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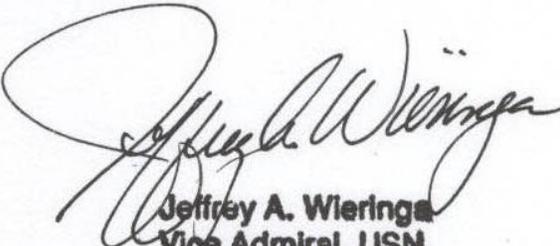
MEMORANDUM FOR ALL DSCA EMPLOYEES AND FIELD ACTIVITIES

SUBJECT: DSCA Directive 7005, "Government Purchase Card (GPC)/Convenience Check Program"

I am pleased to announce Revision 1 of the DSCA GPC/Convenience Check Program Directive is complete.

This document provides the rules, procedures, and general guidance for the use of DSCA-issued and managed GPCs. The Directive is applicable to all DSCA field activities as well as headquarters personnel. It will be updated as necessary and will reside on the unclassified DSCA Intranet. For those field activities that do not have access to the DSCA Intranet, an electronic copy will be provided upon request.

If you have any questions or need additional information regarding this Directive, please contact either Michele Kennedy, DSCA/DBO-FPIO, (703) 604-6578 (DSN 664), michele.kennedy@dscamail.mil.



Jeffrey A. Wieringa
Vice Admiral, USN
Director

Attachment:
DSCA Directive 7005



**DSCA DIRECTIVE
7005**

**GOVERNMENT PURCHASE CARD
(GPC)/CONVENIENCE CHECK
PROGRAM**

August 29, 2008

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CHAPTER 1: INTRODUCTION AND OVERVIEW

1.1. Purpose and Scope. This Directive provides policy and procedural guidance relating to the use of Government Purchase Cards (GPCs) and convenience checks by the Defense Security Cooperation Agency (DSCA), to include all of its field activities. This Directive applies to all employees involved with GPCs issued and managed by DSCA.

1.2. Authority. [OMB Circular A-123, Appendix B](#), mandates that each Agency develop and maintain written policies and procedures for the appropriate use of charge cards. In addition, the [Treasury Financial Management Manual, Volume 1, Part 4, Chapter 4500](#), requires that each Agency using purchase cards must develop internal procedures for use of the cards. This Directive complies with the direction in those documents and is issued under the authority of [DSCA Directive 5001, "Publications System."](#) The Business Deputy for Financial Policy and Internal Operations (DBO/FPIO) is responsible for the content of this Directive and must approve all changes. The Director or Deputy Director, DSCA, must approve any substantive (non-administrative) changes to this Directive.

1.3. References.

1.3.1. All fiscal law and contracting statutes (e.g., Antideficiency Act, Competition in Contracting Act (CICA), Federal Acquisition Streamlining Act (FASA), Buy American Act, and Trade Agreements) and all federal and DoD acquisition regulations and policies generally apply to purchases made using the GPC. Cardholders, approving officials, etc. are responsible for complying with all laws and regulations.

1.3.2. There are many references specific to the GPC program. Key references and their access information are listed in Table 1-1. This Directive does not aim to duplicate the information provided in these references, but instead provides more detailed guidance. Everyone who participates in the GPC program, either as a Cardholder, Approving Official, Certifying Officer, Convenience Check Custodian/Cashier, etc., must be familiar with and follow the guidance in these GPC-related references.

Table 1-1: Government Purchase Card Key References

Reference	Access Information
OMB Circular A-123, Appendix B	http://www.whitehouse.gov/omb/circulars/a123/a123_appendix_b.pdf
Treasury Financial Management Manual, Volume 1, Part 4, Chapter 4500	http://fms.treas.gov/tfm/vol1/v1p4c450.txt
DoD Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs, current edition	http://www.acq.osd.mil/dpap/pdi/pc/docs/pccardguidebook-20060120.pdf
Federal Acquisition Regulation	http://www.arnet.gov/far
Defense Federal Acquisition Regulation Supplement (DFARS)	http://www.acq.osd.mil/dpap/dars/dfars/pgi/current/index.html
DoD Purchase Card Program Management Office website	http://www.aca.army.mil/army
DoD Financial Management Regulation, Volume 5, Chapter 2, Paragraph 0210, and Volume 5, Chapter 33	http://www.defenselink.mil/comptroller/fmr/05/index.html

CHAPTER 2: RESPONSIBILITIES FOR DSCA-MANAGED GOVERNMENT PURCHASE CARD PARTICIPANTS

2.1. The Principal Director for Business Operations shall:

2.1.1. Appoint an Area Program Coordinator (APC) and an alternate APC for the DSCA Government Purchase Card (GPC)/Convenience Check program.

