

NASPNCLAINST 4226.1A  
Code 41100  
7 June 2000

NASPNCLA INSTRUCTION 4226.1A

Subj: GOVERNMENT-WIDE COMMERCIAL PURCHASE CARD (GCPC) PROGRAM

Ref: (a) NAVSUPINST 4200.94

Encl: (1) Standard Operating Procedures for the GCPC Program, Procedures for Cardholders, and Approving Officials' Applications and Appointments  
(2) Purchase Documentation Worksheet  
(3) List of Prohibitions or Special Attention Items  
(4) Designation of Key Personnel  
(5) Government Cardholder Dispute Form

1. Purpose. To provide Department of Navy guidance on policies and procedures for the GCPC Program as set forth in reference (a).

2. Cancellation. NASPNCLAINST 4226.1

3. Scope. This instruction provides guidance on establishing and managing the GCPC Program at NAS Pensacola and applies to all organizations under the direct control and supervision of the NAS Pensacola Commanding Officer. The procedures cited in enclosure (1) shall be used as basic guidelines for all GCPC Program personnel and shall be adhered to fully to ensure compliance with the policies set forth herein.

4. Policy. The Department of the Navy has issued a Task Order under the GSA SMARTPAY Contract to obtain purchase card services from Citibank. The internal operating procedures herein provide guidance for the appropriate use of the purchase card by NAS Pensacola personnel. The purchase card shall be used to purchase commercial supplies and services up to the micro-purchase threshold of \$2,500 and construction supplies and services up to \$2,000 as either a procurement or method of payment. All purchases must be accomplished in accordance with Federal Acquisition Regulation (FAR) Part 13, Defense Federal Acquisition Regulation Supplement (DFARS) 213, Navy Acquisition Procedures Supplement (NAPS) 5213, reference (a), the GSA contract, and this instruction. All NAS Pensacola purchase cardholders shall use the purchase card for official government purposes only in accordance with the aforementioned directives.

5. Background. Reference (a) was written to implement the Navy GCPC Program, supplement the FAR, DFARS, NAPS, and provide guidance on the use of the purchase card itself.

6. Procedures. The procedures in this instruction are to be followed unless waived in accordance with paragraph 10 below and shall not be supplemented except for the use of reference (a).

7. Information

a. Definitions

(1) Agency Program Coordinator (APC). The individual designated by the Commanding Officer who shall have overall responsibility for the management, administration, and day-to-day operations of the purchase card program at NAS Pensacola.

(2) Approving Official (AO). The individual responsible for reviewing and verifying individual and monthly purchase card statements of cardholders under his/her purview. The AO must verify that all purchases were necessary and for official government purposes in accordance with aforementioned directives. Unless otherwise specified, the AO must also be the Certifying Officer for his/her cardholder(s) and, in that capacity, must certify the monthly billing statement and forward it to the Supply Budget Office for processing. Certification of monthly statements shall continue to be performed manually until the CitiDirect, a computerized program that has been specifically designed for certification purposes, is implemented by higher Headquarters (NAVSUP) during FY 2000.

(3) Billing Cycle. The billing cycle is the 30-day billing period during which cardholders may use their purchase card. The billing cycle ends on the 21<sup>st</sup> of each month.

(4) Billing Cycle Purchase Limit. The spending limit assigned to each cardholder's cumulative purchases and transactions within a given billing cycle. Billing cycle begins on the 22<sup>nd</sup> of the month.

(5) Bulk Funding. An advance reservation of funds where a commitment or obligation is recorded in the aggregate rather than by individual transactions. Bulk Funding procedures are not used by NAS Pensacola.

(6) Cardholder. Any Government employee, military and civilian, who is designated by the Head of Activity to be issued a purchase card or purchase card account. The purchase card bears the name and account number of this individual. Only the named person on the card may use it.

(7) Commonly Used HAZMAT. For the purpose of this instruction, commonly used HAZMAT means hazardous materials or products that are customarily sold to the general public to be used for non-governmental purposes (commercial products) which are in the same size and packaging found commercially and subject to procedures found later in this instruction. Examples of materials or products include those required on a routine basis to meet daily operational needs such as non-liquid batteries, toner cartridges, household detergents, etc. Items appearing on the Activity User List (AUL) are in fact considered hazardous materials and they shall be treated as such and processed in accordance with NASPNCLAINST 4100.4.

(8) Contracting Officer. Government employees who have the authority to bind the Government to the extent of their delegated purchasing authority. Purchase cardholders are provided that authority by the Commanding Officer in writing by the issuance of a Letter of Designation for non-purchasing agents or SF 1402, Contracting Officer Certificate of Appointment for purchasing agents.

(9) Credit Limit. The maximum dollar threshold assigned at the AO/billing level limiting the amount an account can have outstanding at any one time. The bank automatically sets the amount at three times the corresponding billing account 30-day limit. However, the APC in coordination with the Comptroller and Department Heads shall establish realistic credit limits for each cardholder and submit approved thresholds to Citibank for posting to the individual's account.

(10) Disputes. Instances where transactions on the cardholder's statement do not agree with entries in the purchase record or retained receipts. This may include circumstances where the cardholder did not make the transaction, the amount of the transaction is incorrect, or the quality or service is an issue.

(11) Dispute Office Contact (DOC). The DOC is the individual who coordinates actions involving disputed purchases or transactions should the cardholder and AO not succeed in resolving the matter. The DOC is a key position that must be appointed in writing by the Commanding Officer.

(12) Head of Contracting Activities (HCA). The official at one of the 23 DON components listed in DFARS 202.101 and NAPS 202.101 (e.g., CNET, COMNAVSUPSYSCOM, COMNAVAIRSYSCOM, etc.) who has overall responsibility for managing contracting authority within his/her contracting chain of command. The HCA is responsible for the delegation, re-delegation, and use of contracting authority including use of the purchase card by DON commands, activities, and personnel under his/her contracting cognizance.

(13) Head of Activity (HA). For the purposes of this instruction, the HA is the Commanding Officer.

(14) Merchant Category Code (MCC). A four-digit code assigned to a participating purchase card vendor based on their industry classification. The APC and Department Heads shall limit cardholder transactions by type of merchant by blocking out certain categories of vendors for use by activity cardholders. Change in Merchant Category Codes must be made in writing and approved by the Department Head and the Supply Director before the APC initiates the requested change to CitiBank.

(15) Monthly Cardholders' Statement. The statement of charges forwarded to the cardholder at the end of each billing cycle detailing all charges during that period.

(16) Monthly Billing Statement. The monthly billing statement is the official invoice for payment purposes which is provided to the AO at the end of each billing cycle. The billing statement identifies all of the purchase card transactions of his/her cardholders during a billing cycle.

(17) Purchase Card. The purchase card is the credit-card-like purchase account established with the bank that enables properly authorized Government personnel to buy and pay for supplies and services in support of official Government business.

(18) Purchase Card Worksheet. A manual or automated form on which the cardholder documents mandatory government sources screenings and individual transactions using the purchase card. Each entry on the purchase card worksheet must be supported by a procurement request document. The purchase card documentation shall provide an audit trail supporting the decision to use the card and any required special approvals that were obtained.

(19) Services. For the purposes of this instruction, services are firm fixed priced (including unpriced orders with an established ceiling), non-personal, commercially available requirements in which we directly engage the time and effort of the contractor to perform a task; e.g., repairs, maintenance, annual maintenance agreements, etc.

