



DEPARTMENT OF THE NAVY

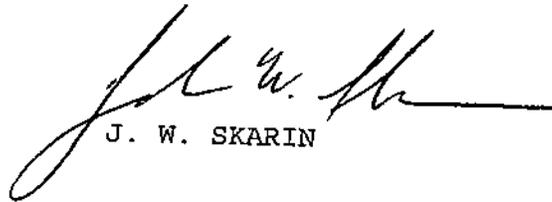
NAVY RECRUITING DISTRICT NEW YORK
990 STEWART AVENUE
2ND FLOOR, SUITE 220
GARDEN CITY, NY 11530-4858

NAVCRUITDISTNYINST 4400.1L CH-1
40
22 Mar 13

NAVCRUITDIST NEW YORK INSTRUCTION 4400.1L CHANGE TRANSMITTAL 1

Subj: PURCHASE CARD PROGRAM INSTRUCTION

1. Purpose. To revise the operating procedures for the NRD New York Government Commercial Purchase Card (GCPC) Program.
2. Action. Replace enclosure (1). Add enclosure (5) to the basic instruction.


J. W. SKARIN



DEPARTMENT OF THE NAVY

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22 MAR 13

NAVCRUITDIST NEW YORK INSTRUCTION 4400.1L

Subj: PURCHASE CARD PROGRAM INSTRUCTION

Ref: (a) NAVSUPINST 4200.99
(b) NAVSUPINST 4200.85
(c) COMNAVCRUITCOMINST 4400.1D
(d) Federal Acquisition Regulations (FAR)
(e) DoD Federal Acquisition Regulation Supplement (DFARS)
(f) COMNAVCRUITCOMINST 1140.3G CH-1
(g) SECNAVINST 5603.2D
(h) Navy Acquisition Procedures Supplement (NAPS)
Paragraph 1.602-3
(i) Title 10 U.S. Code
(j) Internal Operating Procedures (Advertising
Procurement Checklist - Booth Rentals)
(k) SECNAVINST 7042.7K
(l) Internal Operating Procedures (Internal Request
Document)

Encl: (1) Sample NAVCRUIT 7130/3 (Rev. 9-12), Internal Request
Document
(2) Sample NAVCRUIT 1155/1 (Rev. 5-95), Center of
Influence/Delayed Entry Program Request and Approval
Document
(3) Factors Used to Establish Not-To-Exceed Amount for
Repairs Worksheet
(4) NRDNY Internal Operating Procedures for the use of
the Government Commercial Purchase Card program
(5) Sample NAVCRUIT 1535/1 (Rev 3-2013) Request/Approval
for Authority To Advertise.

1. Purpose. To promulgate operating procedures for the NRD New York Government Commercial Purchase Card (GCPC) program. This instruction implements policies established in references (a) thru (l).

Cancellation. NAVCRUITDISTNYINST 4400.1K

3. Discussion.

(a) Procurement procedures will be in accordance with references (a) thru (l). NAVCRUITCOM activities are promulgated micro purchase authority per reference (a).

(b) Reference (b) is the DoN's guidance and procedures necessary to successfully utilize Simplified Acquisition Procedures (SAP) for ashore and afloat activities, guidance on Items Requiring Special Attention and the Naval Contingency Contracting Program.

(c) References (d) and (e) are the principal set of rules in the Federal Acquisition Regulation System. This system consists of sets of regulations issued by agencies of the Federal government of the United States to govern what is called the "acquisition process," which is the process through which the government purchases ("acquires") goods and services.

(d) Reference (g) establishes uniform Department of the Navy (DoN) policies and procedures for the procurement of "Printed Matter for Official Ceremonies".

(e) References (h) and (l) provide guidance with regard to ratifying Unauthorized Commitments.

(f) Reference (i) establishes uniform Department of the Navy (DoN) policies and procedures implementing and supplementing the Federal Acquisition Regulation (FAR) and the Defense FAR Supplement (DFARS) including ratification procedures.

(g) Reference (k) provides guidelines for use of Official Representation Funds (ORF).

(h) Enclosure (1) will be submitted for all requirements procured through normal supply distribution channels, such as; Non-National Stock Number (Non-NSN) items identified by item number or part number, National Stock Number (NSN), Defense Automated Production services (DAPS), Center Of Influence (COI) events, booth rentals, exhibit fairs, Delayed Entry Program (DEP) events, or other types of individual/group mission essential training held by commercial institutions in accordance with ref (c).

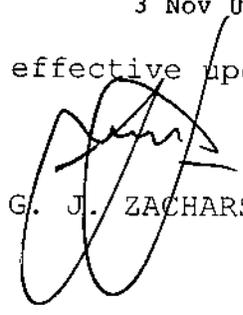
(i) Enclosure (2) will be submitted along with the submission of enclosure (1).

(j) Enclosure (4) provides detailed information and guidelines for the use of the Government Commercial Purchase Card (GCPC) program.

NAVCRUITDISTNYINST 4400.1L

3 Nov 09

4. Action. This instruction is effective upon receipt.



G. J. ZACHARSKI

Distribution:
NRDNYINST 5216.1D
Lists I and II

CENTER OF INFULENCE/DELAYED ENTRY PROGRAM
REQUEST AND APPROVAL

Date _____

Section I

Recruiting District: _____

Type of Event: _____

Proposed Date: _____

Planned Participation: Give estimated numbers of both DOD and NON-DOD participants.

Estimated Cost Per Person: _____ Circle one of the following:
Breakfast Lunch Dinner Total Cost: _____

I certify that this event will conform to the guidelines established in COMNAVCRUITCOMINST 4400.1 and will ensure that the receipt and roster are forwarded to the purchasing official upon completion of the event.

(Requestor's Signature)

Section II

Date _____

Approved _____

Disapproved _____

REMARKS:

This event is certified to be a necessary and appropriate recruiting expense and conforms to the guidelines contained in COMNAVCRUITCOM Instruction 4400.1

(NRD Commanding Officer's Signature)

Section III

Date _____

The scheduled event was ___ was not ___ held as scheduled.

Final Cost: _____

Finalized guest list is attached.

