

DSCC PURCHASE CARD PROGRAM LOCAL GUIDANCE

Effective Date: May 15, 2006

1.0 PURPOSE: This guidance replaces the DSCC 4105.3 dated June 10, 2003 and supplements the DLA One Book Chapter entitled DLA Government Purchase Card Program and the DOD Government Charge Card Guidebook. The policies identified above, in addition to forms, links, program points of contact, and other information, are available at the DSCC purchase card website: www.dsccl.dla.mil/offices/base. The information provided in this document is meant to assist program participants at DSCC and tenant activities in proper use of the Government Purchase Card (GPC). The program is administered by the Base Contracting Office of DLA Enterprise Support Columbus.

2.0 PROGRAM POINTS OF CONTACT:

Agency/Organization Program Coordinator (A/OPC), DES-CA	
DSCC.GPC.PM@dla.mil	(614) 692-3740 (DSN 850)
Alternate A/OPC, DES-CA	
DSCC.GPC.ALT@dla.mil	(614) 692-7487
Disputes Officer, DES-CA	
DSCC.GPC.PM@dla.mil	(614) 692-3740
Convenience Check (DWCF)	
DSCC.GPC.CHECK.DWCF@dla.mil	(614) 692-1850
Convenience Check (NAF)	
DSCC.GPC.CHECK.NAF@dla.mil	(614) 692-1420

3.0 ESTABLISHING A PURCHASE CARD ACCOUNT: When the decision has been made by the office director, manager, or supervisor to establish a purchase card account, the supervisor of the prospective approving official and cardholder must complete DSCC Form 2360, Cardholder and Approving Official Nomination, and forward the form to the A/OPC. Cardholders/check account holders and approving officials shall be ready to assume **complete responsibility** for the card's use prior to applying for the card. Therefore, careful consideration shall be given before assigning duties and submitting the nomination form. Accounts will be established through US Bank, Inc.

3.1 Training: All approving officials and cardholders must complete the on-line training course, "DOD Government Purchase Card", through Defense Acquisition University (DAU) and the on-line course entitled, "Micro-Purchase and Section 508". In addition, approving officials must complete "Certifying Officer Legislation" training also available on-line. Approving officials and cardholders having single purchase limits above the micro-purchase limit must complete the course, "Simplified Acquisition Procedures" which is available through DAU. After completion of training required by DLA and DOD policy, program participants will receive training in local program procedures from the A/OPC. All program participants must complete the course entitled, "Government Purchase Card Refresher Training" at least one time every two years. The training is available on-line through DAU.

4.0 DELEGATION OF AUTHORITY: Approving Officials will be appointed in writing as Certifying Officers for purposes of certifying Billing Statements on a monthly basis. Approving Officials will also be required to complete DD Form 577, Signature Card.

4.1 Cardholders will receive a written delegation of purchase authority to use the purchase card for official Government purchases. The delegation memo will contain the cardholder's single purchase and 30 day maximum spending limits. Cardholders will receive purchase cards within two weeks of account set up. Upon receipt, the cardholder will activate the account by calling US Bank Customer Service (1-888-994-6722).

4.2 Spending limits must be reviewed periodically by the Approving Official to ensure they reflect actual spending. Any changes to cardholder accounts (spending limits, merchant codes, office information, etc.) must be submitted in writing to the A/OPC by the Approving Official.

5.0 AUTHORIZED USE OF THE PURCHASE CARD: Prior to use of the card, cardholders will ensure funds are available. Funding requests must be submitted to DSCC-RF through the cardholder's Resource Advisor. Cardholders will purchase requirements in accordance with the priorities for use of Government supply sources contained in the Federal Acquisition Regulation, Part 8. All purchases shall be documented on an electronic or manual order log at the time the order is placed. For services (telephone, cable, rental of equipment, etc.), the order log shall be documented prior to period of performance.

5.1 When repair services are being procured, it is difficult to determine the actual cost of the service prior to completion of the repair. In these instances, cardholders shall provide the merchant with a "not to exceed" dollar amount. The merchant shall be notified that no work shall be performed that will create an obligation higher than this amount, until the cardholder is notified. At that time, the cardholder will instruct the merchant to perform no further work, or obtain additional funds to complete the repair/maintenance. Cardholders shall be careful not to exceed their single purchase limit in these situations. If repair costs exceed the cardholder's or check account holder's single purchase limit, the cardholder will instruct the merchant to stop work until the requirement can be procured through local procurement.