(20) Single Purchase Limit. The dollar threshold assigned to each cardholder for a single transaction. Per reference (a), the maximum dollar amount for a single transaction shall not exceed \$2,500.

(21) Reconciliation. The process by which the cardholder and AO review the monthly statements, reconcile against available vendor receipts and purchase card files, and authorize payment of valid charges provided on the monthly statement.

(22) Transaction Type. The transaction type is the method by which an order is placed when using the purchase card. Purchase card buys may be made over-the-counter, over the phone, or via the internet.

b. Delegation of Authority. The following key officials shall be assigned in writing by the Commanding Officer to administer the GCPC Program:

(1) Activity Program Coordinator (APC). The APC is the primary POC for the GCPC Program at NAS Pensacola. He/She shall have an alternate assigned in writing by the Commanding Officer as well. The APC has overall management and oversight responsibility for the NAS Pensacola GCPC Program. The duties shall include:

(a) Serving as the focal point for processing all applications, developing and distributing delegation letters, and training AO's and cardholders in GCPC procedures, including local operating procedures.

(b) Monitoring and assisting AO's and cardholders with problems associated with late, missing, or lost CitiBank monthly statements and reports.

(c) Conducting command-wide semiannual reviews of cardholder accounts and AO files. The APC shall send a memo via the Supply Director to each Department outlining the results of the reviews. A copy of each memorandum will be provided to Command Evaluation. Problem areas shall be given prompt attention. The Department shall provide biweekly status reports to the APC as necessary until the problems are resolved.

(d) Establishing and maintaining standard operating procedures for the GCPC Program.

(e) Coordinating with Department Heads, AO's, and the Supply Director in establishing and maintaining appropriate credit limits for AO's and cardholders.

(f) Assigning appropriate merchant category codes to each cardholder, and submitting all correspondence regarding AO's and cardholder's assignments to Citibank with a copy to GSA.

(2) Approving Official (AO). The AO shall receive an official written appointment that sets forth his/her assigned responsibilities. The letter shall contain a list of cardholders assigned under his/her purview. The AO plays an integral role in the success of the GCPC Program and most likely will be the Department or Division Head, or a supervisor of the cardholder and may be responsible for multiple cardholders. All AO's acting in this capacity shall not be a cardholder unless specifically authorized in writing by the Commanding Officer. As previously defined herein, the AO is responsible for:

(a) Reviewing, verifying, and certifying individual and monthly billing statements to ensure all purchases are for official Government purposes in accordance with the aforementioned directives. In the event an unauthorized purchase is detected, the AO shall work with the APC and Department Head to resolve the matter.

(b) Forwarding certified monthly statements to the Supply Budget Office for processing.

(c) Assisting cardholders with resolving purchase card disputes and billing errors. If unable to resolve disputed purchases or billing errors, AO's are responsible for referring such matters to the DOC via the APC for immediate action.

(3) Cardholder. Personnel appointed by the Commanding Officer to be a cardholder shall receive an official letter of delegation. The following are key to cardholders upholding his/her delegation:

(a) The prospective cardholder shall first receive training and instructions on the duties and responsibilities for using the purchase card.

(b) The cardholder must fully understand that the Commanding Officer will hold him/her accountable for all buys placed under the GCPC purchase card. **Only the cardholder will place orders against his/her assigned card.** Any person found committing an unauthorized purchase using the GCPC purchase card, regardless of the circumstances, shall be reported in writing via the chain of command to the Executive Officer with full details covering the event and/or misuse. Simply stated, a military or civilian employee shall not use a Government purchase card that does not have his/her name on it.

(c) Each cardholder's designation will state the single purchase limit and the maximum 30-day limit amounts. These limits shall be closely monitored by the cardholder to prevent over-expenditure of established limits. When reports are received indicating a cardholder has a bank

rejection, or has exceeded his/her authorized limits, the AO and cardholder must contact the APC immediately to determine the nature of the rejection and what action is necessary to correct the problem(s).

(d) The cardholder's Statement of Account shall be processed and certified within 5 working days after receipt from Citibank. The statement shall be sent to the AO for verification and certification without delay.

(4) Supply Director. By direction of the Commanding Officer, NAS Pensacola, the Supply Director shall be the approving official for "delegation of authority letters" to AO's and cardholders. The Commanding Officer retains sole delegation authority for Purchasing Agents requiring designation by Standard Form 1402 (Certificate of Appointment).

(5) Supply Budget Office. The financial point of contact for Citibank purchase card invoices for payment is the Supply Budget Office, who will coordinate financial matters with the Comptroller. The Supply Budget Office is responsible for collecting all AO invoice certifications and totaling the amount of each AO's invoice for payment. Each AO will possess a Line of Accounting (LOA) unique to his/her assignment. The Supply Budget Office will deliver the obligating copies with detailed AO certifications to the Comptroller concurrent with certifications being delivered to DFAS for payment. The LOA must be correct and clearly identifiable on all reports submitted for payment.

(6) Comptroller. The Comptroller is responsible for managing command funds. He/She shall work with the APC and Supply Budget Office to ensure the funds approval process is streamlined to the maximum extent possible. In addition, the Comptroller shall assist Department Heads and their APC's in coordinating efforts to establish account limits for AO's and cardholders that are realistic in support of the overall mission of the command.

(7) Billing Office. The designated billing office for NAS Pensacola purchase card buys is:

Defense Finance and Accounting Service  
DFAS-PE/FPV (Navy Branch)  
PO Box 33900  
Pensacola, FL 32508-3900  
Code N68566

c. Establishing Accounts

(1) In order to establish an AO or cardholder account, the Department Head shall follow the procedures outlined in enclosure (1) and shall be responsible for monitoring his/her department's administrative process to ensure all GCPC Program requirements are met.

(2) The APC provides management and oversight for the GCPC Program and is the command POC for establishing purchase card accounts.

(a) Prior to establishing an account for an applicant, the APC shall ensure the prospective AO or cardholder has received required training in:

1. DON purchase card training via CD ROM or classroom.
2. NAS Pensacola operating procedures set forth herein.

(b) The APC shall process all requests approved by the Supply Director in accordance with the procedures set herein.

(c) The APC shall establish and maintain files on each AO and card holder. The individual folders shall, at a minimum, contain the following information:

1. Approving Official file must contain:
  - Application
  - Approval of application letter
  - AO Appointment/Completion of Training letter
  - AO Acknowledgement of Appointment letter
  - Copy of Application to Citibank
2. Cardholder file must contain:
  - Application
  - Approval of Application letter
  - Cardholder Appointment/Completion of Training letter
  - Copy of Application to CitiBank
  - Cardholder Acknowledgement of Appointment letter
  - Applicant's Confirmation of Receipt of Purchase Card

letter

d. General Cardholder Buying Procedures

(1) Account Limits. Use of the NAS Pensacola purchase card is subject to a single purchase limit not to exceed \$2,500, a billing cycle purchase limit, and a billing cycle office limit.

(a) Single Purchase Limit. This limitation is the maximum dollar amount that can be obligated on a single purchase and cannot be exceeded unless a revised delegation of authority letter is issued to the cardholder.

(b) Billing Cycle Purchase Limit. This is the monthly cumulative spending limit assigned to the purchase cardholder's account.

(c) Billing Cycle Office Limit. This is the dollar value limit assigned to the AO for the cumulative totals of purchases allowable during a billing cycle by purchase cardholders under his/her purview.

(2) Pre-Award. Prior to making an award, the cardholder must:

(a) Ensure sufficient funds are available and committed.

