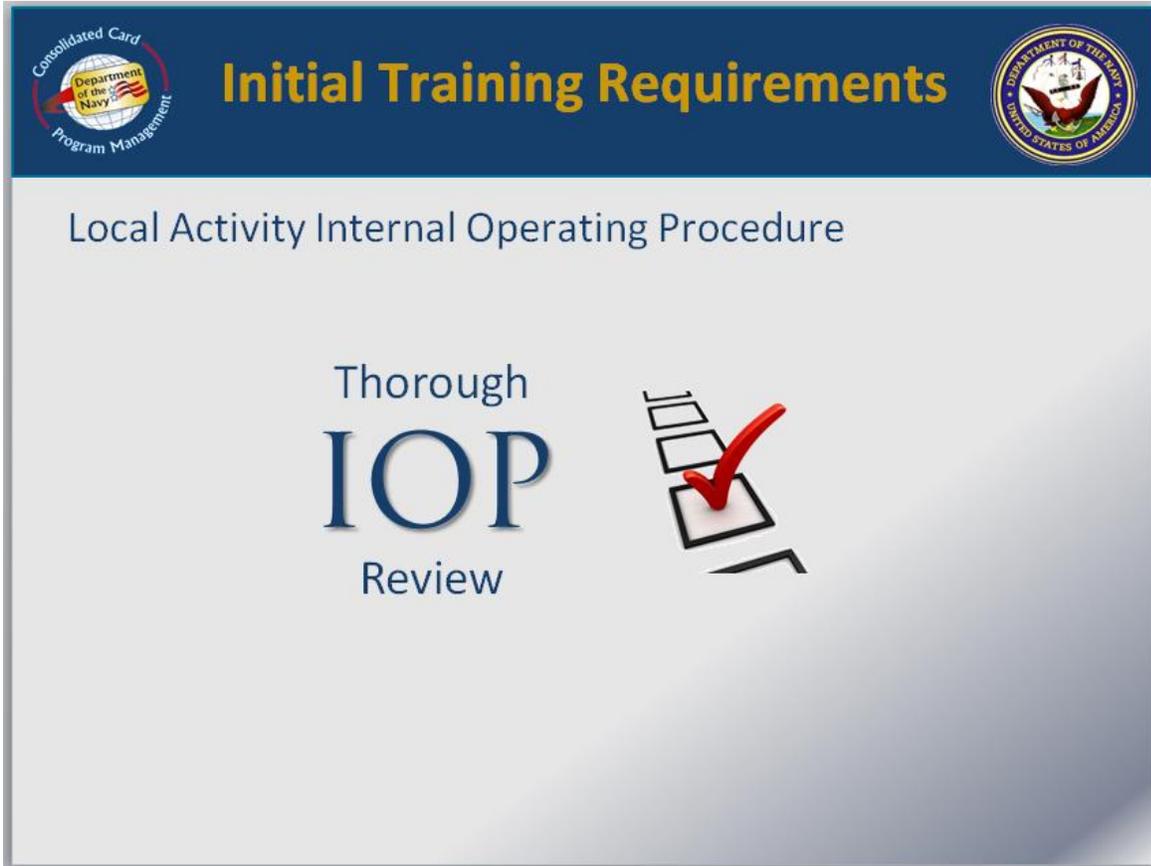
https://dfas4dod.dfas.mil/training/Courses/COLBasics/index.html

Certifying Officers must take the DAU Certifying Officer Legislation Training for Purchase Card Payments, CLG 006, prior to performing CO duties.

In addition, all Cos and DAOs are required to complete the Certifying Officer Legislation Training annually.

The CLG 006 course can be accessed directly using the address here or it can be found on the Purchase Card Training tab of the CCPMD website under the “Links” section.