2.1.2. Ensure sound management controls of the purchase card program are in effect and ensure performance standards include purchase card responsibilities.

2.1.3. Ensure fiscal and policy guidance are provided to cardholders, approving officials, and GPC coordinators.

2.1.4. The Principal Director for Business Operations is the Head of the Contracting Activity (HCA). In that capacity, s/he has delegated authority for approving and designating Approving Officials and Cardholders to the DSCA GPC APC. As HCA, the Principal Director for Business Operations (or his or her designee – the DSCA GPC APC) has the authority to raise or lower such dollar limits and may rescind the delegation at any time. Designation of authority is accomplished using [DD Form 577, “Appointment/Termination Record – Authorized Signature.”](#)

2.2. The Area Program Coordinator (APC) shall:

2.2.1. Approve appointment of Approving Officials, Cardholders, and Convenience Check Custodians (hereinafter referred synonymous with Cardholder unless specifically stated) and issue the required Delegation of Authority (DOA) forms ([DD Form 577](#)) and letters (Cardholders). The delegation shall specify the authority being delegated, any single and monthly purchase spending limits, and any merchant category code (MCC) limitations.

2.2.2. Manage, oversee, and administer the DSCA GPC/Convenience Check program including account setup, maintenance, and training of those to whom authority has been granted.

2.2.3. Serve as the liaison between DSCA and its field activity Cardholders, the GPC issuing bank, the Department of Defense Joint Purchase Card Program Management Office, and the DSCA Contracting Office. The [DoD Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs](#) provides a complete listing of roles and responsibilities of the APC.

2.2.4. Ensure purchase cards/convenience checks are retrieved and individual accounts are cancelled when a Cardholder's employment is terminated, the supervisor reassigns Cardholder functions, or the Cardholder moves to a different agency/organization and should no longer use a DSCA-managed GPC.

2.2.5. The DSCA GPC APC and alternate cannot also serve as an Approving Official or a Cardholder. A separation of duties shall be maintained at all times.

2.3. The Approving Official shall:

2.3.1. Review the GPC Cardholder and Convenience Check Monthly Statements of Account to ensure purchases are made in accordance with the [FAR](#) and [DFARS](#).

2.3.2. Enforce compliance with the provisions of this Directive.

2.3.3. Advise the DSCA GPC APC or alternate of suspected or confirmed instances of misuse of the card and initiate disciplinary action as appropriate.

2.3.4. Reconcile the purchases made by his or her cardholder(s) during the billing cycle and certify the Monthly Invoice (billing statement) for payment. The Approving Official must print, then sign and date the monthly invoice as certification that the charges accurately reflect the account activity for the Cardholders under his or her purview.

2.3.5. Approving Officials also serve as Certifying Officers. The [DoD Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs](#) and the [DoD FMR, Volume 5, Chapter 33](#), provide a complete listing of roles and responsibilities of the Approving Official.

2.3.6. An individual may not be the Approving Official for his or her supervisor. Whenever possible, the Approving Official shall be the Cardholder's first-line supervisor. The Approving Official shall, at a minimum, be in the Cardholder's chain of command and have input into the Cardholder's performance appraisal.

2.3.7. The span of control of Approving Officials under the DSCA Purchase Card program is limited to a maximum of six (6) Cardholders per Approving Official. This number may be lower at the discretion of DSCA/DBO for those Cardholder accounts experiencing a high volume of spending activity. The Approving Official shall never have more Cardholders than he or she has the capability to review in a timely and efficient manner.

2.4. The Certifying Officer is also the Approving Official and shall:

2.4.1. Be responsible for the legality, propriety, and correctness of vouchers for payments - to include the accuracy of information stated not only in the voucher, but supporting documents and records as well.

2.4.2. Redistribute voucher expenses to the appropriate object classification codes.

2.4.3. Compute a certified voucher per title 31, United States Code (U.S.C.), sections [3325](#) and [3528](#).

2.4.4. Resolve questions regarding the legality of proposed payment under the appropriation or fund involved by seeking advance fiscal decisions from the DSCA Office of General Counsel. It should be noted that this determination will be different depending on the type of funds being used, since some purchases are authorized under one funding source but not another.