(b) Utilize enclosure (2) and screen all requirements against statutory sources of supply (e.g., JWOD/UNICOR) and enclosure (3). Cardholders shall prepare the purchase card worksheet as evidence that screening was performed and to record solicitation information.

(c) Solicit a single vendor/provider. He/She may evaluate price and delivery quotes to determine if they are fair and reasonable. If so, the cardholder shall proceed with the purchase of the supplies or services. If the cardholder is not satisfied that the offers he/she received are fair and reasonable, the Purchasing Branch may be contacted at telephone 452 -9760 to obtain further assistance. The NAS Pensacola Buyers shall research the item or service and render a response to the cardholder within 2 working days of his/her request.

(d) Remind the vendor that his/her purchase card account may not be billed until after the material has been shipped or service provided. Back ordering or accepting delivery of partial quantities should be avoided. If a partial quantity is shipped, the merchant must agree to only bill for the actual quantity shipped. For ease of reconciliation, cardholders should ensure all items are delivered or picked up within the same billing cycle.

(3) Award. Making an award with the purchase card may be accomplished as follows:

(a) Over-the-Counter. The cardholder may go to the vendor's location or place of business to make the purchase.

(b) Over the phone. The cardholder may order the supplies over the telephone. The contractor shall deliver the supplies or prepare the order for government pickup. Buyers are reminded to always ask for FOB Destination pricing that will include all shipping/handling and transportation charges.

(c) Via the internet. Cardholders may place orders via the internet if authorized in writing by his/her Department Head. When ordering via the internet, cardholders must ensure appropriate account safeguarding measures are taken. User identification, authentication, and encryption of data are important factors in safeguarding cardholder information such as using a browser with automatic encryption capability. The use shall comply with the authentication and identification requirements (password, identification, PIN, etc.) required by the commercial vendor from whom the cardholder is acquiring the supplies.

(4) Receipt. Whether the purchase is made over-the-counter, over the phone, or via the internet, A MINIMUM TWO-WAY SEPARATION OF FUNCTIONS is required when using the purchase card; i.e., an employee making the purchase must be separate from the employee accepting and receiving the supplies or services. If the cardholder is picking up the material at the contractor's location, the designated receiving personnel must sign for final receipt. Employees assigned to receive material ordered on a purchase card must be designated as such in writing by the Department Head.

(5) Sales Tax and Other Individual Charges. Merchants shall be instructed not to charge sales tax, unless the location of the merchant's business is in a state that does not afford the Federal Government a tax-exempt status under its state and local laws; e.g., Arizona, Hawaii. The cardholder shall ensure any fee paid by the merchant is not added to the price of the item.

e. Cardholder Documentation. Cardholders shall retain any documentation received from the vendor to be used to verify the transactions shown on the cardholder statement. This may include charge slips, cash register receipts, packing lists, etc. If for some reason the cardholder does not have documentation of the transaction, an explanation will need to be attached to the statement during the reconciliation process. All purchase card awards shall be documented in the cardholder's purchase card file. In addition, APC's, AO's and cardholders must maintain purchase records for a minimum of 3 years and financial records (e.g., invoices, statements, etc.) for 6 years and 3 months.

f. Ordering Javits-Wagner-O'Day (JWOD) Products from SERVMART. Lions Club Industries manages the NAS Pensacola SERVMART. However, not all products sold in SERVMART are JWOD or UNICOR products. Cardholders may fill emergent needs through SERVMART within the following purchase thresholds:

(1) If the purchase is solely for JWOD/UNICOR products, cardholders may be authorized in writing to use their cards up to \$100,000. However, if the purchase is not UNICOR or JWOD or is mixed between commercial items and UNICOR and JWOD items, the threshold for purchases is \$2,500.

(2) For all practicable purposes when using SERVMART, cardholders are hereby limited to single purchase limits of \$2,500 and below. Requirements exceeding the micro-purchase threshold shall be forwarded and processed by the NAS Pensacola Purchasing Branch utilizing NAVCOMPT Form 2276.

g. Ordering from NAFI and Service Exchanges. Cardholders are authorized to procure from Morale, Welfare, and Recreation (MWR) and other NAFI organizations. Prior to ordering from these organizations, cardholders must screen the requirements against the mandatory government sources or supply. Contracting with a NAFI organization or Service Exchange does not automatically establish price reasonableness. Cardholders should independently determine that the prices found at the NAFI organization or Service Exchanges are fair and reasonable. The supplies provided shall be from stock on hand at the exchange as of the date of the order. In addition, orders may not provide for the procurement of services not regularly provided by the Service Exchange.

h. Ordering Procedures for Unique requirements. Naval Air Station Pensacola shall use the ordering procedures identified below when using the purchase card for the following requirements:

(1) Gasoline or oil for DON-owned Vessels and Vehicles. Cardholders may not use their card to procure gasoline and oil for DON vessels and vehicles unless the requirement falls within the following criteria: Continental United States (CONUS)/Alaska locations - less than 10,000 gallons required annually and overseas/Hawaii - less than 20,000 gallons required annually. These amounts are beneath the ceiling provided for in the Contract Bulletin issued by Defense Energy Supply Command (DESC). Requirements over these established amounts shall be procured by DESC.

(2) Hazardous Materials (HAZMAT). As defined in subparagraph 7a(7), only commonly used hazardous materials may be acquired using the purchase card. All other purchases of hazardous materials will require the generation of a NAVCOMPT FORM 2276 with applicable MSDS to be processed by the NAS Pensacola Purchasing Branch. In either case, the hazardous material being purchased must be on the user's Safety approved AUL and must be stated on the procurement document. Misuse of the card regarding HAZMAT will result in immediate cancellation and Department Head notification.

i. Prohibited use of the Purchase Card. The purchase card shall not be used to buy safety/safety of flight and configuration control equipment, weapon system related parts, sales, rental and lease of vehicles, classified requirements, or other requirements that require written contract terms and conditions.

(1) Other Than Commonly Used Hazardous Material (HAZMAT). As stated in subparagraph 7h(2), acquisition of most HAZMAT is prohibited using the purchase card. The NASPNCLAINST 410 0.4 is applicable to purchasing, receiving, issuing, and monitoring hazardous material at NAS Pensacola.

(2) Splitting Requirements. Splitting requirements to circumvent "Simplified Acquisition Procedures" (SAP) thresholds are strictly forbidden. All Department Heads and AO's shall ensure cardholders group their requirements to the maximum extent possible to obtain the best value to the Government. The grouping of requirements can be in terms of price, delivery, or quality based on the needs of the end-user. Under no circumstance will a requirement be broken down into two or more acquisitions merely to circumvent the SAP. Cardholders in the command suspected of splitting requirements that apply to purchases exceeding the \$2,500 threshold shall be reported to the AO who must provide a report of resolution within 10 working days of notification. The AO must determine and articulate the rationale behind procurement action. Obviously, from instance to instance the definition changes. However, keep in mind that the Navy can obtain benefits from combining requirements whenever practicable to obtain quantity discounts or lower prices through competition.

j. Intentional Misuse of the Purchase Card. As previously stated above, the purchase card shall only be used for authorized U.S. Government purchases. Intentional misuse of the purchase card for other than official Government business will be considered an attempt to commit fraud against the U.S. Government and will result in immediate cancellation of an individual's purchase card followed by appropriate disciplinary action. The cardholder will be held personally liable to the Government for the amount of any non-government transactions. Under 18 U.S.C. 287, misuse of the purchase card could result in a fine of not more than \$10,000 or imprisonment for not more than 5 years or both. Military members that misuse the purchase card may be subject to court martial under 10 U.S.C. 932, UCMJ Art. 132.