REMARKS:

(NRD Logistics Support Officer's Signature)

FACTORS USED TO ESTABLISH NOT-TO-EXCEED AMOUNT FOR REPAIRS

PRICE-RELATED FACTORS EXPRESSED IN ESTIMATED NUMBERS OF ---**	UNIT & UNIT PRICE	EXTENDED ESTIMATE
_____ Labor Hours	\$ _____ /HR	\$ _____
_____ Call-Out/Trip Charges	\$ _____ /TRIP	\$ _____
_____ Travel Miles	\$ _____ /MILE	\$ _____
_____ Travel Hours	\$ _____ /HR	\$ _____
_____ Days with Meals Included	\$ _____ /DAY	\$ _____
_____ Lodging Days	\$ _____ /DAY	\$ _____
_____ Car Rental Days	\$ _____ /DAY	\$ _____
_____ Airline Tickets	\$ _____ /TICKET	\$ _____
Possible/Probable Parts Required and the basis for the prices charges.	\$ _____ /LOT	\$ _____
_____ Parts	\$ _____ /MATL	\$ _____
_____ Inspection Fee (Equipment)	\$ _____ /INSP	\$ _____
Other Factors considered:		
THE NTE PRICE IS REALISTIC BASED ON TOTAL ESTIMATED COSTS	1 JOB	NOT TO EXCEED \$

** These factors do not need to be itemized on the order, but should be kept as part of the solicitation record for use in evaluating the final invoice price. The contractor must agree to itemize each type of charge, as indicated above, on his/her service ticket/report and on the invoice.

**NAVY RECRUITING DISTRICT NEW YORK
INTERNAL OPERATING PROCEDURES**

1. Introduction.

a. Procurement is the acquisition of material or services to support the command's operation.

b. The General Services Administration (GSA), Federal Supply Service (FSS) has awarded a contract for Government-wide Commercial Credit Card Services to Citibank. The contract provides, at the request of Federal ordering agencies, Government-wide commercial credit purchase cards or convenience checks and associated services for civilian and military government employees to make purchases under the Simplified Acquisition Procedures (SAP) threshold for official government use.

c. The policy of Navy Recruiting District New York (NRDNY) is to use the Department of the Navy Government Commercial Purchase Card (GCPC) program per reference (a) for GCPC purchases with the aggregate dollar amount not to exceed \$3,000 for material or services, including advertising related services; and for Convenience Check purchases with the aggregate dollar amount not to exceed \$3,000 for material or services or \$2,500 for advertising related services and postage.

d. NRDNY purchasing officials shall only use the purchase card or Convenience Checks for authorized appropriated fund purchases.

2. Standards of Conduct/Ethics.

a. Purchasing Officials and AOs hold a position of public trust whose conduct must meet the highest ethical standards. All purchasing officials shall use their card only to purchase supplies and services within the guidance of this program.

b. Purchasing Officials and the AO acknowledge that making false statements on purchase card or convenience check records will provide support for removing the employee from federal service.

c. A cardholder or Convenience Check Custodian who makes unauthorized purchases or carelessly uses the card will be liable to the Department of the Navy for the total dollar amount of unauthorized purchases made in connection with the misuse or

negligence in addition to the revocation of authority to act in the capacity of a procurement official.

d. In addition, the government may punish wrong doers by fine, imprisonment, or both, as stated in Section 1001, Title 18 United States Code.

e. Unauthorized use shall have the meaning as set forth in footnote 22, Section 226.12, Title 12 Code of Federal Regulations. "Unauthorized use" means the use of a purchase card by any person, including the purchasing official, who does not have actual, implied or apparent authority for such use and from which the government receives no benefit or acquired used for non-appropriated fund purchases".

3. Definitions.

a. Agency Program Coordinator (APC) (Level 5). The Level 5 APC (Contracting Officer), normally assigned to the Logistics Support Officer is the individual designated by the Head of Activity (HA) who have overall responsibility for the management, administration, and day-to-day operations of the purchase card program at their activity level.

b. Appropriation: An amount legally authorized by the legislative body of congress for entities of government for a specific period. An appropriation is usually in the form of a budget ordinance for a period of one fiscal year.

c. Approving Official (AO). The AO is the individual responsible for all purchasing officials under his/her account. The AO must verify that all purchases were necessary and for official government purposes per applicable directives. Unless otherwise specified, the AO must also be the certifying officer and accountable official for command purchasing officials and in that capacity must certify monthly billing e-statements online.

d. Billing Cycle. The billing cycle is the 30-day billing period during which purchasing officials may use their purchase card or convenience checks. The billing cycle ends on the 19th of each month and must be certified no later than two business days thereafter by all purchasing officials, four business days by the Approving Official (AO) and five business days by the Agency Program Coordinator (APC).

e. Cardholder (CH). The cardholder (purchasing official) is the individual to whom a card is issued. The card bears this

individual's name and may only be used to pay for authorized U.S. Government appropriated fund purchases.

f. Certification. The act of attesting to the legality, propriety and correctness of a document for payment.

g. Citibank. Citibank is the present contractor who will maintain all purchase card accounts, issue cards to cardholders and/or convenience check custodians and provide various reports to Agency Program Coordinators.

h. Citidirect. Citidirect is Citibank's electronic interface between purchase card management and its reconciliation system under the Standard Accounting and Reporting System, Field Level (STARS/FL) bill paying system by the Defense finance and Accounting Services (DFAS).

i. Convenience Check. The convenience check is the checkbook account established with Citibank that enables properly authorized government personnel to buy and pay for mission requirements.

j. Convenience Check Custodian (CCC). The Convenience Check Custodian (purchasing official) is the individual to whom U.S. Government checks are issued. The checks bear this individual's name and may only be used to pay for authorized U.S. Government appropriated fund purchases.

k. Delegation of Authority. A Purchasing Official delegation letter is issued by the Head of Activity (HA) and specifies the authority being delegated and any limitations on that authority. The Agency Program Coordinator (APC) shall be issued a Contracting Officer Certificate of Appointment, Standard Form (SF) 1402.

l. Disputes. Disputes are instances where the transactions on the purchasing official's e-statements do not agree with the entries in the log or retained receipts. This may include circumstances where the purchasing official did not make the transaction, the amount of the transaction is stated incorrectly or the quality of supply or service is an issue to the purchasing official.

m. Expense Element (EE). The default expense element in Citidirect is Q (Purchased Services) for supplies and services. Others that may be used are:

- (1) Rents (Equipment, Conference Rooms, Other than Vehicles)
- (2) Courier Services (Express Mail, Postage)
- (3) Commercially Purchase Services (Maintenance/Repair)
- (4) Supplies
- (5) Printing/Advertising

n. HAZMAT. Hazardous material is any material or substance, which is capable of posing an unreasonable risk to the health, safety, property, and well being of mankind. Such materials cover a broad range of types which may be classified as poisons or toxic agents, corrosive chemicals, flammable materials, explosives and strong oxidizers, materials in which dangerous heat buildup occurs on storage by oxidation or microbiological action, and radioactive chemicals.

o. Head of Activity. The Head of Activity (HA) (Commanding Officer) is authorized to delegate broad authority to manage the activities contracting functions.

p. Internal Request Initiator. Initiates procurement requests for supplies and services.

q. Merchant Category Codes (MCC). Four-digit codes assigned to a participating purchase card vendor based on their industry classification. The APC can limit purchasing official's transactions by type of merchant by blocking out certain categories of vendors for use by activity cardholders.

r. Non-Appropriated Funds (NAF). Non-Appropriated Funds are funds received or generated for the Morale, Welfare, and Recreation aspects of the military community. They are for the most part self-supporting in that income is generated for their existence.

s. Purchase Card. The purchase card is the credit card purchase account established with Citibank that enables properly authorized government personnel to buy and pay for mission requirements.

t. Purchase Card Log. An automated or locally generated log on which the cardholder documents all transactions using the purchase card.

u. Purchasing Official. Individual to whom a card or checkbook is issued. The card or checkbook bears the individual's name and may only be used to pay for authorized U.S. Government appropriated fund purchases.

v. Purchasing Official Monthly E-Statement of Account. The e-statement comprises of all purchases, credits and other transaction data processed by a purchasing official during the 30-day billing cycle.

w. Reconciliation. The process by which the purchasing officials, approving official and APC reviews monthly e-statements, and reconciles against available vendor receipts and purchase card log entries to substantiates payment of charges on the monthly e-statement.

x. Services. Services obtained using the purchase card shall only be firm fixed price or ceiling price, non-personal, commercially available requirements (i.e., the purchase of a vendor's time and effort to accomplish a task).

y. Splitting. Requirements aggregating more than the Simplified Acquisition Threshold (SAT) or more than the micro-purchase threshold authority of \$3,000 for material or services or \$2,500 for advertising related services and postage.

z. 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 over-the-Internet.

aa. Unauthorized use. Unauthorized use is the use of a purchase card by a person other than the cardholder.

bb. Vendor Authorization. When authorization is sought for a purchase by the merchant, the Citibank authorization system will check each individual cardholder's single purchase limit, the billing cycle purchase limit, the approving official's billing cycle limit, and the type of merchant where the cardholder is making a purchase before authorization for the transaction is approved.

4. Designations.

a. Prior to designation as a program participant via a letter of delegation, the prospective APC, AO and purchasing officials shall successfully complete mandatory training in DoD and DON policies and procedures, as well as local internal operating procedures.

b. The initial training requirements mandate that potential program participants, specifically the APC, AO and all

procurement officials take the Simplified Acquisition Procedures (SAP) Course.

c. The appropriate role based DON CCMP Computer Based Training (CBT) at <http://www.navsup.navy.mil/navsup> shall be taken by the HA, APC, AO and all purchasing officials.

d. The Defense Acquisition University (DAU) Computer Learning Center (CLC) Government Purchase Card Tutorial at (<http://clc.dau.mil>) shall be taken by all purchasing officials.

e. All procurement officials and the AO must participate in a review of the local purchase card program instruction with the APC.

f. In addition, all purchasing officials, the AO, APC and HA must complete the online procurement ethics training at <http://www.navsup.navy.mil/navsup>.

5. Use of the Purchase Card or Convenience Check (General.

a. The purchase card and convenience check may be used to pay for simplified micro-purchases made and orders placed against established contracts or with established sources of supply. This will only be accomplished when authorized by the contract or regulation requiring use of the source.

b. The purchase card and convenience check may be used to pay for supplies or services acquired using oral solicitation procedures.

c. Only those purchasing officials who have received a "Method of Payment" delegation letter from the Head of Activity (HA) are authorized to use their purchase cards or convenience checks as a method of payment for supplies or services.

d. Convenience Check purchases shall not exceed the aggregate dollar amount of \$3,000 for supplies or services or \$2,500 for advertising related services and postage, and shall only be used after every attempt has been made to use the Government Commercial Purchase Card (GCPC). Documentation to evidence the use of Convenience Checks in place of the GCPC must be on file for each check issued.

e. In addition, the Convenience Check Custodian must report each check transaction to the Defense Finance and Accounting Services (DFAS) on IRS Form 1099 throughout the calendar year and

shall ensure that all data is entered into the 1099 Tax Reporting Program by 31 December at <https://dfas4dod.dfas.mil/systems/1099>.

f. Each check issued must have file documentation to evidence approval from a minimum of one level above the check writer and will be subject to semi-annual unannounced audits.

g. Under no circumstances will a convenience check be written for a commercial vendor who does not possess a Tax Identification or Employer Identification Number (TIN/EIN).

h. Without exception, the purchase card and convenience checks may only be used to pay for authorized U.S. Government appropriated fund purchases.

6. Training.

a. Prospective purchasing officials, AOs, APCs and HAs must complete all required purchase card training prior to setup of their account.

b. APCs are responsible for ensuring that each purchasing official participant in the program has received proper and adequate training.

c. Annually, the procurement ethics training will be required by all procurement officials, the AO, APC and HA at a minimum.

d. Training certificates shall be retained for three years.

e. The HA may direct any member within the command to complete the online ethics training if warranted.

f. All purchasing officials, the AO and APC must complete biannual refresher training, which consists of their appropriate role-based DON CCPMD computer based training (CBT) online at <http://www.navsup.navy.mil/navsup>, and a review of the local purchase card program instruction.

g. The APC shall ensure that all procurement officials utilize Ability One, formally Jarvis-Wagner O'Day Act (JWOD) by accessing <https://dod.emall.dla.mil> or <https://www.gsaadvantage.gov> as a mandatory source when ordering office or administrative supplies or services.

h. In addition, the APC will retain copies of all training

certificates in the respective participant's file and annotate their program sheet accordingly.

