



ADMINISTRATIVE INSTRUCTION 105

WASHINGTON HEADQUARTERS SERVICES GOVERNMENT PURCHASE CARD PROGRAM

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Approved by:	Regina F. Meiners, Director, Washington Headquarters Services

Purpose: In accordance with the authority in DoD Directive 5110.04 and DoD Instruction 5025.01, this issuance:

- Implements guidance on usage of the government commercial purchase card (GPC) established in the Federal Acquisition Regulation (FAR) and the Defense Federal Acquisition Regulation Supplement (DFARS) in accordance with Chapter 13 of Title 41, United States Code (U.S.C.).
- Assigns responsibilities for managing and participating in the Washington Headquarters Services (WHS) GPC Program, referred to in this issuance as the "GPC Program."
- Provides standard operating procedures on the GPC Program for all approving or billing officials (A/BOs), alternate A/BOs, certifying officers (COs), and cardholders (CHs) (referred to collectively in this issuance as "program participants").

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SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY.

This issuance applies to OSD, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Office of Inspector General of the Department of Defense, the Defense Agencies, and the DoD Field Activities that are serviced by WHS (referred to collectively in this issuance as the “WHS-serviced Components”).

1.2. POLICY.

In accordance with Subpart 13.301 of the FAR and Subpart 213.301 of the DFARS, the WHS-serviced Components will follow the GPC procedures provided in this issuance.

SECTION 2: RESPONSIBILITIES

2.1. DIRECTOR, WHS.

Under the authority, direction, and control of the Director of Administration and Management, the Director, WHS, oversees the implementation and execution of this issuance.

2.2. DIRECTOR, WHS ACQUISITION DIRECTORATE (AD).

Under the authority, direction, and control of the Director, WHS, the Director, WHS AD:

- a. Serves as the head of the contracting activity (HCA) for the WHS-serviced Components.
- b. Directs the implementation of this issuance throughout the WHS-serviced Components.
- c. Establishes procedures for implementing the GPC Program for the WHS-serviced Components.
- d. Designates, in writing, the component program manager (CPM) to manage the GPC Program.
- e. Delegates the conduct of investigations and audits of the GPC Program to the CPM, as appropriate.
- f. Communicates DoD's policy on administrative and disciplinary actions for GPC abuse, misuse, and fraud to all program participants and reports suspected violations to the appropriate authority.

2.3. DIRECTOR, WHS FINANCIAL MANAGEMENT DIRECTORATE.

Under the authority, direction, and control of the Director, WHS, the Director, WHS Financial Management Directorate:

- a. Authorizes funding and provides financial management support and expertise to the WHS-serviced Components as required.
- b. Oversees the WHS-serviced Components' adherence to Part 1315 of Title 5, Code of Federal Regulations, also known and referred to in this issuance as the "Prompt Payment Act."

2.4. WHS-SERVICED COMPONENT HEADS.

In coordination with the Director, WHS AD, the WHS-serviced Component heads:

- a. Oversee implementation and adherence to this issuance within their Component.

- b. Oversee the administration of annual funding and spending limits by the respective WHS-serviced Component resource manager (RM).
- c. Designate personnel from their organization to participate in the GPC Program.

SECTION 3: GPC PROGRAM ROLES AND RESPONSIBILITIES

3.1. GENERAL.

This section assigns responsibilities to GPC Program administrators, CPM, and agency or organization program coordinators (A/OPCs). It also describes responsibilities for program participants.

3.2. CPM.

Under the authority, direction, and control of the Director, WHS AD, the CPM:

- a. Serves as the WHS-serviced Components' functional representative to Defense Pricing and Contracting (DPC), the GPC policy office for the DoD.
- b. Implements internal controls for the GPC Program to mitigate fraud, waste, and abuse.
- c. Manages the GPC Program with support from the A/OPCs.
- d. Administers management controls and oversight procedures and assures adequate resources are available to minimize GPC misuse and to mitigate risks.
- e. Authorizes guidance for the appointment, training, monitoring, and termination of CHs holding additional appointment as ordering officers.
- f. Collaborates with DPC on performance issues relating to GPC-issuing bank and internal DoD applications supporting the GPC Program.
- g. Serves as delegating and appointing signatory. Approves and issues electronic delegation of appointment letters for all GPC Program-related appointments using the Joint Appointment Module (JAM).
- h. Verifies that A/OPCs perform oversight and management functions.
- i. Develops local GPC and file management procedures.
- j. Requires A/OPCs to conduct semiannual reviews of all GPC accounts with no activity and close the accounts as necessary.
- k. Reviews each managing account as necessary.
- l. Validates and promotes compliance with existing risk management internal controls.
- m. Identifies and resolves systemic program weaknesses.
- n. Monitors delinquent billing of managing accounts in the issuing bank's electronic access system to reduce Prompt Payment Act interest, penalties, or account suspension.

o. Verifies GPC Program adherence to the integrated three-pronged, system-enabled review cycle, which includes daily data mining (DM) reviews, monthly A/OPC reviews, and semiannual HCA reviews.

3.3. A/OPC.

In coordination with the CPM, the A/OPCs must:

- a. Serve as the liaison between WHS-serviced Components, WHS-serviced Component RMs, DPC, the General Services Administration (GSA) Center for Charge Card Management, and the issuing bank.
- b. Implement, administer, and monitor the daily activity of the GPC Program.
- c. Establish and maintain A/BO, alternate A/BO, and CH GPC accounts in the Procurement Integrated Enterprise Environment (PIEE).
- d. Confirm required training is completed before account creation and verify training records are uploaded in PIEE before role appointment.
- e. Conduct monthly random sampling of top vendors used by CHs in the Supplier Performance Risk System to certify vendors are not prohibited from conducting business with the U.S. Government.
- f. Provide A/BOs and CHs guidance with troubleshooting systemic issues with current business systems.
- g. Monitor bank transaction reports to address and take immediate action on suspected policy violations and improper and/or illegal GPC usage.
- h. Temporarily close managing accounts that fail to certify their monthly statements within the prescribed 5 business days.
- i. Close CH accounts in the event of verified unauthorized activity or fraud reported by the A/BO or CH.
- j. Conduct training and provide guidance to enhance user knowledge on all GPC-related topics.
- k. Cancel the convenience check privileges of CHs who improperly use convenience checks.
- l. Prepare and release monthly contract action reports in the Federal Procurement Data System-Next Generation (FPDS-NG), in accordance with Part 204 of the DFARS.
- m. Collaborate with the WHS-serviced Component's Defense Agencies Initiative (DAI) representative to submit tickets for the correction of payment discrepancies.

3.4. A/BO SUPERVISOR.

The A/BO supervisor must:

- a. Nominate the A/BO, alternate A/BO, and CH for appointment as appropriate.
- b. Administer appropriate disciplinary action for negligence, misuse, or abuse to program participants under their supervision.
- c. Approve account holder nominations in PIEE and appointments in JAM.
- d. Validate that all purchases made with the GPC support the organization's mission.
- e. Investigate allegations of GPC abuse and confirm appropriate disciplinary action will be taken when abuse has occurred.

3.5. A/BO AND CO.

The A/BO and CO must:

- a. Enforce CH compliance with the provisions of this issuance.
- b. Electronically sign the JAM delegation of appointment letter acknowledging the responsibility of the A/BO role.
- c. Electronically sign the JAM system generated DD Form 577, "Appointment/Termination Record – Authorized Signature," available on the Directives Division Forms Website at <https://www.esd.whs.mil/Directives/forms/>, acknowledging the CO's responsibility for funds certification.
- d. Accept pecuniary liability for any illegal, improper, or incorrect payment certified in the issuing bank.
- e. Verify transactions and validate the invoice matches the amount being certified for payment.
- f. Authorize the CH to purchase on behalf of the organization.
- g. Confirm that purchases made with the GPC fulfill a *bona fide* need to support the mission of the organization.
- h. Pre-approve all purchases by GPC CHs or check writers under their purview.
- i. Certify the managing account statement through the issuing bank's electronic access system within 5 business days after statement posts.
- j. Maintain copies of all A/BO, alternate A/BO, and CH appointment letters.

- k. Advise the A/OPC or appropriate authority of suspected or confirmed instances of GPC fraud, waste, abuse, misuse, or questionable transactions.
- l. Notify the A/OPC to close accounts due to role reassignment or personnel departure, as required.
- m. Adjudicate, monthly, cases in Insights on Demand (IOD).
- n. Validate all CH transactions as legal, proper, mission-essential, and correct per government policies, rules, and regulations.
- o. Certify monthly billing statement is accurate, and digitally sign the account activity report (AAR).
- p. Review the issuing bank's electronic access system to verify funding information has posted correctly; forward questions concerning funding allocation to the servicing WHS-serviced Component RM.
- q. Complete required initial and refresher training.
- r. Contact WHS AD when recurring purchases made with the GPC present an opportunity to realize better pricing and satisfy departmental strategic sourcing goals.
- s. Guarantee convenience checks written in support of each event do not exceed authorized spending limits and confirm the supply sources for the items or services purchased do not accept the GPC.
- t. Request approval from the A/OPC before using a third-party payment service provider.
- u. Confirm all supporting documentation is uploaded to the issuing bank repository. Retain supporting documents for 6 years after the final payment in a hard copy or electronic medium, as applicable.
- v. Identify the need for a ghost shopper to serve as an agent for the organization, under a CH's account at Virginia Industries for the Blind store locations.
- w. Notify the A/OPC when there is a change in personnel occupying the positions of A/BO supervisor, the A/BO, or alternate A/BO.