(1) The Supply Director shall be notified of end-of-month statements that show evidence of misuse, negligence, or fraud. When such is identified, the Department Head, AO, and cardholder shall explain in writing to the Supply Director the complete details surrounding the specific event of the violation.

(2) If the Supply Director and Department Head cannot resolve the discrepancy at their level, the matter shall be referred to the Executive Officer for final resolution. Unauthorized use of the card also includes the use of the card by anyone other than the cardholder identified on the front of the Citibank purchase card.

k. Rotating Business Among Vendors. Cardholders must rotate micro-purchase requirements among qualified suppliers to the maximum extent practicable. Cardholders making repeated buys from the same vendor during each billing cycle for the same supplies or services will be questioned. As Government employees, we must maintain the position connoting integrity and fairness to all providers.

l. Receipt and Acceptance Procedures. Cardholders are responsible for ensuring material or service was received for all transactions billed.

(1) Where the purchase cardholder is billed but does not receive the supplies or services at the time of the receipt of the official invoice, the cardholder must fully certify the invoice with the anticipation that confirmation of receipt will occur within the next billing cycle.

(2) Assistant Secretary of Navy (FM&C) mandates that cardholders and AO's fully comply with the concept of pay and confirm. Specifically, invoices will not be disputed or delayed if the vendor has shipped the goods but they have not been received. In such instances, invoices should be certified and the cardholder should monitor for the receipt of goods in the subsequent month. If goods are not received in time for the cardholder to certify the next month's invoice, the cardholder must notify the AO and formally dispute the item. See subparagraph 7t to process a transaction dispute. Pay and confirm procedures also include damaged items received which are still under warranty, where the merchant confirms he/she will replace, modify, or repair within the next billing cycle.

(3) The cardholder must also certify that the quantity and quality of the items furnished are in accordance with the agreement with the vendor. The cardholder must save all receipt documents in order to properly reconcile the purchase card statement at the end of the billing cycle. If receipt documentation is not available, the cardholder must contact the end-user, Central Receiving Department, Receipt Services, or other person or persons responsible for receipt to obtain verification that the supplies or services have been received. The purchase file must be documented to indicate proper receipt and acceptance have been accomplished.

m. Unpriced Services. Unpriced services may be obtained using the purchase card when the cardholder can establish, in communication with the vendor, a ceiling price that will not be exceeded by the contractor. This authority is limited to services in which the commercial marketplace sets the market prices for services and those market prices are identified in the cardholder documentation along with the established ceiling price; e.g., copier repair, fax machine repair, etc.

n. Foreign Military Sales. Cardholders may use the purchase card to procure supplies and services in support of the Foreign Military Sales (FMS) programs. The procedures for using FMS case funds in conjunction with the purchase card are as follows:

(1) Material purchased must be tracked to a specific FMS requisition or country/case/document number in an authorized accounting system; and

(2) Proof of shipment must be documented to support possible Supply Discrepancy Report processing.

o. Cardholder Record Keeping. All original receipts and correspondence shall be maintained in the purchase file folder in order of occurrence. In order to maintain standardization, the left side of each file folder shall contain the completed purchase documentation worksheet, enclosure (2), stapled at the top left of the folder. On the right side of the folder shall be attached all the backup documentation pertaining to the order and receipts stapled at the top left hand of the page(s). The file folders shall be individually labeled on the outer upper left-hand corner of the folder with the document number assigned, nomenclature of the item, name of the vendor, and date of award.

p. Missing Documentation. If the cardholder does not have documentation of a transaction to send to the AO, he/she must attach an explanation that includes a description of the item, the date purchased, the merchants name, and why there is no supporting documentation available.

q. Reconciling Purchase Card Accounts. The cardholder is ultimately responsible for purchase card transactions being in proper order and for notifying the AO of any information he/she has knowledge of that impacts the propriety of certifying the monthly invoice for payment. If the cardholder is unable to review his/her statement in a timely manner, the AO must review and certify the cardholder's monthly statement. At the end of each billing cycle (the 21<sup>st</sup> of the month), cardholders or AO's shall:

(1) Review all information on the monthly statement, verifying any charges, credits, outstanding disputes or refunds within 5 days of receipt. If the cardholder fails to review the monthly statement, including annotating any discrepancies, disputing improper charges, or signing and forwarding it to the AO within the 5 day period, the AO shall contact the cardholder to determine the reason for delay.

(2) Reconcile the transactions appearing on their monthly statements by verifying their accuracy against cardholder records. If transactions or credits are not included on the current statement, the cardholder must retain the applicable documentation in an active file until the transactions or credits appear on a subsequent statement and/or are reconciled. The cardholder must then sign the statement, attach all supporting documentation, make a copy for his/her file, and forward the package to his/her AO.

r. Lost or Stolen Cards. Lost or stolen purchase cards must be reported immediately to Citibank Customer Service at (800)790-7206. Additionally, the cardholder must immediately notify the APC at (850)452-9918. The cardholder will immediately follow up the telephone notification in writing to his/her AO and the APC. Notification shall include the following information:

- (1) The card number.
- (2) The cardholder's complete name.
- (3) The date and approximate location of the loss.
- (4) If stolen, the date and time Citibank was notified.
- (5) Any purchases made during the current billing cycle.
- (6) Any other pertinent information.

s. Cancellation of Purchase Card. Upon separation from NAS Pensacola:

(1) The cardholder will notify his/her AO of the expected date of departure.

(2) The AO shall be responsible for clearing the cardholder's account prior to the termination date given by the cardholder.

(3) The Department Head shall prepare a "Request For Cancellation of Cardholder" memorandum as outlined in enclosure (1).

(4) Before detaching from NAS Pensacola, the cardholder will personally surrender his/her purchase card to the APC who will, in turn, notify Citibank in writing to have the account canceled.

(5) The APC shall be responsible for taking proper disposal action by cutting the Citibank Card in half and attaching it to the individual's original application form and maintaining it on file for a minimum of 1 year after the person has detached from the command.

t. Purchase Card Disputes. A dispute is defined as an instance where transactions on the cardholder's statement do not agree with the purchase file documentation. This may include circumstances where the cardholder did not make the transaction, the amount of the transaction is incorrect, or the quality of service is an issue. Prior to formally disputing a transaction, the cardholder shall attempt to resolve the dispute directly with the merchant. If attempts to resolve the dispute with the merchant are not successful, a formal dispute must be initiated.

(1) Examples. The following are examples of what can be disputed: duplicate billing, unauthorized charges, non-receipt of merchandise, returned merchandise, canceled merchandise or services, invoice amount differences, or the transaction was paid by other means. Any form of tax imposed upon a cardholder purchase cannot be disputed through Citibank and must be resolved directly with the merchant.

(2) Formal Dispute Process. Prior to submitting a formal dispute, the cardholder must contact Citibank at 1-800-790-7206. The cardholder must follow up in writing by completing and signing enclosure (5). An advance copy of the Dispute Form may be faxed to Citibank at 1-904-954-8710 if required by Citibank. However, the cardholder, in all cases, must mail the completed form to Citibank at the following address: Government Card

Services, P.O. Box 45134, Jacksonville, FL 32232-5134. Because of the required signature, the official dispute cannot be transmitted electronically. The APC, AO, and designated Disputes Officer must be notified of the dispute. A copy of the dispute form shall be retained in the cardholder's and APC's files. Once a dispute has been filed, Citibank will suspend the disputed charge from the outstanding balance due and issue a provisional credit. Citibank will acknowledge the initiation of a dispute to the cardholder. The cardholder does not have to pay the amount in question pending the outcome of the dispute process.