Module One – Government Purchase Card Training
GCPC Program Oversight



The slide features a dark blue header with the text "Initial Training Requirements" in yellow. On the left is a circular logo for "Consolidated Card Department of the Navy Program Management" and on the right is the "DEPARTMENT OF THE NAVY UNITED STATES OF AMERICA" seal. Below the header, the text "Local Activity Internal Operating Procedure" is centered. The main content area is light gray and contains the text "Thorough IOP Review" in blue, with "IOP" in a larger font. To the right of this text is an illustration of a checklist with a red checkmark in the second box.

And finally, mandatory training pertains to specific procedures outlined in your local Internal Operating Procedure (IOP) and will be provided by your A/OPC.

It is imperative you are familiar with your Activity's policy and procedure.

Module One – Government Purchase Card Training
GCPC Program Oversight



Initial Training Requirements

- DON CCPMD Online Training
- DOD Government Purchase Card Training, DAU CLG001
- DON Annual Ethics Training
- Local Activity Internal Operating Procedure

https://www.navsup.navy.mil/ccpmd/purchase_card/training

A/OPCs, AOs/COs and Cardholders must complete all of these courses.

A/OPCs, AOs/COs and Cardholders must present the training certificates or other proof of completion to their A/OPC.

Links for the above training are on the CCPMD website.



Refresher Training Requirements

- **Mandatory** GCPC Refresher Training every two years. Complete one of the following:
 - ❑ DON Online GCPC training **OR**
 - ❑ CCPMD Sponsored Regional Training **OR**
 - ❑ Government Purchase Card Refresher Training, DAU CLG004
- **Mandatory** DON Annual Ethics Training

Once your initial training requirements are completed, you need to maintain an awareness of changes to the GCPC program by completing the mandatory refresher training requirements.

All program participants are required to complete refresher training every two years.

This training requirement can be fulfilled by repeating the DON online GCPC training on the CCPMD site, or by attending a CCPMD sponsored Purchase Card Regional Training session, or by completing the DON Purchase Card Refresher course available on the DAU training portal.

Additionally, DON Ethics Training is a mandatory annual requirement for **all** program participants and can be found on the Purchase Card training section of the CCPMD website.



Document Completion of Training



- Cardholders and Approving Official **must provide** their **HL5 A/OPC** copies of all Training Certificates
- HL5 A/OPCs **must retain** training certificates for duration of the appointment and for an **additional three (3) years** after appointment has ended

No job is complete until the paper work is done.

Upon completion of any training, program participants must provide a copy of the training certificate to their HL5 A/OPC who retains copies of all training certificates for the duration of the program participant's appointment and for an additional three years beyond their appointment end.



Appointment of Authority

- A/OPC authority is documented in a **Letter of Delegation** (LOD) from the HA
- Approving Official (AO) authority is documented in an **Letter of Appointment**

Appointment of Authority is another management control.

Authority for performing GCPC roles must be clearly documented.

One of the primary purposes of the Purchase Card Program is to simplify the process of acquiring mission critical supplies and services.

Much of this simplification is achieved by entrusting the people who are involved with purchasing the supplies and services with the authority to perform the role they are assigned.

A/OPC authority is documented in a Letter of Delegation from the Head of Activity (HA).

AO authority is documented in a Letter of Appointment.



Appointment of Authority



- A/OPC authority is documented in a **Letter of Delegation** (LOD) from the HA
- Approving Official (AO) authority is documented in an **Letter of Appointment**
- Certifying Officer (CO) appointment & pecuniary liability is documented on Appointment/Termination Record (**DD Form 577**)

Certifying Officer appointments and pecuniary liability is documented and acknowledged using the most current version of Appointment/Termination Record (DD Form 577) with the original signed DD Form 577 being mailed to DFAS.



Appointment of Authority



- A/OPC authority is documented in a **Letter of Delegation** (LOD) from the HA
- Approving Official (AO) authority is documented in an **Letter of Appointment**
- Certifying Officer (CO) appointment & pecuniary liability is documented on Appointment/Termination Record (**DD Form 577**)
- Cardholder (CH) authority is documented either by **Letter of Delegation** or Certificate of Appointment

A Purchase Card Program Cardholder is officially granted the authority to make purchases on behalf of the Department of the Navy.