3.6. ALTERNATE A/BO AND CO.

The alternate A/BO and CO serve only in the absence of the primary A/BO and CO, providing the same delegated responsibilities.

3.7. CH.

a. The CH must:

- (1) Be appointed as an authorized GPC user by the CPM in JAM.
- (2) Confirm all purchases are proper, legal, and reasonable and satisfy a *bona fide* need of the organization.
- (3) Maintain an electronic GPC log to document each purchase.
- (4) Obtain pre-approval from the A/BO for all purchases.
- (5) Comply with Part 8 of the FAR and Part 208 of the DFARS when making a purchase.
- (6) Review vendor information in the Supplier Performance Risk System for all non-mandatory source purchases. Verify GPC transactions are not awarded to suspended, debarred, or otherwise restricted vendors.
- (7) Upload transaction documentation for each purchase in the issuing bank electronic access system.
- (8) Properly reconcile each transaction to the correct Control Number/DAI GPC purchase requisition.
- (9) Receive a signed receipt and acceptance for all supplies or services purchased on behalf of the organization and initiate an independent receipt for supplies for all self-initiated purchases.
- (10) Review and reconcile all transactions promptly in accordance with Chapter 23 of Volume 10 of DoD 7000.14-R.
- (11) Verify the billing statement's accuracy and then download and digitally sign the AAR.
- (12) Initiate the dispute process to correct billing errors, no later than 90 days from transaction date, in accordance with the dispute procedures in Paragraph 5.37 of this issuance.
- (13) Maintain security of the GPC to prevent unauthorized purchases and loss. GPCs must always be stored in a secured government container or location, except in cases of 24/7 operations.
- (14) Notify the issuing bank, A/BO, and A/OPC immediately if a GPC is lost or stolen.
- (15) Complete initial and refresher training per DoD requirements.
- (16) Upon departure or reassignment:

- (a) Transition official GPC files to the current A/BO.
 - (b) Notify the A/OPC immediately to terminate account.
- (17) Notify the property management custodian when accountable property is acquired with the GPC.
- (18) Purchase environmentally friendly products. The GPC Program website provides information on purchasing green products, and the CH may contact the A/OPC for assistance.
- (19) Determine price reasonableness, as required. The requirement to determine price reasonableness does not apply to lease payments made by leased facilities division (LFD) CHs to the lessor(s).
- (20) When separately appointed as an ordering officer by a WHS AD contracting officer, comply with the letter of appointment and WHS AD policies relating to ordering officers.
- (21) If the A/BO determines that there is a need for the CH to have ghost shoppers to act as agents under the CH account, the A/BO must pre-approve ghost shopper purchases and perform a post-purchase inspection of the purchase.
- (22) Prioritize small business and socioeconomic programs to the maximum extent practicable when using the GPC for purchases up to the micro-purchase threshold.
- (23) Receive a determination for Section 889 of Public Law 115-232 from the robotic processing automation or merchant.
- b. The CH must **not**:
- (1) Use the GPC before appropriate funding is available.
 - (2) Make payment for any contracting invoice for which they are a contracting officer's representative.
 - (3) Sign or execute terms and conditions clauses without the approval of the A/OPC.

3.8. CONVENIENCE CHECK WRITER AND ACCOUNT HOLDER.

The convenience check writer is a CH authorized to write checks. The convenience check account holder is responsible for ordering, receiving, storing, inventorying, reconciling, and disposing of check stock.

- a. Before any convenience check is issued, every effort should be made to use the GPC to make the necessary purchase. As a rule, WHS-serviced Components must endeavor to find merchants that accept the GPC as the primary payment vehicle. Convenience checks will not be written to vendors who accept the GPC.

b. The convenience check account holder is required to obtain and report tax data to the responsible tax office. An Internal Revenue Service (IRS) Form 1099-MISC, "Miscellaneous Income," (available at <https://www.irs.gov/forms-pubs/about-form-1099-misc>) must be issued to the convenience check payee. Prior to issuing a check CHs are required to obtain the Tax Identification Number or Social Security number for each merchant or individual issued a check in exchange for services, via a signed IRS Form W9, "Request for Taxpayer Identification Number and Certification," available at <https://www.irs.gov/pub/irs-pdf/fw9.pdf>.

c. Convenience checks written for the purchase of products and goods are reportable to the Defense Finance and Accounting Service. Tax-exempt agencies such as State and local governments, State universities, and the United States Postal Service do not require reporting. For more information, see the Defense Finance and Accounting Service Convenience Check/1099PRO webpage at <https://www.dfas.mil/contractorsvendors/Tax-Office/Convenience-Check-1099PRO>. As the checks are written, the account holder must capture this check recipient data:

- (1) Payee's legal name.
- (2) Payee's business name.
- (3) Payee's legal mailing address (the address used to file their taxes).
- (4) Employer Tax Identification Number.
- (5) Check number.
- (6) Check amount.
- (7) Payment date (date the check is written, not the date the check is cashed).
- (8) A brief description of the purchase.
- (9) Telephone number or e-mail address of the merchant.
- (10) Convenience check account number.

d. Convenience checks will be issued for the exact payment amount. Splitting purchases or making payments with multiple checks to keep amounts below the micro-purchase threshold or other assigned limits is prohibited.

e. Only convenience checks may be used to provide an unknown financial token of appreciation to an individual. Such a token is called an "honorarium." (See Paragraph 5.26. of this issuance for additional information on honoraria.)

3.9. GHOST SHOPPER.

The ghost shopper must:

- a. Complete a CH application.
- b. Provide a ghost shopper certification to the A/OPC.
- c. Complete required training and submit training certificates to the A/OPC.
- d. Submit a quote for requested items to purchase to the CH and A/BO for pre-approval.
- e. Purchase only pre-approved items.
- f. Provide receipt(s) to the CH immediately after purchase.
- g. Be a government employee.

3.10. WHS-SERVICED COMPONENT RM.

The WHS-serviced Component RM must:

- a. Provide a system of positive funds control by coordinating credit and cycle limits with the A/BO.
- b. Provide appropriate funding for each CH account before GPC usage.
- c. Monitor DAI to identify account payment issues to prevent and resolve GPC payment delinquencies, correct reject errors, and provide payment information upon request. The RM will provide guidance and training to approving officials and CHs on DAI requirements.
- d. Establish spending limits for the funding allocated for each A/BO and CH account. The RM will verify spending limits are consistent with historical spending patterns for each account.
- e. Adhere to the provisions of the Prompt Payment Act.
- f. Collaborate with the WHS-serviced Component DAI representative to correct payment rejections.

SECTION 4: MANAGEMENT OF THE GPC PROGRAM

4.1. STANDARDS OF CONDUCT AND ETHICS.

a. U.S. Government employment, as a public trust, requires that all DoD personnel place loyalty to country, ethical principles, and law above private gain and other interests. Account holders are reminded that, through their appointments, they represent WHS, OSD, and ultimately DoD. To that end:

(1) Account holders are expected to demonstrate the highest level of professionalism when carrying out their duties. Account holders must comply with all Federal laws, regulations, and directives, including ethics laws, regulations, and directives that govern their conduct, activities, and decisions.

(2) CHs will use their GPCs to purchase only items authorized in this issuance.

(3) Individuals making false statements may be subject to criminal penalties, including fines and imprisonment.

b. Account holders are responsible for protecting the U.S. Government's interests, while ensuring fair and equal dealings with all parties, including vendors. If account holders have any direct or indirect financial interests that may place them in a position where there is a conflict between their private interests and the public interest, they must immediately inform their supervisor and an A/OPC of the conflict and contact their ethics official (who is typically based in the WHS-serviced Component's Office of the General Counsel (OGC)) so appropriate action may be taken. Account holders must avoid even the appearance of such conflict to preserve public confidence in the employee's impartiality in conducting government business.

c. Account holders must attend GPC Program ethics training, either in person or virtually, as directed by the CPM.

4.2. PERSONNEL REQUIREMENTS.

a. Personnel who may be appointed as a GPC CH, A/BO, or A/OPC are:

(1) Civilian government employees.

(2) Service members.

b. Foreign nationals cannot be GPC A/BOs except for direct hires of the U.S. Government in accordance with Chapter 23 of Volume 10 of DoD 7000.14-R. Organizations operating in overseas areas may permit or assign foreign national indirect-hire employees to perform such duties without appointing them as an accountable official if adequate internal controls are in place to support voucher certification.

4.3. TRAINING REQUIREMENTS.

Program participants must:

- a. Consult the GPC SharePoint page at <https://dod365.sharepoint-mil.us/teams/WHS-ADPortal/SitePages/PCard-Home.aspx> or contact the A/OPC for training requirements.
- b. Complete training before account establishment in the issuing bank and appointment approval.
- c. Forward training certificates to the A/OPC and upload into PIEE.

4.4. ESTABLISHING THE ACCOUNT.

The A/OPC will establish accounts based on the mission needs of the requiring WHS-serviced Component. Contractor employees are not authorized to participate in the program. There are two types of accounts:

a. A/BO Managing Account.