(3) Dispute Resolution. Based on the outcome of the disputed process, the charge will either be resolved in favor of the cardholder or the merchant. If the dispute is resolved in favor of the cardholder, the charge is removed from the account. If the dispute is resolved in favor of the merchant, a letter is sent to the cardholder explaining the decision. The charge will appear in the balance due on the next invoice, along with dispute resolution message.

u. Card Security. Cardholders are directly responsible for the security of their purchase cards and purchase card account number at all times. The cardholder must not allow anyone to use or gain access to his/her card or account number. The card is printed with the name of the employee who is the official Government representative authorized to use the purchase card. Only that person may use the card.

v. Review of Local Program

(1) Internal Review. Semiannual reviews of all purchase card accounts must be accomplished to ensure adequate local internal controls are in place. The review will consist of an evaluation of local operating procedures to ensure cardholders and AO's are operating within the prescribed command controls. A consolidated report will be submitted by the APC to the Supply Director upon completion of each semiannual review. The report shall contain a summary of findings, necessary actions that must be initiated to correct specific problems that have been discovered, and recommendations on matters that should be implemented to improve the program.

(2) Target Inspection Areas. The following areas will be inspected during the review:

(a) Review of internal operating procedures to ensure compliance with current regulations and directives.

(b) Program compliance with applicable training requirements.

(c) Appropriate delegations of authority.

(d) Integrity of purchase request process.

(e) Compliance with micro-purchase procedures.

(f) Compliance with invoice certification process.

(g) Prompt payment procedures.

(h) Internal procedures for resolving disputes and monitoring delinquencies.

(i) Use of the purchase card as a payment method.

(3) Expected Results of Inspection. The semiannual reviews shall address the overall purchase card process, including the functions and responsibilities of the AO's and cardholders to ensure:

(a) Cardholders are not exceeding purchase limits established in their letters of designation.

(b) Purchase cards are being used in accordance with this and aforementioned directives, and appropriate action is being taken when misuse of the card is identified.

(c) Procedures are in place to ensure separation of functions.

(d) Cardholders are screening requisitions for mandatory sources and files are properly documented where mandatory sources are not used.

(e) Special approvals are being obtained as required.

(f) Procedures are in place to ensure adequate and proper funding is provided for each purchase.

(g) Cardholders are following the proper procedures for solicitation and award.

(h) There is no evidence of splitting requirements to circumvent the SAP.

(i) Documentation in purchase card transaction files includes the requisition, required approval, evidence of screening, solicitation documentation, evidence of award and receipt, inspection, and acceptance.

(j) Cardholders are rotating business sources.

(k) Cardholder statements are reconciled in a timely manner.

(l) Steps are being taken to resolve questions promptly in order to avoid disputes.

(m) The AO is reviewing individual and monthly statements of all cardholders and verifying that purchases are necessary and in accordance with regulations, instructions, and procedures.

(n) The APC and Disputes Officer are reviewing disputed transaction status reports and ensuring timely and appropriate procedures are being followed.

(o) The APC and AO's are reviewing invoice status reports and addressing delinquent invoices, ensuring outstanding issues are resolved and proper actions taken to pay delinquent invoices.

8. Significant Changes. The following are significant changes that are incorporated in reference (a) and this instruction that were found applicable to NAS Pensacola:

a. Guidance on ordering "Via the internet."

b. Redefining "Commonly Used Hazardous Materials (HAZMAT)."

c. Establishing the policy that only Government employees may be designated purchase cardholders and "Only the cardholder will place orders against his/her assigned card."

d. Guidance on purchasing "Foreign Military Sales" (FMS) materials requiring the use of the purchase card.

9. Request for Changes. Issues and suggestions regarding reference (a) shall be sent to the Commander, Navy Supply System Command (SUP 02), via the Supply Director (Code 41000), Chief of Naval Education and Training (OS416), Fleet Assistant and Support Team (FAST), or the Procurement Management Review Team. The issue/suggestion must be presented in "point paper" format. Issues and suggestions regarding this instruction shall be sent to the Supply Director, Code 41000, in the same manner and format as required by SUP 02.

10. Request for Waiver or Deviation. Requests for waiver or deviation from this instruction shall be submitted in writing to the Supply Director, Code 41000. If the request requires SUP 02 review and approval, it must be signed and forwarded by the NAS Pensacola Contracting Office via the reporting chain of command addressed in paragraph 9 above.

11. Action. This instruction is effective upon receipt.

/s/

RANDAL L. BAHR

Distribution:

B

(NASPNCLAINST 5216.1U  
Stocked: (100 copies)  
Commanding Officer  
Code 41100 Supply, Purchasing  
NAS Pensacola  
385 Millington Ave  
Pensacola FL 32508-5014

**STANDARD OPERATING PROCEDURES FOR THE  
GOVERNMENT-WIDE COMMERCIAL PURCHASE CARD (GCPC) PROGRAM  
PROCEDURES FOR APPLICATIONS AND APPOINTMENTS FOR  
CARDHOLDERS AND APPROVING OFFICIALS (AO)**

**A. Preparing and submitting an application**

The Department Head initiates an application for a GCPC purchase card using appendix A or AO appointment using appendix B.

**B. Approving or rejecting an application**

The Supply Director approves or rejects the application and directs the Activity Program Coordinator (APC) to respond to the Department Head using either appendix C or D.

**C. Training**

For approved applications, the APC will establish a file on the applicant and contact the employee to arrange for training.

**D. Processing the application with the Bank**

After training is accomplished, the APC will forward the application to the Bank. A copy of each purchase card application will be kept in a suspense file pending acknowledgement by the applicant that the purchase card has been received.

**E. Providing the applicant an appointment letter**

The APC will use appendix E for purchase card applicants and appendix F for AO applicants to confirm completion of training and to appoint the applicant as either GCPC purchase cardholder or AO.

**F. Acknowledging receipt and understanding of the appointment letter**

The cardholder must acknowledge receipt of his/her appointment within 5 working days from the date of the appointment letter using appendix E1. The AO will complete appendix F1 and F2 and return them to the APC within 5 working days of the date of the appointment letter. Failure to meet any of these requirements will result in suspension of the appointment.

**G. Acknowledging receipt of the GCPC purchase card**

Within 30 days of the date of his/her appointment letter, the cardholder must return appendix E2 to the APC. Failure to do so will result in cancellation of the application.

**H. Following Up on an applicant's purchase card**

For bank applications held in the APC's suspense file for more than 30 days, the APC will follow up with the purchase card applicant, using appendix G. The applicant must respond using appendix G1. Failure to do so may result in cancellation of the application.

**I. Canceling an Appointment**

The Department Head will request cancellation of an appointment by preparing and submitting appendix H to the Supply Director.

{Date}

MEMORANDUM

From: {Department Head's Official Title}

To: Supply Director

Subj: REQUEST TO ESTABLISH GOVERNMENT-WIDE COMMERCIAL PURCHASE CARD (GCPC)  
PROGRAM CARDHOLDER

1. Request a GCPC purchase card be issued to {prospective cardholder name} in the {Division/Branch}. Please set the Monthly Credit Limit at \${dollar amount}, and the maximum Single Purchase Credit Limit at \${dollar amount}. The Approving Official for this cardholder will be {approved AO name}.