2.4.5. Provide advice to Accountable Officials.

2.4.6. Repay a payment that is determined: to be illegal, improper, or incorrect because of an inaccurate or misleading certificate; to be prohibited by law; or to not represent a legal obligation under the appropriation or fund involved. The [DoD Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs](#) and the [DoD FMR Volume 5, Chapter 33](#), provide a complete listing of roles and responsibilities of the Certifying Official. Title 31 U.S.C. section [3528](#) provides circumstances in which the Certifying Official may be relieved from liability by a Comptroller General decision.

2.4.7. The Certifying Officer shall be in the Cardholder's supervisory chain and have knowledge of the office requirements and the payment process.

2.4.8. Title 10 U.S.C. section [2773a](#) states that Accountable Officials must be civilian employees of the Department or members of the armed forces under the jurisdiction of the Secretary of Defense. Therefore, contractors or contractor support personnel shall not be appointed as Certifying Officers and/or departmental Accountable Officials.

2.4.9. To be eligible for appointment as a Certifying Officer within the United States, an individual must be a U.S. citizen; however, there is no legal requirement that Certifying Officers be U.S. citizens while employed in overseas foreign countries. See paragraph 3.23.2. for information on use of local national employees as Certifying Officials.

2.5. The Cardholder/Accountable Official shall:

2.5.1. Be designated by his or her parent organization to receive the purchase card. The Cardholder must be trustworthy and have a *bona fide* need to make purchases on behalf of the U.S. Government.

2.5.2. Protect and use the purchase card in accordance with this Directive and other references cited herein. The GPC bears this person's name and may be used only by this person to pay for authorized U.S. Government purchases.

2.5.3. Report any lost or stolen cards to the DSCA GPC APC or alternate.

2.5.4. The Cardholder cannot be his or her own Approving Official. A separation of duties shall be maintained at all times. The responsibilities of the DSCA GPC APC, Approving Officials, and Cardholders must not overlap to ensure that management controls are not circumvented. The [*DoD Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs*](#) provides a complete listing of roles and responsibilities of the Cardholder.

2.5.5. Title 10 U.S.C. section [2773a](#) states that Accountable Officials must be civilian employees of the Department or members of the armed forces under the jurisdiction of the Secretary of Defense. Therefore, contractors or contractor support personnel shall not be appointed as Certifying Officers and/or departmental Accountable Officials.

2.5.6. The Cardholder must turn in the card upon termination of employment, when GPC duties are reassigned to another employee, or when the Cardholder moves to a different organization.

2.5.7. Complete training as prescribed in 3.4..

2.6. The Convenience Check Custodian/Cashier shall:

2.6.1. Be designated by his or her parent organization to fulfill both the role of Convenience Check Custodian (with authority to order, receive, store, issue, inventory, reconcile, and dispose of check stock) and Convenience Check Cashier (with authority to inscribe (print), sign, and issue checks). The individual (referred to as Custodian) may also hold a GPC so long as policies and procedures established herein are observed.

2.6.2. Store convenience checks in a locked container, such as a safe or locking filing cabinet.

2.6.3. Take all precautions to prevent loss, theft, or potential forgery of the convenience checks and will report any lost or stolen checks to the DSCA GPC APC or alternate.

2.6.4. The Custodian cannot be his or her own Approving Official. A separation of duties shall be maintained at all times. The responsibilities of the DSCA GPC APC, Approving Officials, and the Custodian must not overlap to ensure that management controls are not circumvented. The [*DoD FMR, Volume 5, Chapter 2, Paragraph 0210*](#), provides information concerning the duties of the Custodian.

2.6.5. The Custodian must turn in the convenience checks upon termination of employment, when Custodian Duties are reassigned to another employee, or when s/he moves to a different organization.

2.6.6. Complete training as prescribed in 3.4..

CHAPTER 3: GENERAL PROCEDURES FOR USE OF THE GOVERNMENT PURCHASE CARD

3.1. Introduction. Questions about obtaining a GPC or any other issue regarding the DSCA GPC Program should be directed to the DSCA GPC APC and alternate listed below. These individuals will ensure GPC policy questions and issues are worked with DSCA/DBO/FPIO.

Toye Latimore (DSCA GPC Area Program
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3.2. General Use of the Government Purchase Card.