An A/BO managing account:

- (1) Is a compilation of all account activity under the A/BO.
- (2) Must be established with the issuing bank before the CH account being created.

b. CH Account.

The CH account:

- (1) Records all activity made against the GPC.
- (2) Is established after the A/BO supervisor or A/BO provides a CH package to the A/OPC. A CH package consists of an application and all required training certificates.
- (3) Will be reviewed for closure semiannually if there is minimal usage or no activity.

4.5. DELEGATION OF GPC AUTHORITY.

The Director, WHS AD, has delegated authority to the CPM to appoint program participants and establish spending limits under the GPC Program. A valid appointment letter is required in JAM for the CPM, A/OPC, A/BO, and CH roles.

4.6. ESTABLISHING CERTIFIED FUNDING.

The Assistant Director, Financial Management Directorate Budget Execution Division, or authorized WHS-serviced Component personnel must:

- a. Enter the line of accounting into the applicable on-line system upon receipt of a certified funding document from the WHS-serviced Component RM.
- b. Confirm the financial data in each account profile is accurate.
- c. Establish the monthly, quarterly, or annual limit allocation in the issuing bank system to equal the amount of funding certified for each WHS-serviced Component account. If certified funding is not received on an account, then the limit is set at \$1.00. All associated CHs of an A/BO account with a reduced limit of \$1.00 in the issuing bank system will be unable to use the GPC until a new certified document is received and funding has posted in the issuing bank system.
- d. Forward questions concerning DAI GPC purchase requisition or funding limits to the servicing WHS-serviced Component RM.
- e. Record budget limits for all accounts.

4.7. ACCOUNT CONTROLS.

- a. Account controls include single purchase limits, monthly purchase limits, and merchant category codes (MCCs). Limits and MCCs are established at account creation and may not exceed account authorization limits on the appointment letter. An appointment letter must be approved by the CPM in JAM, authorizing respective account limits.
- b. MCCs are used by the issuing bank to categorize each merchant according to the type of business in which the merchant is engaged and the kind of products or services provided. When the merchant seeks authorization for a purchase, the issuing bank will check the blocked MCC listing as described in Table 1 before granting authorization for a transaction.

Table 1. Blocked High Risk MCC

Numerical Code	Description
4829	Wire transfer money orders
5044	Jewelry stores
5932	Antique shops
5933	Pawn shops
5937	Antique reproductions
5960	Directing marketing insurance

Table 1. Blocked High Risk MCC, Continued

Numerical Code	Description
6010	Financial institutions manual cash advance
6011	Financial institutions-automatic
6051	Non-financial institutions-foreign
6211	Security brokers and dealers
6760	Savings bonds
7273	Dating and escort services
7995	Betting, casino gaming chips, off-track betting
8651	Political organizations
9211	Court costs, alimony, child support
9222	Fines
9223	Bail and bond payments
9311	Tax payments, currency, money orders
9700	Automated referral service travelers' checks

c. In addition to the blocked MCCs listed in Table 1, a CH's authority may be adjusted by the A/OPC, based on mission requirements.

4.8. REQUESTING LIMIT INCREASES.

Only the A/BO is authorized to request purchase limit increases. The A/BO will submit justification and requests for an increase in writing to the A/OPC. Types of increase and processes are:

a. Permanent Increase.

The justification must address the increased dollar amount, the items being purchased, and how it supports the mission. The request must indicate if a single purchase limit or monthly purchase limit increase is required. A new appointment letter will be created in JAM; upon approval, the increase is completed in the issuing bank's electronic access system.

b. Temporary Increase.

The justification must address the increased dollar amount, what is being purchased, and how it supports the mission. The request must indicate if a single purchase limit or monthly purchase limit increase is required. Without proper justification for extending the increase period, the limit(s) increase is adjusted downward automatically at the end of the specified time frame. A new appointment letter will be created in JAM; upon approval, the increase is completed in the issuing bank's electronic access system.

c. Emergency, One-time Increase.

The A/BO will call or e-mail the A/OPC and indicate whether a single purchase or monthly purchase dollar limit increase is required. With adequate justification, the limit will be temporarily raised to cover the emergency and then adjusted downward once the emergency has been resolved. Verbal justifications and subsequent increases must be followed up in writing by the A/BO to the A/OPC within 2 business days.

4.9. SPAN OF CONTROL.

The standard ratio of CH accounts to an A/BO for this issuance is 6 to 1. A span of control indicates the responsibilities for accounts established under one A/BO. The total number of transactions and assigned GPC accounts will be a factor when determining the CH-to-A/BO ratio. A proper span of control will efficiently allow the A/BO to execute their duties successfully. An A/BO may not have more than six CHs under their purview without written approval from the CPM.

4.10. GPC SECURITY.

a. After the GPC is received by the CH, they must:

- (1) Activate the card immediately.
- (2) Never provide the 16-digit card account number to unauthorized personnel.
- (3) Report lost or stolen GPCs, notifying the issuing bank, A/BO, and A/OPC immediately.
- (4) Always safeguard GPCs and only carry them when conducting official government business.

b. Individuals authorized to access the GPC card account identification number are the CH, A/BO, alternate A/BO, A/OPC, WHS-serviced Component RM, and the WHS-serviced Component DAI representative.

c. Any security violation will result in the GPC being withdrawn from the CH and possible disciplinary action. The CH and A/BO will be held financially liable for all unauthorized purchases caused by their negligence.

4.11. CARD SUSPENSION.

a. The issuing bank will automatically suspend A/BO managing accounts when an A/BO account exceeds 60 days past the cycle end date for non-payment. The assigned CH may not use their GPC until delinquent payment has posted.

b. Only the CPM can request to reopen suspended accounts. Before reopening an account closed due to delinquency, the A/OPC will document when remittance was provided to the issuing bank and clearance of the delinquency.

c. The CPM will suspend A/BO managing accounts when the managing account statement of charges fails certification twice in a 12-month period. On the third occurrence in a 12-month period of an irreconcilable managing account statement of charges, the account will be permanently closed.

4.12. GPC FRAUD OR MISUSE.

a. The GPC Program has specific controls in place to minimize losses due to fraud and misuse. The control environment will be continuously assessed to verify the controls work as intended. The CH must promptly identify, report, and resolve any transactions that require the reporting of fraudulent transactions to the bank.

b. The A/OPC will take appropriate adverse personnel actions or impose other punishments when DoD employees violate regulations governing the use and control of GPCs and convenience checks, or are negligent or engage in misuse, abuse, or fraud with respect to a GPC, including misrepresentation of IOD case adjudication.

c. GPC fraud and misuse may have any of these consequences, or a combination thereof, for the CH:

- (1) Counseling.
- (2) Notation in employee performance evaluation.
- (3) Cancellation of the GPC.
- (4) Reprimand.
- (5) Suspension of employment (civilians only).
- (6) Termination of employment (civilians only).
- (7) Non-judicial punishment (Service members only).
- (8) Court-martial (Service members only).
- (9) Criminal prosecution.

d. Each A/BO, alternate A/BO, and CH will be subject to the following disciplinary categories as outlined in Attachment 1 of the January 27, 2020 Under Secretary of Defense for Acquisition and Sustainment Memorandum:

- (1) Abuse.
- (2) Internal Fraud.
- (3) Misuse.
- (4) Delinquency.
- (5) Administrative Discrepancy.
- (6) External Fraud.

e. Program participants have a shared responsibility to take appropriate action and report to higher authority any potential program-related fraud, waste, or abuse.

f. When a defense criminal investigative organization initiates an investigation into allegations of fraud, misuse, or abuse of authority regarding the GPC, the CH supervisor and the security manager will be notified. Whenever possible, this notification will take place within 72 hours of investigation initiation.

g. In cases of suspected fraud, the CPM will refer all instances to the OGC, WHS and PFPA and the Office of Inspector General of the Department of Defense for investigation.

h. If the CPM determines GPC misuse, abuse, or fraud has occurred, the security manager will conduct a separate and independent review of the offense pursuant to the guidelines of the individual's organization. The review must assess if modification or revocation of the individual's security clearance is appropriate, which could include reassignment or removal.

SECTION 5: OPERATIONAL GUIDANCE

5.1. MAKING GPC TRANSACTIONS.

a. CHs will perform market research to acquire the best value for each requirement. Requirements must be a *bona fide* U.S. Government need. Appropriations must be available for purchases before the purchase is made. U.S. Government employees are not authorized to obligate appropriated funding before approval.

(1) The GPC will only be used to purchase supplies and services specifically in support of the organization's mission.

(2) In accordance with Part 13.2 of the FAR, the GPC will be the preferred method to purchase and to pay for micro-purchases.

(3) The GPC will not be used for personal use.

(4) Splitting requirements to avoid contracting procedures, competition requirements, or to keep spending limitations under the micro-purchase threshold is prohibited.

(5) The A/BO must provide an electronic signature as pre-approval for all items before purchase. This approval must be filed with the CH's official GPC files.

(6) The A/BO is financially liable for erroneous payments resulting from the negligent performance of their duties pursuant to Titles 15 and 31, U.S.C.

b. The GPC may be used to purchase products or services by telephone, online, or in person at or below the micro-purchase threshold.

c. In accordance with Subpart 13.203(a) of the FAR, GPC micro-purchases should be distributed equitably among qualified suppliers, with priority given to supporting the AbilityOne merchant.

d. The CH will upload transaction documents for each purchase on the CH's statement in the issuing bank electronic access system. These records provide an audit trail supporting GPC use.

e. The GPC may be used as a method of payment by a contracting officer for simplified acquisitions and contracts pursuant to Subpart 213.301 of the DFARS.

f. The CH must obtain a signed receipt for all purchases.