The delegation of authority establishes the limits of the Cardholders purchasing rights.

This delegation of authority is most often accomplished with a Letter of Delegation specifying spending limits and any limitations to supplies or services authorized to purchase.

The Certificate of Appointment (SF 1402) may also be used to document authorized use and dollar limits for using the GCPC above the micro-purchase threshold.



Appointment of Authority



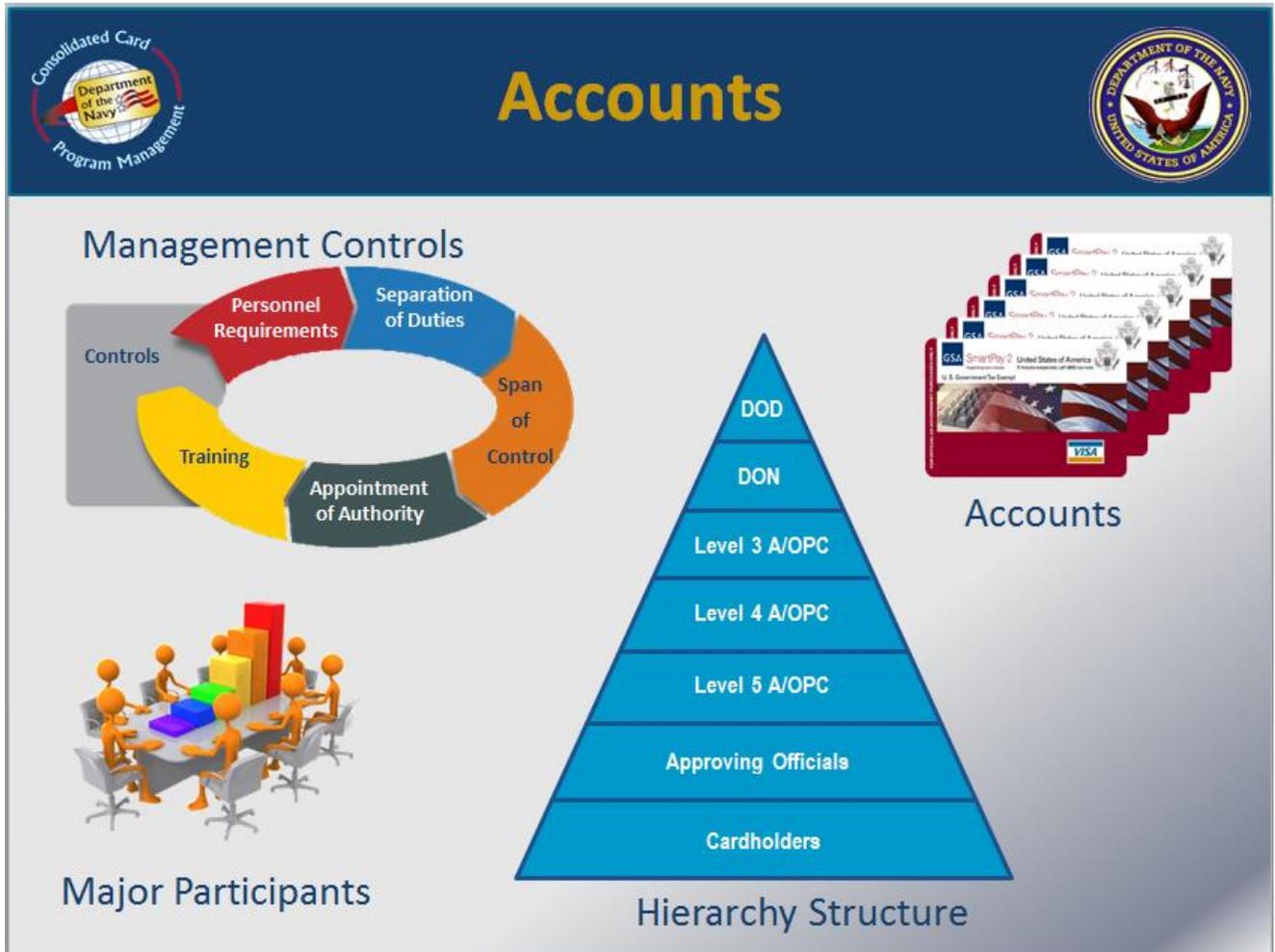
- A/OPC authority is documented in a **Letter of Delegation** (LOD) from the HA
- Approving Official (AO) authority is documented in an **Letter of Appointment**
- Certifying Officer (CO) appointment & pecuniary liability is documented on Appointment/Termination Record (**DD Form 577**)
- Cardholder (CH) authority is documented either by **Letter of Delegation** or Certificate of Appointment
- Pecuniary liability for all Cardholders and any AO not performing CO duties is documented using a **DD Form 577**