5.2 **Tax Exemption:** Purchases made with the GPC are tax exempt. Federal and State Tax Identification Number are available from the Agency Program Coordinator. If the merchant requests a tax exemption certificate, the cardholder may contact the A/OPC to obtain a completed tax exemption certificate prior to making a purchase with the purchase card. If taxes are applied to the total amount of the order, the cardholder must work with the merchant to credit the GCP account. Taxes are not disputable.

6.0 UNAUTHORIZED USE OF THE PURCHASE CARD: The DLA One Book and DOD Government Charge Card Guidebook include a list of purchases that are not authorized to be made with the Government purchase card. There are also purchases that require additional approvals prior to using the card. In addition to the DLA and DOD guidance, cardholders are advised to comply with DSCC, DES-C, and other applicable administrative policies (i.e. accountable property, use of off-site facilities, promotional items, food and refreshments, etc.) that require special treatment or additional approvals prior to purchase. The lists provided in

these publications are not all inclusive. If cardholders and/or approving officials are unsure whether the card should be used to purchase a particular requirement, a written request for advice should be submitted to legal counsel. The card should only be used to purchase mission essential requirements which are a necessary expense to perform the mission versus that which is merely desirable.

6.1 Some additional restrictions apply when using the card at DSCC and tenant activities:

- A. General office supplies must be purchased from the current contractor awarded the next day desktop delivery contract. New cardholders should contact the contractor's Office Manager to obtain ordering information and have account established in their on-line ordering system. This requirement applies to DSCC cardholders only. Cardholders of tenant activities are permitted to use the contract.
- B. Letter-size (8 ½ x 11) copy paper must be purchased from DAPS.
- C. Telecommunication equipment: Cardholders in DSCC and all DLA tenants must submit requests for telecommunication equipment (Cellular phones, pagers blackberries, PDAs, bluetooths, etc.) to J6C through the Acquisition Services Office (J6CMA). Cardholders who do not have to comply with DSCC policy should consult their local telecommunications OPR (Office of Primary Response).
- D. Food: Without statutory authority, appropriated funds are not available to pay subsistence or to provide free food to government employees at their official duty stations or vicinity. In particular this means that appropriated funds will not be used to buy food or refreshments at internal DLA business meetings. Business meetings include staff meetings, staff visits, local off-sites, and other DLA meetings where the day-to-day business of an office, activity or DLA is the subject or purpose of the meeting. If food or refreshments are served, they are the personal costs of the attendees and must be paid for by the attendees. Consult legal counsel before making any purchase card transaction involving food.
- E. Environmental Management System: In accordance with Executive Order 13148, DSCC developed and implemented an Environmental Management System (EMS) in December 2005. The DSCC EMS Environmental Management Policy directs that environmental factors should be considered when making purchasing decisions. The DLA One Book and Affirmative Procurement Plan have further information on the purchase of environmentally preferable products. The product categories that should be considered are found at the Environmental Protection Agency's Comprehensive Procurement Guidelines web site, <http://www.epa.gov/cpg/products.htm>.
- F. Hazardous materials: Purchasing hazardous materials is prohibited unless local procedures are utilized. Cardholders shall ask the vendor if the product contains a hazardous warning label. If so, cardholders must contact their local Environmental, Safety, and Occupational Health Office (for DEC-CE 692-2332) to obtain further instructions. The Environmental, Safety, and Occupational Health Office will give approval (with further instructions) for or disapprove of the purchase of the item. The following Hazardous Materials Information Resource System (HMIRS) Document Submittal Web Site, <http://www.dlis.dla.mil/hmirs>, provides users with an efficient method to submit MSDS and other hazardous material documentation. Government personnel can use the web site to submit the new or updated documentation for hazardous materials managed within their inventory.

- G. Personal Protective Equipment: The purchase card and convenience check may not be used to purchase personal protective equipment and clothing without prior approval from the Environmental, Safety, and Occupational Health Office. Personal protective clothing and equipment includes hard hats, gloves, respirators, smocks, face shields, protective creams, foul weather gear, ear muffs, ear plugs, visi-specs, safety eye glasses (prescription and non-prescription), life lines, aprons, etc.
- H. Unordered or unsolicited items. The purchase card shall be used to pay for official Government requirements only. Cardholders shall consult legal counsel if a vendor demands payment for items not expressly ordered.