5.2. TRANSACTIONS EXCEEDING THE MICRO-PURCHASE THRESHOLD.

a. Purchase requirements exceeding the micro-purchase threshold must be referred to the WHS-serviced Component's contracting office for support.

b. Generally, only a contracting officer who holds a delegation from the delegating and appointing signatory may use the GPC as a method of payment for supplies and services above the micro-purchase threshold up to their delegated single and monthly purchase limits.

(1) It is mandatory to use PIEE to create and accept receiving reports when the GPC is used as a method of payment against a contract. Contract transactions paid with the GPC must use code "CRCARD" in the payment official DoD Activity Address Code field.

(2) For "method of payment" purchases above the micro-purchase threshold, all applicable requirements of the FAR apply. The method of payment does not change the requirement for the CH to adhere to all acquisition laws, regulations, and policies. Contracts where the GPC is used as the method of payment are required to be fully funded.

5.3. ORDERING OFFICER.

a. The contracting officer will designate, in writing, a government employee to serve as ordering officer, with limited authority to place oral orders against a contract or blanket purchase agreement (BPA). The contracting officer may use the GPC to place a task or delivery order off an existing contract if the basic contract, basic ordering agreement, or BPA authorizes such actions.

b. The contracting officer:

(1) May appoint a qualified CH as an ordering officer when it is in the best interest of the U.S. Government and essential for operating the contracting mission. Ordering officers have dual appointments as:

(a) CH, appointed and monitored by the CPM.

(b) Ordering officer, appointed and monitored by the contracting officer pursuant to WHS AD acquisition policy.

(2) Will establish contracts with firm-fixed-price line items and otherwise suitable for use by the ordering officer to enable them to place orders against a contract. Contracts will require the ordering officer to document the specifics of each order (e.g., contract line-item number and price, delivery schedule, place of performance).

c. Ordering officers:

(1) Will not take direct or indirect actions or make any commitments that change price, quantity, quality, schedule, place of performance, delivery, or any other terms or conditions of the written contract or BPA.

(2) May not serve as the contracting officer's representative on the same contract. The maximum single purchase limit to be obligated by an ordering officer is the simplified acquisition threshold in accordance with Subpart 2.101 of the FAR.

(3) Will only place orders up to the limits in their ordering officer memorandum and their delegation of authority for the CH.

(4) Must not solicit proposals, quotes, or negotiate any terms and conditions of the contract, to include price.

(5) Will not re-delegate their authority.

(6) Will not split purchases to circumvent their single or monthly ordering limitations. If purchases will exceed such limits, the order will be placed by the contracting officer.

5.4. PURCHASING TRAINING.

Only designated CHs will process payment for training for dollar values up to \$25,000 using the Standard Form (SF) 182, "Authorization, Agreement, and Certification of Training," located at <https://www.gsa.gov/forms-library/authorization-agreement-and-certification-training>. If a non-governmental source provides the training, it must consist of a regularly scheduled commercial off-the-shelf product, training conference, or instructional service available to the general public and priced the same for all users in the same category, e.g., price per student, course, program, service, or training space.

a. If the U.S. Government needs tailored training or training materials, or if the training source requires terms and conditions to be signed, the requirement must be placed on a contract by a contracting officer, regardless of the cost.

b. The A/OPC will confirm training card MCCs are specific to training sources only.

5.5. CONTINGENCY, EMERGENCY, AND HUMANITARIAN OPERATIONS.

Certain emergency acquisition flexibilities are prescribed in Part 18 of the FAR and Subpart 218.2 of the DFARS for contingency, emergency, and humanitarian aid operations.

a. Pursuant to Subpart 13.2 of the FAR, and as documented in specific appointment letters, a select number of CHs within the Pentagon Force Protection Agency (PFPA), Raven Rock Mountain Complex, and WHS AD are delegated a single purchase limit of \$20,000 for use only in response and direct relation to recovery from a cyber, nuclear, biological, chemical, or radiological attack in the National Capital Region.

b. In a declared emergency, the HCA will determine which activities are used to support emergency assistance. In such cases, an increase in the micro-purchase threshold may be approved, depending on location, up to \$20,000 for contracts to be awarded and performed or a

purchase made inside the United States or \$35,000 in the case of contracts to be awarded and performed or purchase made outside the United States, pursuant to Subpart 13.201 of the FAR.

5.6. OUTSIDE THE CONTINENTAL UNITED STATES.

The GPC may be the procurement instrument for commercial items of supply and service purchases exceeding the micro-purchase threshold, but not exceeding \$25,000, if the purchase is made and delivered for use outside the continental United States. For the complete requirements to use the GPC in this instance, see Subpart 213.301 of the DFARS.

5.7. REQUIRED SOURCES OF SUPPLIES AND SERVICES.

CHs must make purchases following specific guidance on the use of required sources in accordance with Part 8 of the FAR and Part 208 of the DFARS (e.g., AbilityOne, Federal Prison Industries (FPI), Federal Strategic Sourcing Initiative, DoD FedMall, GSA Advantage, GSA OS4).

a. AbilityOne.

The AbilityOne Program is the mandatory source for the micro-purchase threshold. A full line of AbilityOne products is available at a local Virginia Institute for the Blind facility, DoD FedMall, GSA Advantage, GSA Global, or <https://www.abilityone.gov/>.

b. FPI.

(1) When following priorities for the use of mandatory sources, if FPI and AbilityOne produce identical supplies or services, FPI is a higher priority for supplies and AbilityOne is a higher priority for services in accordance with Subparts 8.603 and 8.002 of the FAR.

(2) When acquiring an item for which FPI has a significant market share, purchases above \$3,500 in the Federal Supply Classification codes in Table 2 must be purchased from FPI.

(3) If FPI does not have the available inventory to support the purchase, the CH must obtain a waiver. Refer to FAR Subpart 8.604 for instructions on waivers. Refer to FAR Subpart 8.605 for instructions on exceptions.

(4) When acquiring an item for which FPI does not have a significant market share, CH must acquire the item in accordance with the policy in Subpart 8.602 of the FAR.

c. Other.

In accordance with DoD Instruction 5330.03, Defense Logistics Agency Document Services is the required provider for document automation services.

Table 2. Federal Supply Classification Codes.

Numerical Code	Descriptions
7110	Office furniture
7125	Cabinets, lockers, bins, and shelving
7210	Household furnishings
8405	Outerwear
8415	Special purpose clothing
8420	Underwear and nightwear

5.8. PLACING TELEPHONE OR INTERNET ORDERS.

Orders placed by telephone or online must be fully documented on the CH's GPC request and uploaded to the issuing bank's electronic access system. When placing a telephone or online order using the GPC, the CH will:

- a. Notify the vendor the purchase is tax-exempt. If required, the CH will complete and submit SF 1094, "United States Tax Exemption Form," available at <https://www.gsa.gov/reference/forms>.
- b. Notify the vendor that charges may not be assessed to the GPC until the shipment is made.
- c. Instruct the vendor to include a receipt of purchase and packing slip if applicable. The package will be marked with the CH's name, office symbol, building number, room number, street address, city and state, ZIP code, and telephone number.

5.9. APPROPRIATE FUNDING.

The WHS-serviced Components must adhere to statutory restrictions and limitations governing the administration of funds control pursuant to Chapter 1 of Volume 14 of DoD 7000.14-R. The A/BO must consult their legal department for guidance on the application of appropriations law. The A/OPC will obtain an opinion from the OGC, WHS and PFPA on the application of the appropriations law as required.

5.10. CARD DECLINES.

The CH must contact the A/OPC if the card is declined. The A/OPC will review the account and provide guidance to remedy the matter. Card declines are the result of insufficient funds or nonexistent MCC.

5.11. PROHIBITED PURCHASES.

This list is not all-inclusive but intended to provide examples of items prohibited for purchase with the GPC.

- a. Personal use items.
- b. Aircraft fuel oil. The AIR Card® is to be used for aircraft-related expenses.
- c. Appliances acquired for personal use in a work environment.
- d. Bail and bond payments.
- e. Betting, casino gaming chips, and off-track betting.
- f. Cash advances.
- g. Commercial unmanned aerial systems.
- h. Construction services over \$2,000.
- i. Contractor purchases.
- j. Court costs, alimony, and child support.
- k. Dating and escort services.
- l. Equal employment opportunity settlements.
- m. Fines, both commercial and government.
- n. Food and meals. Training and conferences will be reviewed by the WHS-serviced Component for consideration of acceptance of “light” refreshments.
- o. Foreign currency.
- p. Gift certificates and gift cards. Gift certificates and gift cards are considered cash advances.
- q. Long-term lease of land and buildings. GSA prohibits the use of the GPC to lease real property (e.g., land or buildings) for a term longer than 1 month.