2. Please contact {department POC & telephone number} to arrange for {prospective cardholder's name} training.

//DEPARTMENT HEAD SIGNATURE//

This form is available on the LAN Bulletin Board in the General Information Folder. Select the message by Tom Addy with the Subject: GOVERNMENT PURCHASE CARD MEMO TEMPLATES.

{Date}

MEMORANDUM

From: {Department Head' Official Title}

To: Supply Director

Subj: REQUEST TO APPOINT/CHANGE APPROVING OFFICIAL (AO)

1. Request {prospective AO name} be appointed as AO for the following cardholder(s):

<u>Name of Cardholder</u>	<u>Department Code</u>	<u>Telephone</u>
---------------------------	------------------------	------------------

OR

1. Request {prospective AO name} be appointed as AO to replace {current AO name} for the following cardholder(s):

<u>Name of Cardholder</u>	<u>Department Code</u>	<u>Telephone</u>
---------------------------	------------------------	------------------

2. Please contact {department POC & telephone number} to arrange for {prospective AO's name} training.

//DEPARTMENT HEAD SIGNATURE//

This form is available on the LAN Bulletin Board in the General Information Folder. Select the message by Tom Addy with the Subject: GOVERNMENT PURCHASE CARD MEMO TEMPLATES.

{Date}

MEMORANDUM

From: Supply Director

To: {Department Head' Official Title}

Cc: {Applicant's Name}

Subj: ACKNOWLEDGEMENT OF APPROVING OFFICIAL (AO)/CARDHOLDER APPLICATION

1. Your application for {applicant's name} to be designated as AO or cardholder is hereby acknowledged and approved.
2. In order to proceed with the application, the above named individual must attend the mandatory purchase card training course which is available at Building 3644 on Tuesday, Wednesday, and Thursday from 1300 to 1500 (holidays excluded). When this individual completes the required CD-ROM course, and NAS Pensacola's internal operating procedures training, the Activity Program Coordinator (APC) will forward the necessary documents to CitiBank for the issuance of the purchase card.
3. This office will contact the applicant within 3 days from the date of this letter to arrange for the required training.

THOMAS N. ADDY

{Date}

MEMORANDUM

From: Supply Director

To: {Department Head's Official Title}

Cc: {Applicant's Name}

Subj: REJECTION OF APPROVING OFFICIAL/CARDHOLDER APPLICATION

1. The request we received from your Department for appointment of {applicant's name} as {AO or cardholder} has been denied for the following reason(s):

{explanation of rejection}

2. Please contact Ms. Ann Callender at 452-9918 if you have any questions or require assistance.

THOMAS N. ADDY

NASPNCLAINST 4226.1A

4200  
Code 41100  
{Date}

From: Commanding Officer, Naval Air Station, Pensacola  
To: {Applicant's Name}  
Via: (1) {Department Head's Official Title}  
(2) {Name of Designated Approving Official for Applicant}

Subj: DELEGATION OF AUTHORITY FOR USE OF THE GOVERNMENT-WIDE COMMERCIAL  
PURCHASE CARD (GCPC) AS A NON-PURCHASING AGENT

Ref: (a) NASPNCLAINST 4226.1A  
(b) NAVSUPINST 4100.94

Encl: (1) Notification of Receipt of Citibank Card Form  
(2) Cardholder Acknowledgement Form

1. You have successfully completed the U.S. Government purchase card training course and are hereby delegated authority as a non-purchasing agent to purchase supplies and services using over-the-counter, over the telephone, or internet procurement methods, and pay for such purchases using the subject card. An application has been submitted to the bank for a card to be issued in your name, which will be sent directly to you. We have filed a copy of your application in suspense pending verification from you that the card has been received and is in your possession. Please use enclosure (1) in providing this information. Should we not receive a response from you in writing within 30 days from this date, we will commence with the cancellation of your application.

2. Your single purchase limit is \$ {dollar amount}, and your monthly cardholder limit (meaning the bank's billing cycle from 22<sup>nd</sup> of the current month to the 21<sup>st</sup> of the following month) is \$ {dollar amount}.

3. As a purchase cardholder, you are required to comply with references (a) and (b). Refer to them as necessary to uphold your responsibilities as a GCPC cardholder. You are the sole authorized user of the GCPC purchase card issued in your name. Supplies or services may be purchased consistent with your organizational responsibilities and purchase limits established by the AO designated to review your purchases. Buying hazardous material (HAZMAT) is strictly prohibited using the purchase card. Purchases of computer equipment (including software) must be made through the Management Information Systems office at the Naval Computer and Telecommunications Station (NCTS), Pensacola.

4. You are personally responsible to the Government for the amount of any purchases made with the GCPC purchase card and may be subject to disciplinary action or penalties under 10 U.S.C. 932, UCMJ Art. 132, for the misuse of this procurement instrument.

5. This delegation will automatically terminate upon separation from Naval Air Station Pensacola, written notification by your Department Head via the AO, or revocation by this office. Please use enclosure (2) to acknowledge receipt of this delegation letter.

6. Should you have any questions regarding this program, please contact Ms. Ann Callender at 2-9900.

THOMAS N. ADDY  
By direction

Appendix E

{Date}

MEMORANDUM

From: {Applicant's Name}

To: Activity Program Coordinator

Subj: NOTIFICATION OF RECEIPT OF CITIBANK CARD

1. In compliance with my delegation of authority letter of instruction regarding the 30-day notification period for receipt of the CitiBank card, I hereby advise the APC that I received the subject card on {date card received}. The card was activated on {activation date}.

OR

1. In compliance with my delegation of authority letter of instruction regarding the 30-day notification period for receipt of the CitiBank card, I hereby advise the APC that the purchase card has not been received as of this date.

2. If there are any questions, please contact me at telephone number {applicant's telephone number}.

// APPLICANT SIGNATURE//

This form is available on the LAN Bulletin Board in the General Information Folder. Select the message by Tom Addy with the Subject: GOVERNMENT PURCHASE CARD MEMO TEMPLATES.

**ACKNOWLEDGEMENT OF APPOINTMENT AS A GCPC PROGRAM CARD HOLDER**

By signature hereon, I acknowledge my appointment as a GCPC Program cardholder. I have reviewed and understand my responsibilities as a cardholder. I understand that this appointment will remain in effect until revoked in writing by my Department Head or your office.

_____	_____
Signature of Cardholder	Date
Making The Above Statement	

**HAND DELIVER THIS FORM TO THE APC IN BLDG. 3644**

This form is available on the LAN Bulletin Board in the General Information Folder. Select the message by Tom Addy with the Subject: GOVERNMENT PURCHASE CARD MEMO TEMPLATES.

NASPNCLAINST 4226.1A

4200  
Code 41100  
{date}

From: Commanding Officer, Naval Air Station, Pensacola  
To: {Applicant's Name}  
Via: {Department Head's Official Title}

Subj: APPOINTMENT OF GOVERNMENT-WIDE COMMERCIAL PURCHASE CARD PROGRAM  
APPROVING OFFICIAL (A0)

Ref: (a) NASPNCLAINST 4226.1A  
(b) NAVSUPINST 4100.94

Encl: (1) DD Form 557 (two each)  
(2) AO Acknowledgement Form

1. Having successfully completed the U.S. Government purchase card training course, you are hereby appointed as the AO for the following cardholder(s):

	<u>Name of cardholder</u>	<u>Department Code</u>	<u>Telephone</u>
a.	<u>{insert name}</u>	<u>{insert code}</u>	<u>{insert phone}</u>

2. Your office limit for a 30-day period is \${dollar amount}. References (a) and (b) provide detailed instructions regarding your duties as an AO. Please refer to them as necessary to uphold your responsibilities to this assignment. Additionally, you must fill out two copies of enclosure (1) with the Commanding Officer's Signature ("By direction" authority accepted) and forward to this office for processing.