6.2 At no time shall the approving/certifying official or a higher level supervisor use his/her position to pressure a cardholder to make purchases with the card or check where the cardholder believes such purchases to be prohibited. The cardholder is responsible for determining the appropriateness of a purchase made with the purchase card or check, and in no way shall he/she be pressured to use the card or check in an unauthorized manner. A cardholder or check account holder who encounters such pressure shall refer the matter to A/OPC. As necessary, the cardholder/check account holder shall obtain the advice of Legal counsel regarding whether a particular purchase is authorized.

7.0 SPENDING LIMITS: Cardholders will ensure purchases do not exceed spending limits established for their account. For each purchase exceeding \$25,000, the cardholder must contact the A/OPC for manual approval prior to authorizing the vendor to process the transaction through the bank.

8.0 UNAUTHORIZED COMMITMENTS: Cardholders may be asked to pay for supplies and/or services that were previously purchased by one of their customers and therefore not in accordance with GPC procedures. When these situations arise, the purchase must be ratified as an unauthorized commitment in accordance with the procedures outlined in the Federal Acquisition Regulation (FAR 1.602-3). The following information must be obtained by the cardholder and forwarded to DES-CA for ratification of the action:

- A. Identify who committed the unauthorized commitment and the organization involved,
- B. Provide the date when the commitment occurred,
- C. Describe the services and/or goods that were required,
- D. Explain why the services and/or goods were needed,
- E. Provide the cost of the commitment (provide invoices, if available),
- F. Explain how the commitment was made (i.e., how was the order placed),
- G. Explain the organization's ordering procedures,
- H. Explain in detail what breakdown occurred in the ordering procedures,
- I. Explain in detail what actions have been taken in order to prevent future recurrence of unauthorized commitments, and
- J. Provide documentation that shows money was available at the time the unauthorized commitment was made, and that money is currently available to pay for the cost of the unauthorized commitment.

9.0 RECONCILIATION OF ACCOUNT: The billing cycle for the Department of Defense ends on the 19th of the month. Cardholders have three business days after the billing cycle ends to reconcile posted transactions and approve the Statement of Account. However, cardholders and approving officials have access to the bank's system 24/7 and are advised to, periodically throughout the billing cycle, log orders and reconcile and approve transactions. When the Statement of Account is not received, the cardholder may use the Billing Statement to reconcile transactions. A copy of the Statement of Account can be obtained by calling Customer Service at US Bank. The cardholder must wait ten business days after the billing cycle ends to request a copy of the statement. Approving officials have five business days to certify Billing Statements. Approving officials will not receive a paper copy of the Billing Statement. However, it is available electronically through the bank's on-line system, Customer Automation and Reporting Environment (C.A.R.E.).

9.1 Approving officials shall ensure that there is an alternate approving official available to perform Billing Statement certification in the absence of the primary approving official. Approving officials may, on occasion, act as the cardholder to log orders, reconcile transactions and approve cardholder statements.

9.2 Rebates: While the contract with servicing banks requires payment to be made in accordance with the Prompt Payment Act (w/i 30 days), it also requires that the banks provide rebates for early payment of invoices. Prompt reconciliation and certification of invoices will result in a greater amount of rebates that can be applied to other purchases. Rebates are credited to cardholder accounts quarterly. If the total amount of the rebate is more than posted transactions for the cycle, the bank will issue a refund check for the total amount owed to the Government.

10.0 ACCOUNT SUSPENSION AND TERMINATION: Billing Statements that are delinquent more than 60 days will be automatically suspended by the bank. Accounts may also be suspended by the A/OPC for failure of program participants to complete required training and/or provide documentation required for review of accounts. Cardholders and approving officials who continually fail to comply with program policy may have their accounts terminated or may be required to complete additional training.

10.1 When the need for a purchase card account no longer exists, or the cardholder/approving official retires or is re-assigned to another organization, the individual must notify the A/OPC. The purchase card will either be destroyed by the approving official or the A/OPC.