7. Specific Advertising Coordinator (ADCO) Responsibilities.

a. The ADCO is a purchasing official and shall conform to the guidance and directives promulgated in this instruction.

b. All Newspaper and Booth Rental Internal Request Documents will be forwarded to the Financial Management Analyst prior to obligating funds in the Fund Administration and Standardized Document Automation (FASTDATA) Site Module in advance of initiating the buy with commercial vendors.

c. In the capacity of purchasing official, responsibility shall include reporting all matters of procurement to the APC.

d. Ensure that all purchase files have been closed out upon determining that all actions have been completed (i.e., a complete and accurate record of the chronology of the purchase action). This shall include:

(1) An Internal Request Document and Request/Approval for Authority to Advertise (NAVCRUIT Form 1535/1 (Rev 3-2013));

(2) A record of solicitation and quotes received;

(3) Order documentation;

(4) Evidence of receipt inspection and acceptance and a copy of the certified invoice and when practicable;

(5) Evidence that payment has been made.

e. In addition, the ADCO shall ensure that each closed out file is forwarded to the AO upon reconciling the Monthly E-Statement of Account.

f. Certify the Monthly E-Statement of Account no later than two business days after the billing cycle ends which is presently the 19th of each month.

8. APC Responsibility (Level 5).

a. The APC delegates purchase card and convenience check authority to all purchasing officials who have a need for such authority, and serves as the focal point for coordination of

applications, issuance and destruction of cards, establishment of reports, and administrative training. The APC also serves as the liaison between Citibank, the AO and purchasing officials. The APC oversees the program, conducts transaction reviews and ensures adherence to all policies and guidelines. The APC initiates revocation of purchase card privileges for cardholders when revocation is determined to be warranted by noncompliance to purchase card procedures and requirements. All program enrollment, maintenance and changes to dollar limitations or authorized merchant codes must be submitted to Citibank by the APC. Other responsibilities include:

- (1) Tracking AO monthly certifications to ensure that certifications are accomplished in a timely manner;
- (2) Maintaining APC, cardholder, and approving official files;
- (3) Implementing (Citidirect input and AO/purchasing official notification) the fiscal year-end financial processing requirements and deadlines as directed by the Level 4 APC.
- (4) In addition, the APC will review procurement folders to ensure that the following requirements were satisfied:
 - (a) Internal Procurement Checklist is complete;
 - (b) All pertinent Procurement Management documents are attached to the right side of the folder;
 - (c) All Correspondence and miscellaneous documents are attached to the left side of the folder.

9. CH/Check Custodian Responsibilities.

a. The cardholder and convenience check custodian are issued unique procurement instruments. The purchase cardholder is issued a commercial credit card that has his/her name embossed on it that shall be used only by that cardholder. The convenience check custodian is issued a commercial check book that has his/her name printed on it that shall be used only by the check custodian.

b. No other person is authorized to use either instrument.

c. The card was specially designed showing the seal of the United States and the words "United States of America" imprinted on it to avoid being mistaken for a personal credit card.

d. The convenience check book was specially designed exhibiting the words "United States Government," the name of the purchasing official and the words "For Official Use Only" imprinted on each check to avoid being mistaken for a personal check book.

e. Under 18 U.S.C. 287, misuse of the purchase card or convenience check could result in a fine of not to more than \$10,000 or imprisonment for not more than five years or both.

f. Both Purchasing Officials are responsible for maintaining an automated purchase card or convenience check log on which the purchasing official documents screening for mandatory government sources and individual transactions using the purchase card or convenience check.

g. Entries in the purchase card or convenience check log shall be supported by an Internal Request Document and by vendor invoices or receipts. The documentation shall provide an audit trail supporting the decision to use the card or check and any required special approvals that were obtained. Purchase card or convenience check logs and supporting documentation must be available to the AO at all times. The logs and supporting documentation shall be provided to the APC upon request to ensure mandatory monthly transaction reviews are accomplished in a timely manner.

h. Purchasing Officials are responsible for reconciling their accounts with supporting documentation and to certify monthly e-statements online within two business days after the billing cycle ends which is presently the 19th of each month. This will ensure that the AO has sufficient time to certify the e-statement in a timely manner.

10. AO Responsibility.

a. The AO is responsible for reviewing and verifying the monthly purchase card and convenience check e-statements of the all purchasing officials.

b. The AO must verify that all purchases were necessary and for official government purposes per this instruction and applicable directives. Unless otherwise specified, the AO must also be the certifying official for cardholder's and convenience check custodians and in that capacity must certify the monthly billing e-statement online.

c. The AO shall enforce the provisions of these internal procedures and initiate administrative and disciplinary actions for misuse of the card per these procedures.

d. The AO/certifying official is appointed by the HA to certify the purchasing officials e-statements for payment. The AOs appointment is accomplished by issuance of a letter of appointment from the HA and completion of an Appointment/Termination Record - Authorized Signature Form (DD Form 577) per DOD Financial Management Regulation, Volume 5, Chapter 33, of August 1998, paragraph 330501 titled CERTIFYING OFFICER SELECTION AND APPOINTMENT AND ACCOUNTABLE OFFICIAL DESIGNATION.

e. The appointment letter and DD Form 577 specifically identify the types of payments to be certified. Completed copies of the purchase card/convenience check certifying official letter of appointment and DD Form 577 shall be retained on file for auditing purposes.

f. Only duly authorized and appointed AOs can electronically certify invoices.

g. An AO is liable for an illegal, improper, or incorrect payment as a result of an inaccurate or misleading certification. Specifically, as the certifying official, responsibilities include:

(1) Ensuring that the transactions meet the legal requirements for authorized purchase card and convenience check purchases;

(2) Ensuring that all mandatory documentation is available for each individual transaction;

(3) Ensuring the facts presented in documents for payment are complete and accurate;

(4) Taking appropriate action to prevent circumvention of procurement requirements through the prohibited practice of "splitting" the maximum simplified acquisition threshold, currently \$3,000 for supplies and services or \$2,500 for advertising and postage. For example, a payment made to a vendor twice for payment in the amount of \$1,500.50 is "splitting" if not approved by the Fleet and Industrial Supply Center (FISC) prior to either payment being made. Splitting shall not be broken down (split) into several purchases that are less than the

applicable threshold merely to allow the use of Simplified Acquisition Procedures, the GCPC, Convenience Check or to avoid any requirements that apply to purchases exceeding the micro-purchase threshold;

(5) Ensuring proper implementation of dispute procedures when transactions are questioned;

(6) Timely certification of monthly e-statement as well as forwarding monthly cost transfer and "Method of Payment" reports and purchase card or convenience check logs, as applicable, to the respective comptroller financial office upon request;

(7) Forwarding all purchasing officials procurement files to the APC upon request.