Pecuniary liability is also appointed and acknowledged using the DD Form 577 for all Cardholders and any Approving Official not performing Certifying Officer duties.

The A/OPC is required to maintain copies of all DD Form 577 appointments and notify DFAS when CO authority is rescinded or no longer performed.

The A/OPC does this by completing the termination section of the 577 and mailing to DFAS.

Module One – Government Purchase Card Training
GCPC Program Oversight



As a quick review, so far we have discussed the program's hierarchy structure, introduced the major program participants and discussed their roles and responsibilities.

We presented five specific management controls which are integral to the success of the program, and now we are going to discuss several topics related to Purchase Card accounts.



Account Management

Types of Accounts

- Approving Official (AO), a.k.a. Billing Accounts
- Cardholder (CH)
- Convenience Check

Before establishment the A/OPC must verify that required training and delegations have been completed

Properly appointed and trained personnel can manage accounts based on their role. A/OPCs will establish accounts based on need and Head of Contracting Activity delegated authority.

The Approving Official (AO) account which is also known as a Billing Account is a summary of all account activity for Cardholders and check writers assigned under the AO's hierarchy. An AO account must be established and include a default line of accounting before the CH or convenience check accounts can be established.

The CH account authorizes controls and reports all purchases charged to the Cardholder's card. It is DON policy to minimize use of convenience checks. Convenience check accounts may only be established to meet requirements below the micro-purchase threshold when the vendor does not accept a GCPC. Convenience check accounts are managed like CH accounts and require additional oversight and reporting.

Prior to establishing an account, the A/OPC verifies that required training and delegations have been completed. Each type of account is controlled by spending limits and Merchant Category Codes (MCCs).

Let's proceed to the next slide to discuss the account spending limits.



Purchase Limits

Single Purchase Limit

- **Maximum** dollar amount authorized to purchase on a **single transaction** made by a CH or convenience check writer

Monthly Cycle Purchase Limit

- **Maximum total** dollar amount authorized to purchase **over the cycle period** for a CH or AO account (20th to the 19th)

There are two types of spending limits.

The Single Purchase limit, as the name implies, is the maximum dollar amount a Cardholder is authorized to spend on a single transaction.

Normally authorization controls within the card-issuing bank's system will decline all purchase attempts that exceed the Single Purchase Limit.

The Monthly Cycle Purchase Limit is the maximum total dollar amount that a Cardholder is authorized to purchase over the monthly cycle period known as the billing cycle.

The Billing Cycle runs from the 20th of the month through the 19th of the following month.



Purchase Limits

Single Purchase Limit

- **Maximum** dollar amount authorized to purchase on a **single transaction** made by a CH or convenience check writer

Monthly Cycle Purchase Limit

- **Maximum total** dollar amount authorized to purchase **over the cycle period** for a CH or AO account (20th to the 19th)
- Purchasing limits cannot exceed delegated authority

Consider these two definitions of terms used to establish CH purchasing limits.

These two limits can have different values depending on the type of purchasing situation.

The exact values are listed in the CH'S delegated authority.