- r. Political organization.
- s. Salaries and wages. The use of the GPC as a method of payment for labor contracts with doctors, dentists, and other service providers is authorized if a government contract has been negotiated for these services.
- t. Savings bonds.
- u. Services subject to the contract labor standards for acquisitions greater than \$2,500.
- v. Items for an individual's emergency preparedness such as flashlights, food, water, blankets, or a change of clothing.
- w. Space heaters.
- x. Split purchases. Making split purchases with the GPC to circumvent purchase limits is prohibited by Subpart 13.003(c)(2) of the FAR.
- y. Taxes.
- z. Telecommunication systems. WHS-serviced Components must contact their servicing contracting office. A contract is required, due to the complexities of the system.
 - aa. Travel advances, claims, or expenses. Only a travel card can be used for individual official travel-related expenses.
 - ab. Vehicle-related expenses, including repairs on GSA fleet-operated vehicles. Vehicle-related expenses are to be paid with the travel or fleet card.
 - ac. Video surveillance cameras.
 - ad. Weapons, ammunition, and explosives.
 - ae. Wire transfers.

5.12. SPLIT PURCHASES.

The U.S. Government is liable to pay for a split purchase; however, if a purchase is determined to be inappropriate, action can be taken against the CH, who may be held financially liable. When a known requirement exceeds the micro-purchase threshold, it must be procured on a government contract. Examples of split purchases include:

- a. A CH is processing multiple purchases from the same merchant on the same day, the total of which exceeds the single purchase limit, when the total requirement was known at the time of the first purchase.

b. A CH is purchasing the same or similar item(s) from multiple merchants on the same day, the total of which exceeds the single purchase limit, when the total was known at the time of the first purchase.

c. A CH is holding known requirements exceeding the micro-purchase threshold to purchase the items from the same or multiple merchants over a period when the total requirement was known at the time of the first purchase and the value exceeds the CH's single purchase limit.

5.13. RESTRICTED PURCHASE CATEGORIES.

The categories in Paragraphs 5.13.a. through 5.13.g. of this issuance can only be used by Pentagon Reservation WHS-serviced Components. Use of the MAXIMO Enterprise Asset and Work Management System is required for supplies and services in the categories in Paragraphs 5.13.a. through 5.13.g. of this issuance. For information on the MAXIMO system, e-mail whs.pentagon.fsd.list.ffd-fbso1@mail.mil. WHS-serviced Components receiving support from a military installation must follow local installation procedures; all other WHS-serviced Components must contact the A/OPC.

a. Building Maintenance.

For CHs on the Pentagon Reservation, the authority to perform building maintenance is restricted to those specifically delegated this authority in the CH appointment letter.

b. Space Alterations.

For CHs in WHS-serviced Component organizations, the authority to perform space alterations is restricted to those specifically delegated this authority in the CH appointment letter.

c. Lease Facility Payment.

Payments to the lessors by WHS LFD CHs are governed by the DFARS.

d. Furniture and Systems Furniture.

The MAXIMO system must be used to include stand-up desks, initial configuration, reconfiguration, and repair for Mark Center and Pentagon Reservation WHS-serviced Components. All other WHS-serviced Components must contact the A/OPC.

e. Installation and Cleaning of Carpet and Drapes.

(1) The MAXIMO system must be used to initiate installation, cleaning, and repair of carpet flooring and drapes for Pentagon Reservation WHS-serviced Components. All other WHS-serviced Components must contact the A/OPC.

(2) WHS-serviced Components supported by military installations must contact the Installation Management Command Directorate of Public Works for building and facility maintenance.

f. White Copier Paper and Distribution.

Purchase of white copier paper is available through a non-mandatory central supply and distribution system using the MAXIMO system. CHs may purchase paper at the micro-purchase threshold and below.

g. Appliances Acquired for Use in a Work Environment.

(1) Pursuant to the Comptroller General of the United States' Government Accountability Office (GAO) Decision B-302993, appropriated funds are authorized for purchases of appliances for use in a work environment when the primary benefit of such expenditure accrues to the agency, notwithstanding a collateral benefit to the individual. Appliances such as refrigerators, microwaves, and commercial coffee makers may not be purchased for the sole use of an individual; such equipment must be placed in a communal area for use by all personnel. Appropriations will not be authorized for the purchase of coffee, disposable cups, k-cups, plates, and cutlery, as these items are personal expenses of WHS-serviced Component personnel.

(2) CHs must ensure these actions occur before purchase:

(a) The requesting supervisor approves the purchase via a memorandum for the record, justifying the necessary expense.

(b) The WHS-serviced Component's OGC provides its legal opinion on the propriety of the purchase.

(c) The WHS-serviced Component's property custodian consents to the acquisition.

(d) CH uploads supporting documents, including a DD Form 1150, "Request for Issue/Transfer/Turn-In," available on the Directives Division Forms Website at <https://www.esd.whs.mil/Directives/forms>, to the issuing bank's electronic access system.

(3) Appliances for leased facilities assigned to WHS must be requested through the Facilities Services Directorate, Lease Building Services, DoD Building Manager.

5.14. THIRD-PARTY PAYMENT PROCESSOR.

a. Transactions made through a third-party payment processor (e.g., PayPal, Venmo, Billpoint) are considered high risk for both subsequent audits and DM screening because the U.S. Government does not have the right to dispute these transactions and no transaction line-item data is available.

b. The CH must make every attempt to choose another merchant with whom to procure goods or services. If it is necessary to procure using a third-party payment processor:

(1) The CH and A/BO must certify there is adequate supporting documentation to prove there was a detailed review of the purchase and that use of the third-party payment merchant was unavoidable.

(2) The A/BO must document this occurrence via signed memorandum and upload with supporting documentation.

(3) The A/OPC must authorize the purchase.

5.15. HAZARDOUS MATERIAL.

The WHS Facilities Services Directorate, Engineering and Technical Services Division, Safety and Environmental Branch Manager must pre-approve purchases of hazardous or dangerous materials. The CH must document this approval in the GPC file.

5.16. INFORMATION TECHNOLOGY (IT).

a. All software and hardware must be on an approved service provider supported products list. Software not approved on the supported products list can be requested as an above standard request from the service provider.

b. IT items and related services must be purchased after the cognizant IT manager or joint service provider approves the request. The CH must submit a request to the A/OPC for concurrence. The IT manager or joint service provider must sign the purchase card request or the DD Form 562, "Request for Information Technology (IT) Goods and Services," available on the Directives Division Forms Website at <https://www.esd.whs.mil/Directives/forms>. The DD Form 562 must be included with supporting documentation of the transaction.

c. Items under the telecommunications and video equipment category types must be approved before purchase.

5.17. SHREDDERS.

WHS-serviced Components on the Pentagon Reservation must contact the PFPA Security Services Directorate for written approval for the purchase of paper shredders. The CH must retain PFPA approval in the GPC file. WHS-serviced Components may contact the A/OPC for the PFPA point of contact. All other WHS-serviced Components must purchase National Security Agency-approved shredders.

5.18. PERSONAL PROTECTIVE EQUIPMENT.

The A/OPC must approve the purchase of items of clothing, footwear, or supplies not covered by a clothing allowance. Consistent with an agency's health and safety program, protective footwear is authorized with A/BO approval. In the event of a declared emergency that requires an immediate purchase of these items, the A/BO or CH must contact the A/OPC for any special consideration regarding such purchase.

5.19. SUBSCRIPTIONS.

The Pentagon Library must pre-approve purchases for commercial subscriptions, newspapers, and subscriptions for publications. The A/BO must obtain a memorandum of non-availability from the Pentagon Librarian for subscriptions the Pentagon Library does not provide. If the A/BO wants to purchase the subscription even though it is available from the library, they must document the reason and obtain library concurrence before purchasing the subscription with the GPC. For information on contacting the Pentagon Library, the A/BO or CH must contact the A/OPC. Outside the contiguous United States, organizations must receive approval from on-site library support.

5.20. ADVERTISING.

CHs may purchase advertising in newspapers at the micro-purchase limit and below, after obtaining written authorization from the Director, WHS AD. A copy of the authorization must be retained in the CH's GPC files in accordance with Subpart 5.5 of the FAR.

5.21. FOOD, LIGHT REFRESHMENTS, AND BOTTLES OF WATER.

a. Generally, the use of the GPC to purchase food, meals, and bottled water is prohibited. A written justification must be provided to the A/OPC for approval. The A/OPC, in consultation with OGC, WHS and PFPA will review the justification. The A/OPC must provide approval before the purchase of food, meals, light refreshments, or bottled water using the GPC. Failure to comply may result in loss of card privileges.

b. Meals or refreshments can be paid with an authorized training expense pursuant to Section 4109 of Title 5, U.S.C. WHS-serviced Components must verify that meals and expenses are necessary for employees to obtain the full benefit of the training. These three conditions must be met:

- (1) Meals must be related to the training program.
- (2) The attendance by the employee at the meals or refreshment break must be necessary for full participation in the program.
- (3) The employee is not free to partake of meals elsewhere without being absent from the essential business of the meeting or training.

5.22. FIRST AID KITS.

First aid kits are approved for purchase using the GPC; however, the kit must not contain any over-the-counter medication.

5.23. CONFERENCES AND OFF-SITE MEETINGS.

Conferences and meetings are closely scrutinized due to the risk of inappropriate spending practices. Before using the GPC to incur expenses for conferences at or below the micro-purchase threshold, the CH must obtain appropriate approval to conduct the conference as soon as the need arises.

a. The CH should contact an A/OPC for detailed instructions and information on conferences and off-site meetings.