11. Conditions for Use. Use of the purchase card or convenience check must meet the following conditions:

a. The total of a single purchase to be paid using the purchase card or convenience check may be comprised of multiple items but cannot exceed the authorized single purchase limit. A single authorized purchase limit can never be more than \$3,000 for supplies and services utilizing the purchase card or \$2,500 for advertising services or postage utilizing the convenience check. Payment for purchases shall not be split in order to stay within the single purchase limit.

b. All items purchased over the counter utilizing the purchase card must be immediately available.

c. Cardholders placing oral orders by telephone for supplies not confirmed with a written order must be delivered in a single delivery by the merchant within 30 days. This shall not alleviate cardholder from making inquiries as to an estimated delivery date less than 30 days.

d. Cardholders will obtain an estimated shipping date from the merchant and annotate the estimated shipping date on the Internal Request Document and purchase order log for all supplies procured.

e. Cardholders placing orders purchased by telephone for repair or maintenance services shall be confirmed with a written quotation specifying (at a minimum) estimated charges for parts and labor, and estimated labor hours. The information obtained

shall be made part of the Internal Request Document.

f. In accordance with reference (j), Convenience Check Custodians placing oral orders by telephone for booth rentals from schools, colleges or merchants shall be provided with the following documents by the Advertising Coordinator prior to confirming the order:

(1) Completed Internal Request Document - NAVCRUITCOM Form 7130/3. Each internal request shall be defined. Defining the requirement is one of the most important steps in the acquisition process. A good-quality description of the requirement enables the APC/purchasing officials to choose the most suitable procurement method to support the customer requirement. The better we describe the requirement in terms the merchant understands, simply and accurately, the better our chances of getting the product or service we want at the price and delivery we need. Reference (1), provides guidance in formulating the Internal Request Document. Purchasing officials shall strictly adhere to the requirements outlined in reference (b), Chapter 2 directive and reference (1) guidance;

(2) Completed Request/Approval For Authority To Advertise - NAVCRUIT Form 1535/1.

g. The Convenience Check Custodian will obtain an estimated check deposit date from the school, college or merchant prior to confirming the order for booth rental services and annotate the estimated check deposit date on the Internal Request Document and purchase order log for all booth rental services.

h. When purchasing items by telephone or over the counter, all purchasing officials must inform the merchant that the purchase is for official U.S. government purposes and therefore is not subject to state or local sales tax. The website www.fss.gsa.gov/services/gsa-smartpay/taxletter has most State Tax Division letters which state that federal government purchases made with the purchase card or convenience check are exempt from state tax. The purchase card and convenience check both denote "US Govt Tax Exempt".

i. The APC can provide written tax exemption letters if necessary.

j. Funds must be available to procure the items purchased.

k. Fees paid by merchants shall not be added to the price of supplies or services acquired by purchasing officials.

l. Changes in prices greater than the amount anticipated must be approved by the approving department head prior to proceeding with the buy. Concurrence to proceed with the buy must be made in writing.

12. Dollar Limits Associated with the Purchase Card or Convenience Check. Use of the purchase card or convenience check by a purchasing official is subject to a single purchase limit, a monthly billing cycle purchase limit and a monthly AO account limit. The purpose of these limits are delineated in the following:

a. Single Purchase Limit. The single purchase limit is a limitation on the procurement authority, requested and approved by the AO, and delegated to purchasing officials by the APC. This dollar limit as well as the billing cycle limit cannot be exceeded unless a delegation of authority amendment is issued by the APC. When using the purchase card, a "single purchase" may include multiple items; however, no single purchase may exceed the authorized single purchase limit established for purchasing official.

b. Billing Cycle Purchase Limit. The monthly cardholder or convenience check custodian limit is a monetary limit determined by the AO and assigned by the APC. The AO is responsible for determining a monthly limit that represents mission requirements and which is not excessive as to expose the government to unnecessary financial risk. Purchasing Officials should not have higher monthly credit limits than are necessary for readiness. Limits should be reviewed by the APC, at a minimum, quarterly. For existing accounts, the APC should review the purchasing official's expenditures for the previous twelve months, select the month with the highest expenditures and use that amount. Established limits should also be adjusted as mission requirements change. At a minimum, on a semi-annual basis, APCs will review all purchasing official's actual spending history with the AO to ensure limits are not excessive. The APC will also monitor limits during normal account maintenance. The AO will ensure sufficient funds are available. The total dollar value of purchases using the purchase card or convenience check for any single month shall not exceed the monthly billing cycle purchase limit. The billing cycle ends on the 19th of each month.

c. Approving Official Account Limit. For the AO, the APC shall review historical spending data by Job Order Number in concert with the current year Annual Spending Plan by Month and Quarter (ASPMQ) data to set the limits for all cardholders for the AO billing cycle limit.

13. Prohibited/Special Attention Items. All cardholders shall become familiar with and comply with the requirements of reference (b), Chapter 11, enclosure (2); "List of Prohibited and Special Attention Items for Simplified Acquisitions". Specific prohibited uses germane to command activities are as follows:

(1) Cash advances (not permitted under any circumstances);

(2) Rental or lease of land, buildings;

(3) Appliances in the workplace (Coffee pots, microwaves, refrigerators and other related items);

(4) Purchases of communications (telephone/cellular phone) services;

(5) Entertainment. Appropriated funds are not authorized for entertainment (includes equipment used to convey entertainment i.e., radios, CD player, tape player etc.) unless specifically authorized by statute;

(6) Purchase of IT equipment, hardware or software by all activities that rely on the Navy Marine Corps Intranet (NMCI) network;

(7) Purchase of gasoline fuel or oil for motorized vehicles;

(8) Light refreshments at conferences. Appropriated funds are not authorized to pay for light refreshments at conferences. In addition, conference fees may not be collected and used to offset the cost of the conference or to reimburse or supplement the appropriation from which the conference is funded;

