

# DEPARTMENT OF THE ARMY US ARMY INSTALLATION MANAGEMENT COMMAND HEADQUARTERS, UNITED STATES ARMY GARRISON DAEGU UNIT #15746 APO AP 96218-5746

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MEMORANDUM FOR ALL PERSONNEL ASSIGNED TO UNITED STATES ARMY GARRISON (USAG) DAEGU

SUBJECT: United States Army Garrison (USAG) Daegu Policy Letter #21-20, Government Purchase Card Procedures

#### 1. References:

- a. Federal Acquisition Regulation (FAR), Part 13 "Simplified Acquisition Procedures", 2 Apr 2021
- b. Treasury Financial Manual, Vol. I, Part 4, Ch. 4500, "Government Purchase Cards"
  - c. OMB Circular No. A-123, Appendix B Revised, 27 Aug 2019
- d. Defense Federal Acquisition Regulation Supplement (DFARS), Part 213.301 "Government-wide commercial purchase card", 20 May 2021
  - e. DOD FMR Vol. 10, Ch. 2, "Discount Offers and Rebates/Refunds", Feb 2021
- f. Department of Defense (DOD) Financial Management Regulation (FMR) Vol. 10, Ch. 23, "Purchase Card Payments", Mar 2021
- g. DOD Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs (DOD Guidebook), 1 Oct 2017
- h. Department of the Army Government Purchase Card Operating Procedures, AFARS Appendix EE, 22 Jul 2015
- i. Army Federal Acquisition Regulation Supplement (AFARS), Part 5113 "Simplified Acquisition Procedures", 1 May 2019
  - j. IMCOM GPC SOP, 29 Feb 2016
  - k. IMCOM-P External SOP Rapid Action Revision (RAR), Chapter 31, 21 Jul 2017
- I. 411th Contracting Support Brigade Supplement to the Department of the Army Government Purchase Card Operation Procedures (OP), 8 Apr 2019

- 2. Purpose: To define the procedures and processes required to establish, maintain, and operate an effective Government Purchase Card (GPC) program for all activities using appropriated funds within U.S. Army Garrison, Daegu (USAG Daegu).
- 3. Applicability: This policy applies to all USAG Daegu staff elements.
- 4. Concept: The functional objective for GPC accountability is to ensure appropriate use, correct administration, proper account reconciliation and property accountability.
- 5. Policy: This policy designates responsibilities and describes policy and procedures for the GPC Program.
- a. The USAG Daegu Deputy to the Garrison Commander nominates Billing Officials (BOs), Alternate Billing Officials (ABOs), and Card Holders (CHs) by signature on the GPC application form to effectively support the needs of activities. The application package is routed through the Resource Management Office (RMO) for review, approval, and processing through the 411th Contracting Support Brigade.
- b. Funding of the GPC. The BO will establish funds availability through coordination with the RMO. No purchase may be initiated without the BO's and director's signature on the GPC Request Form. When the BO is not present, the ABO will approve/validate requirements. Purchasing will be suspended when funds are not available.
- c. Safeguarding charge cards and card use: CHs must safeguard charge cards in the same manner as cash. ONLY the CH may place orders for goods or services. No other individual in the organization may purchase goods or services with a charge card.
- d. Monthly Reconciliation. CHs will provide the Statement of Account (SOA), monthly log, Questioned Item Forms, and all other supporting documentation to the BO for certification, within 3 days after the cycle end date (19th of each month).
- e. Hand Receipt and Property Accountability. CHs will maintain all documentation in accordance with the 411<sup>th</sup> Contracting Support Brigade OP (reference I). CHs will instruct vendors to ship to CH address only, not to other individuals within the organization. Korean National CHs may use their BO's mail address on the post. CHs will maintain positive control of all items until released to the requester. Accountable property items, usually nonexpendable items worth \$300 or more, or pilferable items, must be recorded in the property book. PBO signature is required on all GPC forms except for purchases of 1) services, 2) training, and 3) consumable supplies (i.e. paper, office supplies).

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- f. Training: BOs and CHs must complete purchase card training in order to understand their roles and responsibilities within the charge card program. IAW OMB Circular No. A-123, Appendix B, Chapter4, all program participants must be trained before appointment; complete annual refresher training; and annual ethics training.
- g. Transfer of CHs and BOs: Departing CHs will coordinate with their BO prior to rendering the GPC unusable, and will surrender their GPC card to RMO four weeks prior to departure from their organization.
- h. GPC Surveillance: Surveillance shall be accomplished by Internal Review and 411<sup>th</sup> Contracting Support Brigade for each CH through regular reviews and inspections of files. GPC Data Mining system may be randomly surveyed by the RMO GPC administrator to identify potentially fraudulent, improper, and abusive purchases including but not limited to questionable vendors, weekend and holiday purchases, split purchases, unusual amounts or relationships, year-end spending, and transactions by vendor, etc.