(1) Conferences.

CHs must include evidence of internal review and approval in the official GPC file before incurring any expenses.

(2) Off-Site Meetings.

CHs renting off-site meeting space must document that all expenditures were planned economically, and a suitable government facility was not available at a lesser rate.

b. Audio and video charges will be a separate line item in the overall total and cannot exceed limits subject to the contract labor standards.

5.24. FLAGS.

A CH may purchase U.S. flags and other miscellaneous flags for Assistant Secretaries of Defense, Senior Executive Service individuals, general officers and flag officers, and above. For purchases of these items for positions not listed, CHs must contact an A/OPC. Flags are not authorized for purchase for retirement ceremonies. Flags must be procured from the Institute of Heraldry at <https://tioh.army.mil/>. If a flag is not available from the Institute of Heraldry, the CH must document this in the GPC file and will then be allowed to purchase from an available merchant.

5.25. ORGANIZATIONAL COINS.

The organization concerned must have an approved awards program in place before the CH is authorized to procure plaques, coins, and other items of recognition. The CH must provide the A/OPC a copy of the approved awards program covering the items requested for purchase and the total cost of the requirement. Organizational coins are authorized for purchase using the GPC and must be recognized and procured in accordance with Administrative Instruction 29.

- a. Organizational coins purchased with appropriated funds are to be used as a Component Award for Excellence to recognize outstanding performance or in connection with an established award.
- b. Organizations must outline the criteria, nomination process, and frequency for how the coins will be used.
- c. Organizational coins may not be given as an “on-the-spot” award or outside of a formal, written awards program.
- d. Organizational coins purchased with appropriated funds will not be presented to contractors.

5.26. HONORARIA.

- a. Pursuant to Chapter 12 of Volume 10 of DoD 7000.14-R, payment for expenses associated with an honorarium is allowable for individuals who are not U.S. Government personnel. Honoraria are *ex gratia* payments and are provided to speakers making a presentation on a specific topic.
- b. The convenience check writer is required to file an IRS Form 1099-MISC for payments to individuals totaling more than \$600 in a tax year, in accordance with Chapter 6 of Volume 10 of DoD 7000.14-R. Only convenience checks will be used in association with an honorarium and the amounts must not exceed \$2,000 per occurrence.

5.27. OFFICIAL REPRESENTATION FUNDS (ORF).

- a. The GPC may be used to make purchases using ORF. The A/BO is responsible for ensuring the use of ORF is appropriate for the specific purchase. Only an ORF-designated GPC will be used when purchasing items funded with ORF.
- b. Organizations requesting an ORF GPC must specify the GPC will be used as the payment method for ORF activities. ORF GPCs must be used for official events to extend official courtesies to guests of the United States.

5.28. MEMBERSHIPS.

In accordance with Section 5946 of Title 5, U.S.C., except as authorized by a specific appropriation, by express terms in a general appropriation, or by Sections 4109 and 4110 of Title 5, U.S.C., appropriated funds may not be used for payment of general membership fees in the name of an individual.

- a. The expenses of training do not include membership fees except to the extent that the fee is a necessary cost directly related to the training itself or that payment of the fee is a condition precedent to undergoing the training.

b. A WHS-serviced Component may purchase a membership. The A/BO will be responsible for internal review process to determine the validation for the purchase of a membership.

5.29. PROFESSIONAL CREDENTIALS.

Professional credentials are authorized for purchase using the GPC. In accordance with Section 5757 of Title 5, U.S.C.:

a. A WHS-serviced Component may use appropriated funds or funds otherwise available to the agency to pay for:

(1) Expenses for employees to obtain professional credentials, including professional accreditation, State-imposed and professional licenses, and professional certification.

(2) Examinations to obtain such credentials.

b. GPC authority must not be exercised on behalf of any employee occupying or seeking to qualify for appointment to any position that is excepted from the competitive service because of the confidential, policy-determining, policy-making, or policy-advocating character of the position.

5.30. PROMOTIONAL ITEMS, RECRUITMENT ITEMS, AND SWAG.

a. These items represent a tangible cost and are not justifiable under current fiscal conditions. Appropriated funds may not be used for gift or souvenirs unless there is specific statutory authority to do so or if it is a necessary expense of the agency in accordance with Chapter 3 of the GAO Principles of Federal Appropriations Law. Appropriated funds may only be used for the purpose for which they were appropriated by Congress.

b. WHS-serviced Components may only purchase items in the nature of gifts or souvenirs for distribution if there is a direct link between the distribution of the items and the purpose of the appropriation to be used. An agency must demonstrate that items will directly further the agency's mission; in other words, the very act of distributing the item can be said to accomplish the agency's mission. The A/OPC will obtain an opinion from OGC, WHS and PFPA on the application of the appropriations law for each request.

5.31. POST PURCHASE RESTRICTIONS.

The CH must not accept a cash refund or credit voucher for non-receipt, returned, or damaged items initially purchased using the GPC. The CH will only accept credit back to the GPC used during purchase. If necessary, the CH may accept a check payable to the U.S. Treasury.

a. Cash Refunds, Vendor Rebates, Incentives, Gift Cards, or Checks.

The CH is prohibited from accepting vendor rebates or other post-purchase incentives that can be converted for personal use. If received, these items must be turned over to the A/OPC for destruction and disposal.

b. Bank Rebates.

The timely payment of the GPC billing statement is a rebate computation factor. Rebates can be used for any reasonable purchase by the appropriation or account to which they were returned.

5.32. ELECTRONIC DOCUMENTATION.

a. The CH must document all purchases. Instructions are accessible from the issuing bank to guide the CH through the reconciliation process.

(1) CHs are required to document purchase information for each transaction made in an approved electronic log. The AAR is a readout of the statement of charges for the account cycle.

(2) The A/BO and CH must sign the AAR each month. The CH must upload documents in the issuing bank's electronic access system.

(a) Documents will be retained for 6 years after the date of the final payment.

(b) Documents for foreign military sales will be retained for 10 years after the date of the final payment.

(3) The CH must file the AAR reflecting only the purchases and receipts pertinent to each respective billing cycle. Guidance on required file documentation can be found in Chapter 23 of Volume 10 of DoD 7000.14-R.

b. For standardization and to streamline the audit process, the CH's records for each billing cycle must contain, as appropriate:

(1) WHS purchase card request or A/OPC-approved medium for each transaction.

(2) Receipts and transactional supporting documentation for each transaction.

(3) Electronic copy of the printed AAR relevant to the current billing cycle.

(4) SF-182.

5.33. ACCOUNTABLE PROPERTY MANAGEMENT AND ACCOUNTIBILITY.

When acquiring accountable property using the GPC, the A/BO must adhere to all applicable property regulations. The A/OPC must review proper recording and tracking of accountable property during all GPC inspections.

a. Account holders are required to provide evidence that accountable property has been processed. The DD Form 1150 must be completed and provided to the A/OPC upon receipt of the item and uploaded with supporting documents in the issuing bank's electronic access system.

b. Independent receipt and acceptance by an individual other than the CH, A/BO supervisor, A/BO, or alternate A/BO is required for accountable property purchases (e.g., hand receipt for the accountable property).

5.34. CH MONTHLY RECONCILIATION REQUIREMENTS.

The CH should periodically review transactions in the issuing bank's electronic access system before the end of the billing cycle to identify potential fraud on the GPC account. CHs are required to reconcile the statement against the purchase log.

a. Within 3 business days after the end of the billing cycle, the CH must:

(1) Match each transaction appearing on the CH statement of account with the corresponding transactions recorded in the transaction management section of the issuing bank system.

(2) Reconcile each transaction to a DAI GPC purchase requisition.

(3) Determine if all credits received during the billing cycle are reflected on the CH statement of account. If a transaction credit does not appear on the CH statement of account, the CH or A/BO will:

(a) Contact the vendor for an explanation.

(b) Contact an A/OPC for assistance if unable to resolve the issue with the vendor.

b. If the CH does not reconcile and approve their account statement within 3 business days following the close of the billing cycle, the A/BO must perform the CH reconciliation and managing account certification. All accounts not certified in a timely fashion will be voluntarily closed.

c. CHs may not alter an account statement once it has been approved. The CH will:

(1) Maintain a log of GPC purchases.

(2) Download and sign the AAR for the current billing cycle.

(3) Upload all supporting documents for each transaction, to include but not limited to GPC requests, A/OPC approvals, receipts, and packing list.

d. The A/BO or WHS-serviced Component RM will contact the respective DAI representative concerning adding additional funding as required.

5.35. INVOICE CERTIFICATION.

The A/BO or alternate A/BO must review and approve the CH's monthly statement. If the CH is unable to reconcile the monthly account, the A/BO will act on behalf of the CH, ensuring timely monthly invoice certification.

a. The A/BO will confirm CH documents are uploaded before account certification. The A/BO must certify the monthly invoice not later than 5 business days after the close of the billing cycle. All copies of monthly invoices and supporting documentation must be retained for 6 years after the date of final payment.

b. Once the A/BO certifies the managing account invoice, no further changes are permitted on the account.

c. The A/OPC will immediately suspend all non-compliant accounts. The A/OPC will document the account's suspension and it will remain suspended until certification has been completed.