(9) Lodging and meals. The purchase of lodging and meals for individual employees on temporary duty is not authorized. Employees on temporary duty are responsible for arranging, obtaining and paying for their own lodging and meals;

(10) Luggage. The purchase of luggage for employees or

service members for carrying for carrying personal belongings while on official travel orders is not authorized. The prohibition is based on the principle that the purchase of luggage is a personal expense;

(11) Membership dues. The purchase of club, association, and organization, etc. memberships that solely benefit individual Government employees or officers and not their agency is prohibited;

(12) Plaques, ashtrays, greeting cards, paperweights and other mementos as give-away items. The use of appropriated funds to buy give-away items such as plaques, cuff links, bracelets, ashtrays, greeting cards, paper-weights, cigarette lighters, novelty trash cans, key chains and similar mementos is prohibited; The U.S. Government Accountability Office (GAO) views all such give-away items as personal gifts. Such mementos will not be presented to DoD personnel. In all cases when items are presented within the authority of ref (k), a complete record must be maintained by the authorization or sub-authorization holder to include the name of the recipient and the reason for the presentation;

(13) Printing and Duplication. Contracting activities are not authorized to purchase printing or duplication services unless specifically approved in writing by the cognizant office of Defense Automated Printing Service (DAPS);

(14) Water Coolers in the Workplace - Purchase of. The GAO has held that water, including bottled water is considered a personal expense and Government salaries are presumed adequate to enable Government employees to provide their own food and beverage.

14. Prohibited/Special Attention Items with Exceptions.
Specific prohibited uses with exceptions that are germane to command activities are delineated in the following:

a. Subscriptions to periodicals, as authorized by 31 U.S.C. 3324(d)(2), DOD FMR, Vol 10, Chapter 4. The purchase card may be used as a method of payment for agency authorized publications (i.e., Navy Times, Federal contracts Reporter, Government Contracts Reporter/Commercial Clearing House Inc. etc.) provided the total cost of the subscription is a valid charge to the appropriation for the Fiscal Year and invoice must be received prior to the close of the subscription period. A certification statement indicating that "the magazine/periodical is absolutely necessary for operations purposes" signed by the Head of Activity

(HA) is required prior to procurement activity.

b. Christmas Decorations and other seasonal items. Contracting officers must consider local customs and constitutional issues such as the freedom of speech and religion prior to making any such awards. Therefore, it is appropriate that decisions to use appropriated funds for these items be made by installation commanders within the context of local customs and practices. Additionally, installation commanders are responsible for the use of base resources and are therefore in position to the exercise of prudence and discretion in authorizing the purchase and display of seasonal decorations. The purchase of and/or seasonal greeting cards are not a proper charge against appropriated funds.

c. Locksmith services. No special contractual provisions are required in procurements of repairs not exceeding \$2,000 and services not exceeding \$2,500.

d. Awards to Civilian Personnel. Appropriated funds may be used to purchase plaques to be given to civilian employees as authorized awards for recognition of special contributions or in conjunction with employee recognition programs.

15. Screening for Mandatory Sources. Purchasing Officials shall screen for the use of required Sources of Supply. The Internal Request Document (IRD) identifies the items that must be screened prior to purchasing on the open market. Screening must be documented on the purchase card log and Internal Request Document.

a. Pilferable Personal Property. Personal Pilferable Property is defined as an asset that is portable, can be easily converted to personal use, is critical to the commands business/mission, and is hard to repair or replace. No dollar value is specified.

b. Sub-Minor Personal Property. Sub-Minor Personal Property is defined as an asset that is less than or equal to the DoD accountability threshold that does not meet the criteria for pilferable, classified or sensitive. There are no financial reporting requirements for this category of personal property and no mandated accountability requirements except those established at the command level.

c. All assets identified by the activity Minor Property Administrator (MPA) as "pilferable" that is purchased using the

purchase card, the cardholder must obtain a completed copy of the command Plant/Minor Property Transfer/Issue/Turn-In Document from the MPA.

d. In addition, any asset categorized as or "sub-minor property" shall require cardholder to obtain a completed copy of the command Plant/Minor Property Transfer/Issue/Turn-In Document from the MPA if established by the Head of Activity (HA).

16. Affirmative Procurement Products (Items Produced with Recovered Material).

a. The Resource Conservation and Recovery Act (RCRA) of 1976, Section 6002, as amended, directs the Environmental Protection Agency (EPA) to designate items that are or can be produced with recovered material and to recommend practices for acquiring these designated items. Section 6002 also requires procuring agencies to establish affirmative procurement programs for the designated items. This affirmative program is defined as a program that ensures that items composed of recovered materials are purchased to the maximum extent practicable.

b. Through the Comprehensive Procurement Guideline (CPG), EPA designates items that must contain recycled content when purchased by federal agencies. Under Executive Order 13101, the EPA is required to update the CPG every two years.

c. The AO and cardholders should ensure that purchases for any of the below listed items contain, to the maximum extent practical, the minimum recycled content noted. In most cases, an item is identified as being "recycled" without disclosure of the recycled content. Therefore, an item described as being manufactured from recycled material will be factored in the determination of whether or not the minimum percent requirement was met.

Item (Minimum Recycled Content)

Writing paper (30 percent)
Printing paper (30 percent)
Newsprint (20 percent)
Envelopes (30 percent)
Cotton fiber paper (30 percent)
Bathroom tissue (20 percent)
Carbonless paper (30 percent)
Packing material (20 percent)
File folders (30 percent)

Pressboard (20 percent)
Paper towels (40 percent)
Paper napkins (30 percent)
Facial tissue (10 percent)
General purpose wipes (40 percent)
Tray liners (50 percent)
Plastic binders (20 percent)
Corrugated cardboard (25 percent)
Plastics (20 percent)

d. Procurement through NIB/NISH for all above items will satisfy this requirement.

17. Oral Purchase Procedures

a. An oral purchase is a procedure where an order is placed or a purchase is made through an oral agreement, either in person or by telephone. The merchant provides the supplies or services and payment is made by using the purchase card or convenience check.

b. Oral procedures may be used to acquire supplies or services that can be described in sufficient detail so that the parties to the agreement have a clear understanding of what is being acquired.

c. When placing a telephone order to be paid using the Purchase Card, the cardholder will:

(1) Notify the merchant that the purchase is tax exempt.