# 6. Responsibilities:

- a. The Resource Management Office. The RMO will maintain oversight over the GPC program and has the authority to suspend or terminate GPC privileges to CH and BO.
  - b. Directors/Section Chiefs.
    - (1) Validate the need for GPCs in the directorate.
- (2) Ensure BOs and ABOs are properly identified, trained, and appointed, and DEROS dates are monitored to ensure replacement BOs are timely identified, trained and appointed in advance to avoid card suspension.
- (3) Ensure all personnel understand **ONLY A CH can make a purchase**. No other individual is authorized to obligate the government. Any individual who commits an unauthorized obligation is subject to disciplinary action.
  - c. Billing Official.
- (1) GPC BOs are personally and pecuniary liable for the full amount of any improper payments resulting from misuse, abuse, or unauthorized purchases of the GPC in accordance with Title 31 U.S. Code §3528.
- (2) The BO should be in the CH's supervisory chain and is the ultimate approval authority.

- (3) The BO will review every transaction for each assigned CH account and verify that transactions were made in accordance with 411<sup>th</sup> Contracting Support Brigade OP. BOs will confirm that the "Log Detail" information is complete prior to certifying monthly bills. If not complete, the BO will reject the statement and notify the CH of required correction.
- (4) The BO will certify monthly billing statements within five business days of close of the billing cycle. The BO will verify that AXOL purchase documentation has been uploaded to AXOL, including the PBO's email notification of receipt when applicable.
- (5) The BO will neither delegate any of their GPC program responsibilities nor allow others to certify billing statements using their individual U.S. Bank username and password. ABOs must be appointed to approve urgent GPC requirements and to certify statements during temporary absence of the primary BO. ABO authority terminates with the departure of the primary BO, unless a new one is appointed in the departing BO's place.
- (6) The BO is responsible for responding to all Flagged Transactions within the required timeframe.

#### d. Cardholder.

- (1) Prior to any proposed purchase, the CH must obtain BO's and director's written approval. CHs will ensure that all purchases are made in accordance with guidance, procedures, regulations and statutes contained in the 411<sup>th</sup> Contracting Support Brigade SOP, and that the purchase includes all potential costs, including but not limited to: Currency exchange rates, shipping charges, ancillary items (licenses, etc.) to ensure the purchase does not exceed the micro-purchase threshold.
- (2) CHs must keep an accurate log of all purchases entering "Log Detail" and "Log Line Item Detail" data into the US Bank AXOL system at the time of transaction. At a minimum, logs will record (i) the transaction date, (ii) the name of the merchant, (iii) the transaction price, (iv) items purchased, and (v) the name of the requestor. CH's failure to properly enter this data may be grounds for suspension or termination of the CH's account by the RMO GPC administrator.
- (3) CHs will process GFEBS PR, obtain L1 and L4 approval before making any purchase. **CH will de-obligate remaining funds if total obligated funds were not spent**.
- (4) CHs will review and verify the legitimacy of all charges applied to her/his account and complete reconciliation and approval or dispute of their bank statements in

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US Bank AXOL within three business days of the close of the billing cycle, provide supporting documents to the BO and upload documents to AXOL.

- (5) CHs will maintain records of all purchase made. These will include the signed GPC Request form, the receipt from the seller, the hardcopy Statement of Account sent to the CH, and any authorization documents that may be required for certain goods or services (i.e. IT purchases, etc). The original documents will be turned over to the BO after the CH completes his/her reconciliation at the end of the billing cycle. These records are to be maintained for ten years at the organization.
- (6) CHs will notify their BOs and cease purchasing 60 days prior to their departure, cut the card in half and turn it over to RMO GPC Administrator with the completed Destruction Notice form NLT four weeks prior to departure. CHs must ensure that any outstanding charges on their accounts are identified and any outstanding purchase activity records are turned over to the BO.

## e. Requestor.

- (1) Prior to any purchase, the Requestor will determine the requirement, complete market research (incl. mandatory sources), complete the GPC form with all required documents attached (requirements document for electronics purchases, training approval, etc.), obtain MDEP Manager/supervisor approval, property book and IMO review, RMO determination of funds availability. Requestor then requests that the GPC CH process the GFEBS PR, obtain L1 and L4 approval before the CH makes the purchase.
- (2) The Requestor will not enter into any agreement with vendors, place any orders or take any other actions that obligate the government in any way.
- f. Property Book Office. PBO will maintain a suspense file with all GPC request forms which list accountable items, and follow up with requestors on receipt of purchases to ensure all accountable items are properly entered on a hand receipt.
- g. Internal Review Office. IR will conduct quarterly reviews of all GPC accounts for compliance with established statutes, regulations, & policies, and provide a copy of this review to the GPC office.