5.36. DELINQUENT PAYMENT.

a. Accounts become delinquent 30 days from the statement date when payment is not received by the bank. Unpaid balances after 60 days from the statement date are considered 30 days past due and must not exceed 1 percent of the entire GPC Program's total current balance due.

b. The issuing bank will suspend any A/BO account 60 days past due (or 90 days since the statement date), regardless of the amount. If A/BO accounts exceed 150 days past due (180 days since the statement date), the issuing bank will suspend all A/BO accounts and they will not be reinstated.

5.37. DISPUTES.

In event of a dispute with a merchant, the CH will attempt to promptly identify, report, and resolve any transactions that require the reporting of disputed or fraudulent transactions to the bank.

a. When the U.S. Government is billed for defective items, merchandise without a verifiable receipt, or for items that were returned, or if unauthorized or incorrect charges appear on the statement, the CH must:

(1) Contact the vendor to resolve the problem. If the vendor concurs, the vendor adjusts or credits the account. The CH notes the dispute on the comments tab of the transaction in question and approves the transaction.

(2) Contact the A/OPC if the vendor does not agree that an error has transpired. The A/OPC will provide guidance to properly complete the dispute process through the bank system.

b. The CH must submit disputed transactions through the issuing bank system within 90 calendar days from the date of the transaction, as reflected in the bank's system. A merchant is required to respond to a disputed charge within 45 days after receipt of the request. If the merchant does not respond within 45 days, disputed charges will be settled in favor of the CH and the merchant will be charged for the goods or services. If the disputed charge is settled in favor of the merchant, a letter will be sent to the CH explaining the outcome and the charge will appear on the CH's next statement.

c. If merchandise is returned to the vendor due to the CH ordering the wrong item or the item is unsatisfactory, the vendor has the option to charge the CH a restocking fee. The CH must pay the restocking fee if applicable.

5.38. PAYMENT REJECTION AND MANUAL INVOICES.

Certified transactions are transmitted to DAI as an obligation. An invoice file is automatically generated from U.S. Bank to DAI 48 hours after transmission of the obligation to DAI. When the invoice file has insufficient funds, the obligation file will reject the invoice for non-payment.

a. Electronic invoice processing may result in occasional payment rejections in DAI.

b. DAI maintains electronic interface(s) and affirms adherence to the provisions of the Prompt Payment Act.

c. All invoices will be paid in full. The A/BO, WHS-serviced RM, and the DAI representative servicing the WHS-serviced Component will be contacted by the A/OPC regarding payment issues.

d. When an obligation file has not successfully cleared the electronic data interface from the issuing bank to DAI, the WHS-servicing Component RM must work to rerun the obligation in DAI.

5.39. DEPARTING THE GPC PROGRAM.

a. When an A/BO, alternate A/BO, or A/BO supervisor departs their role:

(1) When practical, the organization concerned should notify the A/OPC immediately or no later than 30 days before the effective date of departure.

(2) The A/BO or alternate A/BO appointment will be terminated in JAM.

(3) The organization concerned must immediately provide the A/OPC the name and contact information of the replacement A/BO or alternate A/BO. Once the replacement information is received, the A/OPC will initiate the necessary action toward appointing a new A/BO or alternate A/BO. Non-compliant accounts will be suspended until a new A/BO has met the program requirements.

(4) Upon departure, the A/BO must forward all official GPC files to the incoming A/BO.

(5) The A/BO must notify the A/OPC when the A/BO supervisor changes. The A/BO must update their PIEE profile immediately to ensure accuracy of PIEE workflow with the appropriate supervisor.

b. When a reassignment, retirement, or other separation action occurs for the CH, the CH must surrender the GPC to the A/BO and contact the A/OPC, who will terminate the GPC appointment and corresponding account.

5.40. PROGRAM OVERSIGHT AND EVALUATION.

a. Surveillance and oversight of the GPC are a shared responsibility. All stakeholders in the program, including WHS-serviced Component RMs, logistics, contracting, and local audit and oversight organizations, are responsible for ensuring the GPC is used properly and ethically.

b. Public Law 112-194, also known as the “Government Charge Card Abuse Prevention Act of 2012,” requires all agencies to establish and maintain safeguards for GPCs. The GPC Program will conform to all Executive Branch initiatives to uphold and promote transparency in government. IOD provides officials an assessment of the risk environment with an artificial intelligence DM application.

c. Management controls effectively identify, correct, and minimize fraud, waste, and abuse. The CPM will conduct reviews of the GPC Program as required to evaluate program effectiveness and compliance with prescribed policies and procedures. Random (possibly unannounced and unscheduled) inspections of GPC accounts will be conducted to verify compliance with prescribed policies and procedures in accordance with Appendix B of the Office of Management and Budget Circular A-123.

d. The Office of Inspector General of the Department of Defense conducts independent audits, inspections, evaluations, and investigations to promote safeguards and efficiencies to prevent and detect fraud, waste, abuse, and mismanagement.

5.41. FPDS-NG.

a. Compliance with the FPDS-NG reporting requirements in Subpart 204.6 of the DFARS must be followed. The contracting officer or A/OPC must complete the contract reporting procedures in Subpart 204.602 of the DFARS to report:

(1) Any contract or order where the GPC is used solely as the method of payment. These actions will be reported to FPDS-NG using an individual contract action report and not using express reporting procedures, regardless of dollar value.

(2) Any actions or orders placed under a Federally awarded contract (e.g., schedule, U.S. Government-wide acquisition contract; indefinite delivery, indefinite quantity contract; BPA; or basic ordering agreement) where the GPC is both the method of purchase and payment. These

actions will be reported using express reporting procedures in accordance with the order of preference specified in Subpart 204.606(5) of the DFARS.

b. In the case of awards that are awarded and performed, or for purchases made outside the United States, the actions must be individually reported if they are valued at \$25,000 or more, pursuant to Part 2 of the FAR to comply with Public Law 109-282, also known as the “Federal Funding Accountability and Transparency Act of 2006.”

5.42. CUSTOMER QUESTIONS.

WHS-serviced Components requiring GPC assistance should contact the GPC Program Office by mail, e-mail, or in person at whs.ncr.ad.mbx.osd-purchase-card@mail.mil.

GPC Program Office
WHS Acquisition Directorate
Pentagon, Room 5B1089A

GLOSSARY

G.1. ACRONYMS.

ACRONYM	MEANING
AAR	account activity report
A/BO	approving or billing official
AD	acquisition directorate
A/OPC	agency or organization program coordinator
BPA	blanket purchase agreement
CH	cardholder
CO	certifying officer
CPM	component program manager
DAI	Defense Agencies Initiative
DD	Department of Defense (form)
DFARS	Defense Federal Acquisition Regulation Supplement
DM	data mining
DPC	Defense Pricing and Contracting
FAR	Federal Acquisition Regulation
FPDS-NG	Federal Procurement Data System-Next Generation
FPI	Federal Prison Industries
GAO	Government Accountability Office
GPC	government commercial purchase card
GSA	General Services Administration
HCA	head of the contracting activity
IOD	Insights on Demand
IRS	Internal Revenue Service
IT	information technology
JAM	Joint Appointment Module
LFD	leased facilities division
MCC	merchant category code
OGC	Office of the General Counsel
ORF	official representation funds

ACRONYM	MEANING
PFFPA	Pentagon Force Protection Agency
PIEE	Procurement Integrated Enterprise Environment
RM	resource manager
SF	standard form
U.S.C.	United States Code
WHS	Washington Headquarters Services
ZIP	zone improvement plan

G.2. DEFINITIONS.

These terms and their definitions are for the purpose of this issuance.

TERM	DEFINITION
AbilityOne merchant	A mandatory source for purchasing products and services for the U.S. Government.
A/BO	An accountable WHS-serviced Component official who may have pecuniary liability for erroneous payments resulting from the negligent performance of duties. Service members and U.S. Government civilian personnel delegated in writing the responsibility to perform decision-making and resource control for accounts under their purview.
abuse	Intentional use of the GPC in violation of the FAR, DFARS, agency supplements, or activity GPC policies and procedures. Evidence of intentionality will be inferred from repeat offenses of the same violation following administrative or disciplinary action taken for this violation.
acceptance	The signature signifying that the goods or services have been accepted by the U.S. Government
Access Online	The issuing bank’s internet-based electronic access system that provides account information, reconciliation, and reports to assist users to effectively manage charge card programs

TERM	DEFINITION
account holder	CH, A/BO, alternate A/BO, and CO.
accountable property	Property of any kind (except real property and government records) that retains its original identity and characteristics, has a useful life of more than 1 year, and has an acquisition cost of \$500.00 or more. All personal property considered nonexpendable whose expected useful life is 2 years or longer and whose acquisition value, as determined by the policy, warrants tracking in the agency's property records, including capitalized and sensitive property.
A/OPC	An official responsible for oversight, management, administration, and day-to-day operations of the GPC Program.
authorization	The process of verifying at the point of sale that a purchase being made is allowable given the requirements, prohibitions, and controls established by the agency for that GPC.
billing cycle	An approximate 30 calendar-day period. Each monthly billing statement invoice is comprised of transactions (debits and credits) that post to the bank's system during this period. Generally, the billing cycle begins on the 20th of the month and ends on the 19th of the subsequent month. The 19th of the month is known as the "cycle date." The cycle date may vary due to a holiday or weekend.
BPA	A simplified method of filling anticipated repetitive needs for supplies or services by establishing contracts with qualified sources of supply. BPAs may be used by a contracting officer to fill a wide variety of items in a broad class of supplies or services (e.g., hardware) that are generally purchased, but the exact items, quantities, and delivery requirements are not known in advance and may vary considerably. BPAs are designed to accomplish simplified acquisitions by eliminating the need for processing numerous acquisition actions. Requirements that are candidates for purchase under a BPA should be coordinated with the issuing contracting office.
CH	The individual designated in writing by the activity to receive and use the GPC. The CH is an accountable official and may have pecuniary liability for any illegal, improper, or incorrect GPC payment resulting from their fault or negligence.