(2) Confirm that the merchant agrees to charge the purchase card when shipment is made or services rendered so that receipt of the supplies or services may be certified on the monthly e-statement of account.

(3) Instruct the merchant to include a shipping document or packing slip to include the following:

(a) Cardholder name:

(b) Reference number:

(c) Ship to: Street address, floor, room or suite number, city and state.

18. Purchase Documentation Procedures.

a. Any time a purchase is made using the purchase card or convenience check, whether it is done over the counter, by telephone, or over the Internet, documentation must be available to evidence proof of the purchase. This documentation will support all purchases on the purchasing official's monthly e-statement.

b. For purchasing officials who do not have supporting documentation for a transaction, the official must exhaust all efforts to obtain the documentation. As a last resort, the purchasing official shall document a description of the item, date of purchase, merchant's name and explanation for the loss of supporting documentation to include all actions taken to obtain it.

c. Each purchase must be recorded on the purchase card or convenience check log, which will be maintained and completed. In addition, all logs shall be audited monthly by the AO.

d. When a purchase is made over the counter, the purchasing official shall obtain a sales receipt or invoice, which will be subject to audit. The purchasing official must ensure that all carbons are destroyed.

e. When making purchases by telephone, the purchasing official must document the transaction on the monthly purchase card or convenience check log.

f. Under no circumstances will a cardholder transmit credit card information via facsimile to a merchant.

g. Cardholder and convenience check files will be segregated by month (billing cycle month) and will contain all required purchase and receipt documentation. All duplicate documents shall be destroyed or retained in a memorandum file. The following documentation is required to be in each monthly file:

(1) Internal Request Document (IRD);

(2) Itemized purchase receipt for each transaction on the month's e-statement;

(3) Purchase card or convenience check log, per this instruction. Each log should start on the first day of each month and end on the last day of the month;

(4) Copy of monthly statement (e-statement or hard copy);

(5) Special Approval documentation, (i.e., Audio/Visual, Information Technology, Printing, UNICOR waiver and etc., as applicable);

(6) Written Price Quotes (as applicable);

(7) Method of payment contract cover page/item schedule (as applicable);

(8) Dispute documentation (as applicable);

(9) Miscellaneous supporting documentation;

(10) Request for Contractual Procurement - NAVCOMPT Form 2276 (as applicable);

(11) Order for Supplies and Services - DD Form 1155 from the Fleet and Industrial Supply Center (as applicable);

(12) Internal Procurement Checklist.

g. The AO is required to consolidate all certification documents along with the AO certification e-statement for final APC review. Signed hard copy e-statements by all purchasing officials shall be delivered to the AO and made part of the final consolidated documents.

19. PURCHASE RECONCILIATION PROCEDURES.

a. At the close of each monthly billing cycle, the purchasing official must reconcile the information on his/her e-statement online against the purchasing logs and supporting documentation. It is imperative that the purchasing official verify each purchase transaction on the e-statement for accuracy.

b. The cardholder must then review the e-statement and forward it to the approving official. This will ensure that the AO has sufficient time to perform his/her certification within five business days of e-statement on-line availability.

c. The cardholder shall have a default line of accounting (LOA) to which all purchases are originally charged.

d. Purchasing Official's must review and reallocate all charges cited on e-statements to the correct Line of Accounting

(LOA), to include the Job Order Number (JON) if it is posted on the e-statement under a default LOA. This effort must be accomplished each business day. To accomplish this, alternate LOAs must be loaded and assigned to the purchasing official by the APC.

e. To ensure only correct LOAs are loaded into Citidirect, the AO will obtain all LOAs, default and alternate, from the APC and most current release of the Chart of Accounts (COA) from the Financial Management Analyst (FMA).

f. Provided the purchasing official cannot review/reconcile the e-statement during close-out, the AO shall review and certify the e-statement. Immediately upon return of the purchasing official, all procurement files relating to the e-statement processed and certified by the AO will be readdressed by the purchasing official and closed out.

20. Purchase Payment Procedures.

a. Procurement Official's are is responsible for reviewing and certifying individual e-statements online. The AO is responsible for reviewing and certifying the master program account online for all purchasing officials.

b. Upon conclusion of certifying e-statements, a Manual Certification Statement shall be printed and signed by all purchasing officials and the AO. The form must be used by all AOs to manually process e-statements with disputed items.

21. Billing Errors and Disputes.

a. Purchasing Officials who cite billing errors on e-statements (i.e., duplicate or unauthorized charges, or non-receipt of supplies or services) shall attempt to resolve those errors with the merchant.

b. Resolutions that prove to be unsatisfactory with merchants before the close of the billing cycle shall be brought to the attention of the APC before a formal dispute is filed. The dispute form will be printed and signed by the purchasing official and forwarded via facsimile to CitiBank Customer Services at 1-605-357-2019.

c. Compliance with "Pay and Confirm" procedures is required. Charges shall not be immediately disputed for goods that were processed for shipment by the merchant and not received

at the destination. Dispute procedures should be prompted for those supplies not received in the subsequent month.

d. The form is accessible to purchasing officials through the e-statement by placing a check mark in the "select" block of the e-statement, followed by selecting the "dispute" sub-menu.

e. Once formal disputes are filed by the purchasing official, the AO shall make remarks on the e-statement during the online certification close-out process.

f. Purchasing Officials will make every attempt to resolve disputes regarding taxation issues. Citibank does not mediate disputes with regard to taxation.

22. Monthly Program Audit Tool (PAT) and Semi-Annual (SA) Reviews.

a. The APC will conduct mandated monthly audit reviews on those purchasing officials whose transactions were randomly selected each month under the "Reporting" menu of the CitiDirect Card Management System (CCMS). Completion of this review shall be required within five business days after the billing cycle ends which is presently the 19th of each month. In addition, the APC will conduct a one hundred percent compliance review of all procurement files processed during the billing cycle, to include the citing of required documents, receipts and purchase card log entries to substantiates payment of charges on the monthly e-statements. This shall be accomplished within five business days after the billing cycle ends.

b. Results of the PAT review will be forwarded to the Level four APC via facsimile following Head of Activity (HA) review and signature each month.

c. Semi-annual review reporting period shall encompass the billing cycles of 20 March through 19 September and 20 September through 19 March and will be forwarded to the Level four APC via facsimile following Head of Activity (HA) review and signature.