Account Controls



Merchant Category Codes (MCCs) restrict Cardholder purchases

0100 - 0999	<i>Agriculture</i>	5000 - 5199	<i>Wholesale Trade</i>
1000 - 1499	<i>Mining</i>	5200 - 5999	<i>Retail Trade</i>
1500 - 1799	<i>Construction</i>	6000 - 6799	<i>Finance & Insurance</i>
2000 - 3999	<i>Manufacturing</i>	7000 - 8999	<i>Services</i>
4000 - 4999	<i>Transportation</i>	9100 - 9999	<i>Public Administration</i>

https://www.navsup.navy.mil/ccpmd/purchase_card/bank_guidance

The Merchant Category Code (MCC) is a four-digit code that identifies businesses by the type of product or service they provide.

There are certain businesses that the Government would normally not do business with like casinos and pawn shops.

Merchant Category Codes for these businesses are applied to accounts at setup to prevent improper purchases.

A/OPCs may further restrict purchases by adding additional Merchant Category Codes to a Cardholder's account.



Knowledge Check



Appointment of authority for an AO is documented in the _____.

- Certificate of Appointment (SF1402)
- Appointment/Termination Record
DD Form 577
- Letter of Delegation
- Appointment Letter



Let's pause to do a short knowledge check ...

This one is multiple choice; choose one.

Appointment of authority for an AO is documented in the "blank".



Knowledge Check

Appointment of authority for an AO is documented in the _____.

- Certificate of Appointment (SE1402)
- Appointment/Term DD Form 577
- Letter of Delegation
- Appointment Letter

Appointment of authority is documented in an Appointment Letter



Appointment of authority for an AO is documented in an Appointment Letter.



Knowledge Check



Certifying Officer (CO) appointment and pecuniary liability is documented using _____?

- Letter of Delegation
- Appointment Letter
- Certificate of Appointment (SF1402)
- Appointment/Termination Record (DD Form 577)



Next question:

A Certifying Officer appointment and pecuniary liability is documented using which of these methods?



Knowledge Check

Certifying Officer (CO) appointment and pecuniary liability is documented using _____?

- Letter of Delegation
- Appointment Letter
- Certificate of Appointment (SF1402)
- Appointment/Termination Record (DD Form 577)

Appointment & pecuniary liability is documented using DD Form 577



A Certifying Officer appointment and pecuniary liability is documented using the Appointment/Termination Record, the DD Form 577.



Knowledge Check

Separation of duties allows an A/OPC to be a Cardholder within the same hierarchy.

True

False



OK, let try this question.

Separation of duties allows an A/OPC to be a Cardholder within the same hierarchy.

True or False?



Knowledge Check

Separation of duties allows an A/OPC to be a Cardholder within the same hierarchy.

True

False

The answer is **False**.

Separation of duties does **NOT** allow an A/OPC to be a Cardholder.



The answer is "False". Separation of duties does not allow an A/OPC to be a Cardholder within the same hierarchy.



Transfer of Accounts

Transferring accounts between hierarchies is prohibited to avoid significant reconciliation, payment and audit problems.

On occasion, a Cardholder account may need to be realigned with a different AO account or an AO account might need to be realigned with a different HL5 A/OPC.

Please note: Transferring accounts between hierarchies is prohibited.

Transferring of CH and AO accounts will result in additional workload to resolve account reconciliation, payment and audit problems.



Transfer of Accounts

- **Do not transfer** CH accounts between AO Accounts
 - ❑ **Close out** the CH account and **reestablish** under a new AO account
- **Do not transfer** AO Accounts between HL5 A/OPCs
 - ❑ **Reconcile** account to zero dollar balance, **close out** the account and all subordinate CH accounts and **establish new AO account** under the new HL5 Hierarchy

Cardholder accounts cannot be transferred from one AO account to another.

Instead, the Cardholder account needs to be closed and a new Cardholder account needs to be established under the desired AO.

AO accounts cannot be transferred from one HL5 hierarchy to another; instead the account must be reconciled to a zero dollar balance, then closed including all Cardholder accounts and a new AO account is opened under the new HL5 hierarchy.