TERM	DEFINITION
CH statement of account	The statement of charges provided to a CH by the issuing bank detailing all the transactions posted to the account during a billing cycle.
CO	The official appointed by the CPM who certifies CH invoices. The CO should be in the CH's supervisory chain and have knowledge of the office requirements, appropriations, account classifications, and the payment process.
commercial-off-the-shelf	A product, training course, conference, or instructional service that is available to the public and priced the same for everyone.
contract action report	The normal method of reporting to FPDS-NG on contract actions.
contracting officer	A person with the authority to enter into, administer, or terminate contracts and make related determinations and findings.
convenience check	Payment or procurement tool intended only for use with merchants that do not accept GPCs. It is used as a payment method of last resort only when no reasonable alternative merchant is available who accepts the GPC.
CPM	The person delegated by the HCA who is responsible for management, oversight, and administration of the GPC Program.
delegation of authority	A memorandum from the CPM specifying the authority delegated to the A/BOs, alternate A/BOs, and CHs that prescribes any limitations on the scope of authority to be exercised other than those contained in the applicable law or regulation.
delinquency	An undisputed charge card account balance that is unpaid for more than 61 days past the statement date.
dispute	A state in which inaccuracies have been identified on the billing statement of an item and the merchant is unwilling to correct.
DM	Searching, scanning, sorting, and filtering data to be used for program analysis.
DPC	The organization that manages the DoD enterprise data standards, internal control requirements, and systems required to write, distribute, and manage contract actions across the entire procurement lifecycle from acquisition strategy to contract closeout.

TERM	DEFINITION
electronic data interface	The automated process for receiving electronic transactions and obligations directly from an issuing bank into a DoD accounting system. The use of the issuing bank's electronic accounting system and DAI electronic data system is mandatory.
express reporting procedures	Reporting procedures that compile all actions monthly without specifically identifying the existing contract and vendor.
foreign national	An individual who is not a naturalized citizen employed by or performing work for U.S. forces outside the United States, its territories, and possessions in a system of employment. Under the direct hire arrangement, the legal employer of the foreign national assumes responsibility for all administrative and management functions related to foreign national employment.
fraud	Any felonious act of corruption or attempt to deliberately cheat the government or corrupt the government's agents. More specifically, an act of deceit, misrepresentation, or an intentional perversion of truth to induce another to part with something of value or to surrender a legal right.
ghost shopper	A government employee granted limited authority to retrieve purchases on behalf of the CH for mission-essential office supplies sold at the Virginia Institute for the Blind Supply Store on the Pentagon Reservation.
HCA	The delegated authority to appoint the CPM, A/OPCs, A/BOs, and CHs. In addition, the HCA prescribes local policy for the use of ordering officers.
IOD	An artificial intelligence DM platform that automatically analyzes GPC data to identify high-risk transactions.
JAM	The PIEE electronic business suite used to initiate, review, approve, store, and terminate required delegations of procurement authority or appointments.
lease	A conveyance to the government of the right of exclusive possession of real property for a definite period by a landlord. It may include optional services provided by the landlord.

TERM	DEFINITION
lessor	Any individual, firm, partnership, trust, association, State or local government, or other legal entity that leases real property to the government.
LFD	The organization that supports the WHS-serviced Components with leased facility transactions.
merchant	The source from which products and services are purchased.
method of payment	Using the GPC as the mechanism to pay for a contract action.
micro-purchase	An acquisition of supplies or services, the aggregate amount of which does not exceed the threshold of \$10,000 per order (\$2,000 for construction and \$2,500 for services subject to Chapter 67 of Title 41, U.S.C.). The micro-purchase limit of \$2,500 for services and \$2,000 for construction is not applicable to lease payments made by the LFD CHs to the lessors. The limit for LFD payments is \$3,500 for all lessor payments because these payments are considered work under a supplemental lease agreement.
misuse	Any felonious act of corruption or attempt to cheat the U.S. Government or corrupt the U.S. Government's agents by GPC officials with malicious intent.
monthly invoice	A combined summary of all purchases made by all CHs under a given A/BO during a specified billing cycle. The monthly invoice is available in the issuing bank system and must be certified each month.
monthly purchase limit	Cumulative total amount of all monthly GPC charges that cannot be exceeded.
ordering officer	Individual who, by written delegation from the contracting officer's representative, has the authority to place orders that are recurring, repetitive purchases against specifically named WHS AD contracts, BPAs, or unit price agreements with the GPC to get better pricing and satisfy departmental strategic sourcing goals. Ordering officers may exercise additional authority in accordance with their appointment letter, guidance issued by their contracting officer's representative, the terms of the contract or BPA, and policies distributed by the HCA.

TERM	DEFINITION
ORF	Appropriated funds for official representation purposes to extend official courtesies to guests of the United States and the DoD.
pecuniary liability	A personal financial obligation to make good any monetary loss to the government caused by the fraud or neglect of an accountable official in certain circumstances that result in fiscal irregularities of disbursement in accordance with Chapter 5 of Volume 5 of DoD 7000.14-R.
personal use items	Items that may not be purchased with the GPC for one's personal use, whether for home or office use. Generally, if the item would be taken when an individual is moved to another office, it is a personal item (e.g., an engraved day planner).
PIEE	The primary enterprise procure-to-pay application for the DoD. The GPC Program leverages PIEE to facilitate the formal appointment of all roles. PIEE is the primary access point for accessing program applications.
rebates	Organizational funds returned based on the volume of transactions, amount of transactional spend, and expediency of account reconciliation.
self-initiated purchases	A GPC purchase by the CH for which there is an absence of documentation that the acquisition was approved by a higher authority than the CH.
single purchase limit	Maximum amount allowed to be expended on a single transaction, not exceeding the micro-purchase threshold.
split purchase	Intentional breakdown of a purchase or requirement to stay under the CH's single purchase limit. When the CH has a requirement that is over their single purchase limit, it cannot be split by quantity, vendor, time, or CH. Also referred to as a split requirement.
Supplier Performance Risk System	Source for identifying, assessing, and monitoring performance on supplier assessment for DoD acquisitions.
swag	Items representing a tangible cost to the agency that is not justifiable under current fiscal conditions. Merchandise such as mugs, shirts, key chains, pens, hats, thermoses, and bags that typically display an agency's name or seal.

TERM	DEFINITION
video equipment	Electronic equipment that broadcasts or receives electromagnetic waves representing images and sound.
waste	The act of using or expending resources carelessly, extravagantly, or to no purpose. Any activity taken concerning a GPC that fosters or results in unnecessary costs or other program inefficiencies.

REFERENCES

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- Code of Federal Regulations, Title 5, Part 1315 (also known as the “Prompt Payment Act”)
- Comptroller General of the United States, GAO Decision B-302993, “Use of Appropriated Funds to Purchase Kitchen Appliances,” June 25, 2004
- Defense Federal Acquisition Regulation Supplement, current edition
- DoD 7000.14-R, Volume 5, “Department of Defense Financial Management Regulation (DoD FMR): Disbursing Policy,” current edition
- DoD 7000.14-R, Volume 10, “Department of Defense Financial Management Regulation (DoD FMR): Contract Payment Policy,” current edition
- DoD 7000.14-R, Volume 14, “Department of Defense Financial Management Regulation (DoD FMR): Administrative Control of Funds and Antideficiency Act Violations,” current edition
- DoD Directive 5110.04, “Washington Headquarters Services (WHS),” March 27, 2013
- DoD Instruction 5025.01, “DoD Issuances Program,” August 1, 2016, as amended
- DoD Instruction 5330.03, “Single Manager of DoD Document Services,” May 7, 2021
- Federal Acquisition Regulation, as amended
- Government Accountability Office, “Principles of Federal Appropriations Law, Chapter 3: Availability of Appropriations: Purpose. Fourth Edition,” GAO-17-797SP, 2017 Revision
- Office of Management and Budget Circular A-123, Appendix B, “Appendix B to Circular No. A-123, A Risk Management Framework for Government Charge Card Programs,” August 27, 2019
- Public Law 109-282, “Federal Funding Accountability and Transparency Act of 2006,” September 26, 2006
- Public Law 112-194, “Government Charge Card Abuse Prevention Act of 2012,” October 5, 2012
- Public Law 115-232, Section 889, “John S. McCain National Defense Authorization Act for Fiscal Year 2019,” August 13, 2018
- Under Secretary of Defense for Acquisition and Sustainment Memorandum, “Final Governmentwide Commercial Purchase Card Disciplinary Category Definitions Guidance,” January 27, 2020¹
- United States Code, Title 5
- United States Code, Title 15
- United States Code, Title 31
- United States Code, Title 41

¹ Available at <https://www.acq.osd.mil/asda/dpc/ce/pc/smart-pay.html>