23. Noncompliance with Purchase Card Procedures. AOs and purchasing officials found to be in noncompliance with program requirements, appropriate disciplinary or administrative corrective action shall be taken to preclude reoccurrence. Action shall be commensurate with the noncompliance(s). Purchasing Officials and AOs will be requested to respond, in writing, to the circumstances of the noncompliance and will be required to provide positive corrective action to preclude

reoccurrence. Based on the circumstances involved and/or the Lack of a positive response, an AO and/or purchasing official's procurement privileges may be suspended or terminated and existing account closed. The following are examples of grounds for suspension or termination:

a. Purchases of a personal nature will result in immediate account termination of procurement privileges and account closure. The AO, purchasing official and APC will be notified of the action taken.

b. Failure to respond to APC requests for purchase documentation within the required timeframe will result in administrative letter of counseling from the APC.

c. Failure to have a completed procurement file with all required documentation on file will result in administrative letter of counseling from the APC.

d. Repeated non-compliances to regulatory requirements will result in administrative letter of counseling from the Head of Activity (HA).

24. Card and Convenience Check Security. It is the purchasing officials' responsibility to safeguard the purchase card and account number at all times. Purchasing Officials must not allow anyone to use his/her card or account number. A violation of this trust will require that the card be withdrawn from the purchasing official with the possibility of subsequent disciplinary or administrative action. Both instruments will be secured under lock and key when not actively being used.

25. Lost, Stolen or Compromised Cards and Convenience Checks.

a. Lost, stolen or compromised purchase cards or convenience checks must be reported to the CitiBank Customer Services office at 800-790-7206, option one immediately upon discovery by the purchasing official.

b. The purchasing official must also notify the APC or AO in the APCs absence of the lost, stolen or compromised instruments immediately after it is confirmed missing. Information required by purchasing officials to the APC/AO is delineated in the following:

(1) For lost or stolen purchase cards,

(2) Name of Cardholder;

(3) Cardholder Account Number;

(4) Confirmation that purchase card account was terminated by CitiBank;

(5) Anticipated date of receipt of new purchase card;

(6) If stolen, date reported to police.

d. For lost or stolen convenience checks:

(1) Name of Convenience Check Custodian;

(2) Convenience Check Account Number;

(3) Confirmation that convenience check account was terminated by CitiBank;

(4) Anticipated date of receipt of new convenience checks;

(5) If stolen, date reported to police.

e. For compromised purchase cards:

(1) Name of Cardholder;

(2) Cardholder Account Number;

(3) Disputed charges;

(4) E-Statement merchant contacted and resolve;

(5) Confirmation that purchase card account was terminated by CitiBank;

(6) Merchant Description on e-statement;

(7) MCC Description on e-statement;

(8) Merchant Address, city and state;

(9) Merchant telephone Number;

(10) Default CC Number assigned;

(11) Anticipated date of receipt of new purchase card.

f. For compromised convenience checks:

(1) Name of Convenience Check Custodian;

(2) Convenience Check Account Number;

(3) Confirmation that convenience check account was terminated by CitiBank;

(4) Number of last Convenience Check used;

(5) Anticipated date of receipt of new convenience checks.

g. The APC/AO will forward information to the Level Four APC, Commanding Officer and Executive Officer.

h. Purchase Card Replacement. Upon receipt of replacement purchase cards, the terminated card shall be destroyed. A card that is subsequently found by the cardholder after being reported lost or stolen shall be given to the APC. The APC will notify Citibank, Level Four APC, Commanding Officer and Executive Officer that the card was destroyed.

i. Convenience Check Replacement. Upon receipt of replacement convenience checks, all previous checks will be retained for six years and three months from the year of issuance from CitiBank. Checks that are subsequently found by the convenience check custodian after being reported lost or stolen shall be given to the APC. The APC will notify Citibank, Level Four APC, Commanding Officer and Executive Officer that the convenience checks have been found and report all check numbers cited. The APC will secure the checks and they shall not be used.

26. Records Retention. Per reference (a), all purchase card and convenience check financial records (i.e., the entire procurement folder, purchasing logs, statements with pertinent and supporting documents and etc.), must be maintained for a minimum of six years and three months.

27. Separation of Functions.

a. DoN contracting activities, purchasing offices and contract administration offices (CAOs) are responsible for

ensuring that a single individual performs only one of the following functions:

- (1) initiation of the requirement;
- (2) award of contract or placement of order; and
- (3) receipt, inspection, and acceptance of supplies or services.

b. If circumstances preclude an individual from performing a single function, as a minimum, the individual responsible for the award of a contract or placement of an order should not perform the receipt, inspection and acceptance function. Therefore, purchasing officials shall not receive, nor sign receipts for supplies or services acquired. However, due to manning constraints in the supply department, the APC and purchasing official who placed the actual order for supplies or services shall not receive, nor sign receipts for supplies or services delivered or acquired as delineated in the following:

Receipts	APC	AO	Purchasing Official (Checks) SUP/SVC	Purchasing Official (CH) SUP/SVC	Purchasing Official (CH) ADCO	Mat'l Control
Actual Ordering (CH) SUP/SVC	No	√	√	No	√	√
Actual Ordering (Checks) SUP/SVC	No	√	No	√	√	√
Actual Ordering (ADV) SVC	No	√	√	√	No	√

28. Account Set Up.

a. The APC is authorized to set up accounts through CitiBank upon approval from the Head of Activity. Purchasing Official will not be set up under a new AO account until all outstanding account actions (transaction reviews/payments) are closed out under existing accounts.

b. Purchasing Officials and AO new accounts shall not be set up until all required training has been accomplished.

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c. Purchase Cards and Convenience Checks will be mailed to the APC or purchasing official within seven working days after the online set up request is processed.

29. Separation, Termination or Revocation of Purchasing Official. Upon separation, termination or revocation of responsibilities as purchasing official, the purchase card or convenience checks will be surrendered to the APC. The APC will cancel the account through CitiBank and inform the Level Four APC, Commanding Officer and Executive Officer, in writing of the following:

- a. Purchase card has been destroyed;
- b. Account has been closed;
- c. Remaining checks (by number) have been secured.