11.0 CONVENIENCE CHECKS: There are two convenience check accounts for use by DSCC and tenant activities. The account held by the check account holder in the Financial Services Office is funded with appropriated funds (DCWF) and the account held by the check account holder in Morale, Welfare, and Recreation Division is funded with non-appropriated funds. Organizations may use checks when vendors will not accept the Government purchase card to pay for official purchases and no other sources can provide the needed supplies/services. Purchases by check are funded separately from purchases made by GPC. Funds must be provided on DD Form 1262, Administrative Service Request. In addition to the amount of the check, an administrative fee of 1.7% (of the total check amount) must also be funded. If the

check has to be cancelled, a \$25.00 fee will be deducted from the cardholder organization's funds.

11.1 To request a check, the cardholder must complete DSCC Form 2362, Convenience Check Certification and DD Form 2363, Information for IRS 1099 Reporting. The forms will be provided to the appropriate check account holder and the cardholder will maintain all check requests and supporting documentation for the purchase, however the purchase will not be logged as an order in C.A.R.E. by the cardholder.

11.2 Disputes: There is no disputes process available to check account holders. Issues (i.e. defective items, returns, and items paid for but not received, etc.) requiring contact with the vendor shall be the responsibility of the cardholder. The cardholder will coordinate action taken with the check account holder. If an item is returned for credit, the cardholder shall instruct the merchant to issue a check made payable to DFAS Disbursing Officer at the following address: c/o DSCC-RF, 3990 E. Broad St., Columbus, OH 43213-1199. Funds will be credited to the original account.

12.0 DD FORM 350: For all transactions exceeding the micro-purchase limit, cardholders must complete a DD Form 350. The form must be completed and submitted to the A/OPC within three days from the order date. Cardholders should request instructions for completion of the form from the A/OPC. It is the cardholder's responsibility to ensure the form is coded correctly for input to the DLA Contract Action Reporting System (DCARS).

13.0 CUSTOMER ACCOUNT REPORTING ENVIRONMENT: Program participants of the DSCC purchase card program are EDI-enabled and can document purchases and approve/certify bank invoices electronically. Training to use the bank's on-line system (C.A.R.E.) will be provided to cardholders and approving officials when new accounts are established. US Bank has web-based training and user materials available at their training website: <https://wbt.care.usbank.com>. A user ID and password, which can be obtained from the A/OPC, are required to access the website.

14.0 IMPROPER USE OF THE CARD: If a cardholder learns that an unauthorized person(s) has placed charges against a card for which the cardholder is responsible, the cardholder shall immediately notify the bank, the approving official and the A/OPC. The approving official shall refer all instances of improper use to the A/OPC regardless of whether the cardholder/check account holder is required to repay the Government for the improper use. The A/OPC may investigate potential improper use of the purchase card/check at any time as deemed appropriate, regardless of the approving official's knowledge of the infraction. As needed, the A/OPC shall refer substantiated instances of improper use to legal counsel for advice regard further action, including cancellation of the card/check account, disciplinary action, personal liability, and/or criminal action against the cardholder, check account holder and/or approving official.

14.1 Abusive Purchases: Abusive purchases are purchases of authorized supplies or services at terms (e.g., price, quantity) that are excessive, are for a questionable government need, or both. Examples of such transactions include purchases of items such as a day planner costing \$300

rather than one costing \$45, allowable refreshments at excessive cost, and year-end and other bulk purchases of computer and electronic equipment for a questionable government need.

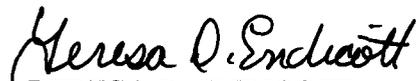
14.2 Fraudulent Purchases: The use of the GPC to acquire supplies or services that are unauthorized and intended for personal use or gain constitutes a fraud against the government. Examples include a cardholder's unauthorized purchase of power tools for his home, a supplier's intentional charges for services not provided, and the unauthorized use by a third party of a cardholder's compromised or stolen account for personal gain.

14.3 Improper Purchases: GPC transactions that are intended for government use but are not permitted by law, regulation, or organization policy generally are considered improper. Examples include certain types of purchases of meals or refreshments for government employees within their normal duty stations; purchases split to circumvent micro-purchase or other single purchase limits; and purchases from other than statutorily designated sources, such as the Javits-Wagner-O'Day (JWOD) program.

14.4 Misuse: Misuse is defined as use of a government charge card for other than official government purposes.

15.0 Purchase card accounts will be reviewed at least one time per year by the A/OPC. The approving official shall maintain the official file and provide the documentation to complete the review within 48 hours of request by the A/OPC.

16.0 Questions regarding this guidance should be directed to the primary or alternate A/OPC and/or other points of contact in paragraph 2.0 above.



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