Closing Accounts



Cardholder Account

- Account is inactive at least 30 days prior to departure
- All purchases, credits and disputes must be reconciled
- Destroy plastic card and convenience checks



Approving Official Account

- All Cardholder accounts must be reconciled & closed
- Invoice must be paid

Let's discuss the steps to close Cardholder and AO accounts.

To the maximum extent possible, the A/OPC will ensure that the Cardholder account is inactive at least 30 days (one billing cycle) prior to the projected date of transfer, retirement or removal.

The Cardholder account will only be closed after confirmation that all purchases, merchant credits and disputed amounts have been posted and reconciled.

To ensure this happens expeditiously, the Cardholder should not backorder items prior to departure.

Under no circumstances should a Cardholder account remain open past the official transfer or separation date.

Module One – Government Purchase Card Training GCPC Program Oversight

Closing Accounts (continued)

If there are transactions still outstanding, the A/OPC should reduce both the single and monthly Cardholder credit limits to \$1.00 and destroy their Purchase Card to avoid any more charges.

Once all transactions have been posted and the account is reconciled, the A/OPC will close the Cardholder account and rescind the delegated authority.

All files documenting GCPC transactions must be turned in to the AO/CO for retention when a Cardholder leaves the command.

This allows auditors the ability to locate documents after the Cardholder departs.

The plastic card and any convenience checks should be destroyed per procedures in the Activity IOP.

AO accounts should not be closed until all CH accounts that are billed to the account have been closed and the final invoice has been paid.

When closing an AO account, whether it is due to program restructure or the account is no longer needed, the AO account balance must be zero.

If there is an outstanding balance, a final certification is required to balance the account.



Inactive Accounts

- Inactive accounts are defined as:
 - ❑ Not used in previous **6 months**
- OR**
- ❑ Used **less than 3 times** over the past year
- Inactive account should be **closed** unless justified by supervisor
- Handling of inactive accounts **addressed in Activity IOP**

Inactive Accounts

The A/OPC ensures that Cardholder accounts that have not been used in the previous six months or were used less than three times during the preceding six month period, meaning the last twelve months, are closed unless the supervisor submits an acceptable justification to the A/OPC for holding them open.

Under some circumstances it may be appropriate to hold inactive accounts open.

These include, but are not limited to, contingencies, deployed-status accounts, or cases when an employee is on extended sick leave or experiences a temporary disability.

The handling of inactive accounts should be addressed in the Activity IOP.



Contingency Accounts

- Inactive until needed
- Credit limit of **one dollar** until activated 
- **Included** in Span of Control

Cardholder accounts may be set up for contingency deployment or as a backup when the primary CH is unavailable since alternate Cardholders are prohibited.

Contingency accounts remain inactive until needed.

The A/OPC ensures that any Cardholder account designated as a contingency account is set to a credit limit of \$1.00 for both single and monthly limits until the account is activated for use.

Contingency card accounts are included in span of control requirements (AO/CO accounts are limited to 7 Cardholder accounts).



Module Objectives Review



- ✓ Provide a general overview of the purpose of the program
- ✓ Explain the organization and the purpose of the Purchase Card hierarchy system
- ✓ Identify the major participants in the program and explain their roles and responsibilities
- ✓ Provide overview of management and account controls

In summary, the Purchase Card Program is designed to simplify acquisitions less than the micro-purchase threshold amount.

The hierarchy system establishes a chain of command and a framework for program communication among the major program participants.

You should have a good understanding of the major program participants and their roles and responsibilities.

The module provided a high level overview of management and account controls that need to be in place to mitigate program risk.

Module One

Department of the Navy Government Commercial Purchase Card Training (DON GCPC)



DON Consolidated Card Program Management Division
(DON CCPMD)
NAVSUP HQ 034
5450 Carlisle Pike
Mechanicsburg, PA 17055 U.S.A.



Please close this training module and return to the main menu.

Select Module 2 Part 1 to continue.