### 7. Procedures:

a. Make micro-purchases based on the following threshold:

- (1) Supply requirements less than or equal to \$10,000 (require one quote) If single purchase is over \$5,000, Single-Purchase Limit (SPL) exception memorandum should be submitted to GPC Branch, 411<sup>th</sup> CSB to obtain approval.
- (2) Services (cannot exceed 30 days without a contract) overseas up to \$25K with GPC Branch Approval
  - (3) Minor Constructions Services, less than or equal to \$2,000
  - b. Purchases requiring special pre-approval:
- (1) Accountable items. BOs are required to ensure that all property book accountability requirements have been fulfilled by coordinating with PBO. Non-expendable property items priced \$300 or more must be recorded in the property books as required by existing regulations governing property accountability. In addition, sensitive items, highly pilferable items with a value less than \$300, and tools with a unit price exceeding \$50 are also considered nonexpendable and will be accounted for.
- (2) Computers, Communication and Electronic Equipment. CHs determines whether items require Requirements Document (RD) or are RD exempt. RD required and RD exempt but Network Enterprise Center (NEC) approval required items must be approved through Information Management Office (IMO) prior to purchase of items with a written approval by 1st Signal Brigade.
- (3) Hazardous Materials. Purchases of hazardous materials, transportation services, disposal, or cleanup of such materials must be coordinated with Directorate of Public Works.
- (4) Construction Services, Facilities and Ground Maintenance. CH will coordinate with RMO to ensure that the funds they have assigned to their accounts are authorized for such purchases. If proper funds are available, the Card holder will obtain a work order from DPW in advance of the purchase.
- (5) Printing or Copying Services. All requirements for printing or copying service must be purchased from the DLA Document Services (previously known as Defense Automated Printing Services (DAPS). This applies to all printing and copying requirements.
- (6) Awards and Award Type Items. Generally, the purchase of award items in support of sporting events or other recreational activities with appropriated funds is not authorized.

In order to ensure that purchases for such items are indeed in support of a legitimate awards program, each purchase must be accompanied by a memorandum signed by the first Lieutenant Colonel (or equivalent) in the unit chain of command, certifying that the items are to be used for such a purpose and that the proposed purchase conforms to the relevant regulations.

(7) Class One Ozone Depleting Substances: Purchases of these items shall not be obtained by the GPC without written approval from Commander, USFK.

## 8. Prohibited Items.

- a. The GPC shall not be used for the following purposes.
- (1) Cash. The GPC is not to be used to purchase other financial instruments including cash advances, money orders, traveler's checks, gift certificates, etc. All refunds from merchants will be processed using chargeback to the GPC and not by a cash refund.
- (2) Travel Related Purchases. The GPC is not to be used to pay for expenses related to official travel (PCS/TDY) supported by travel orders which will be reimbursed on a travel voucher (rental vehicles, airline, train, or bus tickets, lodging, meals, drinks).
- (3) Telecommunication Services. Telecommunications services, specifically, Federal Telecommunication System (FTS) or DSN, are to be provided by the Signal organizations so the general restriction against procuring goods or services that are already provided through an established system applies to this category of services.
- (4) Souvenirs, Gifts and Mementos. Operation and maintenance funds are not authorized for these types of purchases (plaques, flowers, gifts for retirement parties or hail and farewells. In rare occasions, such purchases may be authorized (for example, when Official Representation Funds are authorized). The CH must ensure that s/he has such funds assigned to the GPC account before making any such purchases.
- (5) Morale, Welfare, and Recreation (MWR) and Non-Appropriated Funds (NAF). MWR and NAF purchases are not authorized (for example, barbeque grills). Any cost associated with staging an organization day picnic or Christmas party items, such as Santa suits, paper plates, plastic forks and knives, etc., are not authorized.
- (6) Personal Expense Items. Items that are primarily for the convenience of an individual are not to be procured using the GPC. These include clothing, fines, food, drink, items such as appliances, portable electronic devices, facial tissues, etc.

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- 9. The procedures identified in this policy are not all inclusive. BOs and CHs will stay abreast of relevant future policies that pertain to the GPC program. CHs must comply with all provisions and guidance contained in the 411<sup>th</sup> Contracting Support Brigade GPC SOP for USFK.
- 10. The point of contact for this policy is the Resource Management Officer at 763-6740.

BRIAN P. SCHOELLHORN

COL, AR Commanding