



DEPARTMENT OF THE NAVY
NAVAL SUPPLY SYSTEMS COMMAND
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IN REPLY REFER TO:
4200
Ser21C/2129

JUL 24 2002

From: Commander, Naval Supply Systems Command

Subj: COMNAVSUPSYSCOM HEAD OF CONTRACTING ACTIVITY AUTHORITY
PURCHASE CARD CREDIT LIMIT REDUCTIONS AND CARD
CANCELLATIONS

Ref: (a) COMNAVSUPSYSCOM R051534Z Sep 01
(b) ASSTSECNAV RDA R151533Z Apr 02
(c) COMNAVSUPSYSCOM ltr PC02-05 of 17 Oct 01

Encl: (1) Revised Single and Monthly Purchase Card Holder and
Approving Official Transaction Limits
(2) Purchase Card Holder and Approving Official Accounts
with No Transactions in Last Six Months

1. In an effort to reduce the risk and financial exposure inherent with the use of Department of the Navy (DON) Purchase Cards issued under Naval Supply Systems Command Head of Contracting Activity authority, purchase limits are being revised and purchase cards that have not been used in the last six months are being cancelled.

2. References (a) and (b) required DON purchase card programs to validate that the single and monthly purchase limits are appropriate for mission requirements. Reference (c) requires the Agency Program Coordinators (APC), on a monthly basis, to verify that purchase limits are current and appropriate for local mission requirements. In an effort to ensure purchase limits are in line with actual usage, COMNAVSUPSYSCOM, as the DON element responsible for the delegation and oversight of your Activity's contracting authority, has reviewed the purchase history of your cardholders and Approving Officials and determined appropriate limits based on the following DON Purchase Card PMO formulas:

Cardholder Monthly Purchase Limit: Highest month out of the previous 12, plus 20%, rounded up to the nearest thousand, but not to exceed the current limit.

Cardholder Single Purchase Limit: Highest single transaction in the previous 12 months, plus 20%, rounded up to the nearest five-hundred, but not to exceed the current limit.

Approving Official Cycle Limit: Twice the sum of cardholder monthly purchase limits, rounded up to the nearest thousand, but not to exceed the current limit.

3. Our analysis has revealed that many cardholders and Approving Officials have purchase limits that are in excess of historical spending patterns. Accordingly, the revised purchase

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AUTHORITY PURCHASE CARD CREDIT LIMIT REDUCTIONS AND
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limits contained in enclosure (1) will take effect on Monday, 19 August 2002. The bank will automatically update your cardholder and Approving Official profiles. If the reduction degrades your ability to meet your mission requirements, the limits can be appealed in writing to our office by 5 August 02.

4. Additionally, NAVSUP reviewed the transaction activity of all the cardholder accounts and corresponding Approving Official accounts and identified, as contained in enclosure (2), a significant number that have had no activity in the last six months. These accounts will be cancelled effective Monday, 19 August 2002. Appeals to cancellations, will require written justification to our office by 5 August 02.

5. In advance, thank you for your personal attention in this matter. I appreciate your cooperation as we strive to balance your needs with risk reductions of purchase card use. I believe these changes will result in a stronger program and make your Claimant activities less vulnerable to abuse of this valuable tool.

6. The NAVSUP Purchase Card Level 3 APC and point of contact regarding this letter is Ms. Karen Unitis, 717-605-6089, DSN 430-6089 or via email at karen_j_unitis@navsup.navy.mil.



D. M. Fitzgerald
By direction

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