3. You must acknowledge receipt of this assignment within 5 working days from the date of this letter using enclosure (2). Failure to do so will result in termination of the assignment.

4. This delegation will automatically terminate upon your separation from Naval Air Station Pensacola, written notification by your Department Head, or removal by this office.

5. Should you have any questions, please contact Ms. Ann Callender at 452-9918.

THOMAS N. ADDY  
By direction

**ACKNOWLEDGEMENT OF APPROVING OFFICIAL APPOINTMENT**

By signature hereon, I acknowledge my appointment as an Approving Official (AO). I have reviewed and understand my responsibilities as an AO. I understand that this appointment will remain in effect until revoked in writing by my Department Head or your office. I have attached two DD 577 forms as requested with the Commanding Officer's signature ("By direction" authority accepted).

_____	_____
Signature of Approving Official	Date
Making the Above Statement	

**HAND DELIVER THIS AND DD 577 FORMS TO THE APC IN BLDG. 3644**

This form is available on the LAN Bulletin Board in the General Information Folder. Select the message by Tom Addy with the Subject: GOVERNMENT PURCHASE CARD MEMO TEMPLATES.

NASPNCLAINST 4226.1A

{Date}

MEMORANDUM

From: Supply Director

To: {Applicant's Name}

Via: (1) {Department Head's Official Title}

(2) {Name of Designated Approving Official for Applicant}

Subj: FOLLOW-UP ON RECEIPT OF PURCHASE CARD

Ref: (a) NASPNCLAINST 4226.1A

Encl: (1) Acknowledgement of Purchase Card Receipt

1. According to our records, 30 days have passed since the command processed your Department's request and ordered your CitiBank Purchase Card. As of this date, the APC has not been notified that your purchase card has been received and activated in accordance with reference (a). Please submit enclosure (1) to this office within 5 working days from the date of this memorandum. Failure to do so may result in the cancellation of your application.

2. Please contact Ms. Ann Callender at 2-9918 for further assistance.

THOMAS N. ADDY

{Date}

**MEMORANDUM**

**From:** {Applicant's Name}  
**To:** Activity Program Coordinator

**SUBJ: ACKNOWLEDGEMENT OF RECEIPT OF PURCHASE CARD**

1. I received my CitiBank Purchase Card on {date} and it was activated on {date}.

OR

2. I have not received the CitiBank Purchase Card that was ordered in my name. Request the APC take necessary follow-up action to determine why the purchase card is being delayed and/or if it could have been lost in the mail.

//APPLICANT SIGNATURE//

**This form is available on the LAN Bulletin Board in the General Information Folder. Select the message by Tom Addy with the Subject: GOVERNMENT PURCHASE CARD MEMO TEMPLATES.**

NASPNCLAINST 4226.1A

{Date}

MEMORANDUM

From: {Department Head's Official Title}

To: Supply Director

Cc: {Cardholder's or AO's Name}

Subj: REQUEST CANCELLATION OF APPOINTMENT

Ref: (a) NASPNCLAINST 4226.1A

Encl: (1) Destroyed Purchase Card

1. Please cancel the appointment for {cardholder's or AO's name} and notify this office upon completion of this action. {Add this statement if applicable}

In accordance with reference (a), the destroyed purchase card is provided in enclosure (1).

2. My point of contact is {department POC & telephone number} should you require additional information.

//DEPARTMENT HEAD SIGNATURE//

This form is available on the LAN Bulletin Board in the General Information Folder. Select the message by Tom Addy with the Subject: GOVERNMENT PURCHASE CARD MEMO TEMPLATES.

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**LIST OF PROHIBITED AND SPECIAL ATTENTION ITEMS RELATED TO**

**PURCHASE CARD BUYS**

Advance Payments

**General rule:** Except for requirements such as subscriptions for publications (e.g., Navy Times, Federal Contracts Reporter, Commercial Clearing House Inc., etc.) and post office box rentals advance payments are prohibited.

Advertising

**General rule:** Unless specific approvals have been obtained advertising contract actions are not authorized in accordance with the Navy Acquisition Procedures Supplement (NAPS).

**Exception:** The Chief of Naval Personnel has authorized an increase from \$1,000 to \$2,500 for the specific media advertising purchase limit for Commanding Officers of Navy Recruiting Districts to commensurate with the current micro-purchase threshold. This authority cannot be redelegated and each advertisement is conditioned upon the use of a properly executed DD Form 1535.

Asbestos and Asbestos-Containing Materials

**General Rule:** Purchase cardholders are not authorized to purchase asbestos or asbestos-containing materials.

Black Oxide Coated Brass Threaded Fasteners

**General Rule:** Purchase cardholders are not authorized to procure brass or copper alloy fasteners coated with black oxide.

For information regarding this prohibition, contact Mr. Scott Stanko, Naval Inventory Control Point, Code 0541, at 717-605-1361; DSN 430-1361 or via Internet: [scott\\_a\\_stanko@icpmech.navy.mil](mailto:scott_a_stanko@icpmech.navy.mil)

Buildings and/or Land, Long-Term Rental or Lease of

**General Rule:** Purchase cardholders are prohibited from entering into long-term rentals or leases for buildings and/or land.

Business Cards

**General Rule:** Flag Officers, members of the SES, and general officers may authorize the printing of business cards limited to using existing software and agency-purchased stock for those positions that require business cards in the performance of official duties.

Cash Advances

**General Rule:** Purchase cardholders are prohibited from using their purchase cards to obtain cash advances.

Christmas and Other Seasonal Decorations

**General Rule:** Seasonal decorations may be acquired using the purchase card provided local customs and traditions are observed. Purchase cardholders are not authorized to buy Christmas cards.

Coffee Pots, Coffee, Refreshments

**General Rule:** Unless the purchase of coffee pots, coffee, or refreshments is for an authorized mess, as discussed in NAVSUP Publication 486 Vovl -1, Ch1 to Rev 3, and BUPERINST 1710.13, the purchase of these items are prohibited. Purchase cardholders are also prohibited from buying refreshments for other government employees.

**Exceptions:** The use of Official Representation Funds for official entertainment and Center of Influence events involving Navy recruiters are exceptions to this rule. In addition, Navy recruiters are authorized to use the purchase card to buy meals for recruiting applicants as an out-of-pocket expense.

Commercial Vehicles, Purchase of

**General Rule:** Purchase cardholders shall not use their cards to purchase commercial vehicles.

Commercial or GSA Vehicles, RENTAL/LEASE of (Without Drivers)

**General Rule:** Purchase cardholders are not authorized to use their purchase cards to rent/lease commercial or GSA vehicles.

Employee Identification Tags

**General Rule:** Unless the requiring activity/command determines that use of the identification tags are necessary and in support of mission requirements, activities may not use appropriated funds to purchase employee identification tags.

Federal Information Processing Resources/Year 2000 (Y2K) Project

**General Rule:** Purchase cardholders should ensure all procurements of IT are Y2K compliant.

Fireworks Display

**General Rule:** Purchase cardholders may not use appropriated funds to buy fireworks for on ground displays.

Fuel, Oil, Services, Maintenance and Repairs

**General Rule:** Purchase cardholders are not authorized to purchase fuel, oil, services, maintenance and repairs of Interagency Fleet Management System and GSA Fleet Management Programs; i.e., repair of GSA leased vehicles.

HAZMAT and Hazardous Waste Disposal

**General Rule:** Except for commonly used hazardous material the purchase of HAZMAT by cardholders is prohibited.

Incentive Music and Equipment

**General Rule:** Except for specifically programmed music, the purchase of music and equipment for broadcasting (e.g., radios, automatic record players, or phonographic records) for entertainment purposes is generally not authorized.

**Exception:** Specifically programmed music may be purchased based on a written determination by the Commanding Officer describing how the acquisition would improve morale, benefit the command, etc., and thereby qualify as a necessary expense under the necessary expense rules. This prohibition also does not preclude the expenditure of appropriated funds for the purchase of a public address system required for intra-station communication.

#### Lodging and Meals

**General Rule:** Purchase cardholders are prohibited from using their purchase cards for the payment of lodging and meals for employees on temporary duty.

**Exception:** Certain reserve activities are authorized to buy meals for Naval Reservists during drill activities.

#### Luggage

**General Rule:** The purchase of luggage for employees/service members to carry personal belongings while on travel orders is generally not authorized.

**Exception:** Seabags issued to service members and briefcases, etc., furnished for the express purpose of carrying official documents associated with the duties of the service member or employee.

#### Medical and Dental Care From Civilian Non-Federal Sources

**General Rule:** Purchase cardholders shall not use their cards for payment of medical and dental services.

#### Membership Dues

**General Rule:** Except for membership dues which solely benefit the agency or activity the purchase of club, association, organization, and other related memberships are prohibited.

**Exception:** The use of appropriated funds for membership dues of an activity or agency is permissible if the membership contributes to the fulfillment of the mission of the activity or agency.

#### Ozone Depleting Substances (ODS)

**General Rule:** Purchase cardholders are not authorized to purchase ODS materials.

**Exception:** Contracting Officer's may use their purchase card as a method of payment provided guidance in the NAPS is strictly adhered to.

#### Personal Services

**General Rule:** Unless you have statutory authority purchase cardholders should not contract for personal services using the purchase card.

#### Pesticides

**General Rule:** Unless prior approvals are obtained from cognizant Pest Management Consultant at the appropriate NAVFAC division, purchase cardholders are not authorized to contract for purchase of pesticides.

#### Plaques, Ashtrays, Paperweights, and other Mementos As Give -Away Items

**General Rule:** The use of appropriated funds to buy give-away items such as plaques, cuff links, hats, T-shirts, license plate covers, bracelets, ashtrays, Christmas cards, paper-weights, cigarette lighters, novelty trash cans, key chains, and similar items are generally prohibited.

**Exception:** The purchase of give-away items in support of employee recognition programs may be authorized if accomplished in accordance with agency policy.

#### Printing and Duplication

**General Rule:** Purchase cardholders are prohibited from buying printing or duplication services from agencies other than DAPS.

**Purchase from Government Employees or Businesses Owned or Controlled by  
Government Employees**

**General Rule:** Purchases from Government employees (military or civilian) or from business organizations substantially owned or controlled by government employees are generally prohibited.

Reprographic Equipment

**General Rule:** The purchase/lease/rental/trial/replacement or change in rental or lease plan of reprographic equipment is not authorized unless the requestor has complied with the requirements of the Navy Reprographic Equipment Program. The requestor must obtain written approval from the cognizant DAPS for all shore copying equipment with speeds of 71 or more copies per minute. (Examples of reprographic equipment are: copiers and high speed copiers, Diazo process equipment, laser printers, and duplicating equipment.)

Sensitive Compartmented Information In Contracts

**General Rule:** Purchase cardholders are not authorized to enter into negotiations that will include requirements for contractor access to Sensitive Compartmented Information unless the customer has staffed the requirement through Commander, Office of Naval Intelligence, Code ONI -532.

**Shipboard Habitability Equipment, Including Furniture, Laundry/Dry Cleaning and Food Service Equipment**

**General Rule:** Except for furniture, laundry, dry cleaning, and food service equipment listed in the following catalogs, purchase cardholders are prohibited from purchasing of these items.

Furniture equipment - S9600-AD-GTP-010, U.S. Navy Shipboard Furniture Catalog with applicable changes.

Laundry/dry cleaning equipment - S6152-B1-CAT-010, Navy Laundry and Dry Cleaning Catalog with applicable changes.

Food service equipment - S6161-Q5-CAT-010, The Shipboard Food Service Equipment Catalog with applicable changes.

Transportation, Purchase of

**General Rule:** The purchase card cannot be used to pay for transportation charges.

Travel, or Travel Related Expenses

**General Rule:** The purchase card cannot be used to pay for travel or travel related expenses; i.e., expenses associated with official travel including transportation, lodging, or meals.

Uniform Items

**General Rule:** Cardholders are not authorized to use appropriated funds to purchase uniform items.

Visual Information (VI) Equipment and Material

**General Rule:** Per OPNAVINST 5290.1A, Acquisition of professional VI equipment by non-VI-activities or personnel is prohibited.

Naval Media Center (NMC) (formerly Naval Imaging Command) is the sole authority for contracting for visual information within the Navy. The POC and policy officer for the Navy Annual VI Production Program administered by Chief of Naval Operations (CNO) (NO9C4) can be reached by calling 202 -433-3790 or DSN 288-3790.

#### **Visual Information-Audiovisual Production Including Interactive Video**

##### **Acquisition**

**General Rule:** Unless approval has been granted from NMC, the acquisition of Audiovisual production, including interactive video in the Federal Government, is prohibited, regardless of cost or application.

**Exceptions:** DON activities may be approved by CNO (NO9C4) on a case-by-case basis. Requests for exceptions to this policy will require submission of the approved instructional system development analysis. For major claimant Visual Information Management Offices, contact: Visual Information Production Policy Officer, CNO (NO9C4) at 202 -433-2141; DSN 288-2141.

#### **Visual Information-Acquisition of Commercial Off-The-Shelf Visual Information Productions**

**General Rule:** Unless prior approval from Visual Information Management Office is obtained, purchase cardholders are not authorized to procure commercial off-the-shelf VI production. For a list of VI off-the-shelf productions, visit the Defense Automated Visual Information System/Defense Instructional Technology Information System (DAVIS/DITIS) located on the Naval Media Centers website: <http://www.mediacen.navy.mil/>.

**Exceptions:** Justification must be submitted to contracting officials in accordance with regulations of the Major Claimant Visual Information Management Office. For major claimant Visual Information Management Offices, contact: Visual Information Production Policy Officer, CNO (NO9C4) at 202 -433-2141; DSN 288-2141.

#### **Withdrawal of Tax-free Ethyl and Specifically Denatured Alcohol**

**General Rule:** The purchase of tax-free ethyl and specifically denatured alcohol is not authorized unless a permit from the Bureau of Alcohol, Tobacco and Firearms has been issued.

DESIGNATION OF KEY POSITIONS FOR GCPC

1. **Activity Program Coordinator (APC):**

Name:

Address:

Telephone:

2. **Approving official (A0):**

Name:

Address:

Telephone:

3. **Dispute Office Contact (DOC):**

Name:

Address:

Telephone:

4. **Financial Point of Contact:**

Name:

Address:

Telephone:

Note: NASPNCLAINST 4226.1A delineates duties and responsibilities for all positions listed above.

\_\_\_\_\_  
(Commanding Officer's Signature) (Date)

NASPNCLAINST 4226.1A