3.2.1. The GPC shall only be used to purchase and pay for authorized, official U.S. government supplies and services in accordance with this Directive and the references cited herein.

3.2.2. [*DFARS Subpart 213.270*](#) requires the GPC be used as the method of purchase and/or payment for any purchase valued at the micro-purchase level, as defined in 4.10.. In all instances, Cardholders are required to obtain prior approval for purchase transactions that are under the micro-purchase threshold. Exceptions to this limitation may apply for purchases made from vendors who cannot accept the card, for some purchases being made overseas, for acquisitions of supplies or services in support of a contingency operation, or for cards issued solely for purchasing training. Contact the DSCA GPC APC or alternate if you have questions regarding these exceptions.

3.2.3. The purchase card may be used to purchase supplies or services acquired telephonically, on the Internet, or over-the-counter. All items purchased over-the-counter must be immediately available. Back ordering is not permitted. Items purchased by telephone or Internet order should be delivered within 30 days of order receipt. The order shall not be placed without this assurance. When purchasing items by phone or over-the-counter, the Cardholder should inform the merchant that the purchase is for Official

Government purposes and therefore is not subject to state or local taxes. Tax-exempt letters for every State are available at <http://fss.gsa.gov/services/gsa-smartpay/taxletter/index.cfm>. Contact the DSCA GPC APC or alternate for tax-exempt numbers and information regarding tax-exempt forms.

3.2.4. The purchase card can be used to pay for orders placed against established contracts, blanket purchase agreements (BPAs), or with established sources of supply when authorized as a method of payment by the contract or source (additional authority such as Contracting Officer or Ordering Officer authority is required). It may be used to pay for training (see paragraph 3.21.). Without exception, the card may only be used to purchase and pay for authorized, official U.S. Government supplies and services.

3.2.5. It should be noted that the GPC is merely the mechanism used to pay for supplies and services. Before using the GPC as the payment method, the Cardholder and Approving Official must first determine whether or not the purchase is appropriate for the type of funding being used. Different programs have different rules for what may be funded using their monies – for example, although food and alcohol purchases are normally considered personal expenses that may not be purchased with a GPC, food and alcohol purchases may be authorized in specific circumstances for official representation purposes with appropriate prior approval. While these items may be allowable for purchase using a GPC, before seeking payment approval, persons must consult policy specific to their individual program to make sure the request meets the requirements for funding under that unique program. Nothing in this Directive regarding GPC usage should be used as justification for overriding a program manager's decision on a proper use of program funding.

3.2.6. Individual GPCs are limited to a single source of funds (e.g., Foreign Military Sales (FMS) Administrative Funds, DoD Appropriated Funds). Separate cards will be issued to ensure the funding sources are not mixed on a single card.

3.2.7. The GPC shall be used in accordance with mandatory source and order of precedence requirements found in [***FAR Part 8, "Required Sources of Supplies and Services."***](#) Any questions regarding these requirements should be directed to the DSCA GPC APC or alternate.

3.3. General Use of Convenience Checks.

3.3.1. Convenience checks provide activities with the flexibility to issue checks for payment of small value purchases of supplies and services. DSCA and its field activities have the flexibility to issue convenience checks to pay for products and services at the activity level; however, their issuance and use are extremely limited.

3.3.2. Convenience checks shall not be used unless their use is considered advantageous to the activity after evaluating all alternative methods of purchase. Convenience checks may not be used to avoid the normal GPC payment process. Before a check is issued, every effort must be made to use the GPC, including making maximum efforts to find and use merchants that accept the GPC.

3.3.3. Limitations for use at or below the micro-purchase threshold, as defined in 4.10., apply. Splitting payment amounts to keep below the limit is prohibited. Convenience checks will not be issued as an “exchange for cash” vehicle to establish cash funds. Any misuse of the convenience checks carries the same penalties/liabilities as those of the GPC.

3.3.4. The issuing office/organization is responsible for all administrative costs associated with using a convenience check. Current fee charges are available from participating banks. The total purchase amount plus the program fee must be accounted for in the check writer’s log and deducted from the funding document balance on the log sheet. (Note: In addition to the check fee, the Bank may charge fees for check copies, non-sufficient funds, and for stopping payment of a check.)

3.3.5. Purchase prohibitions applicable to the GPC also apply to convenience check usage.

3.3.6. Reconciliation procedures are the same as those for the GPC. In the case of a dispute, the normal dispute process (as detailed in the [*DoD Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs*](#)) associated with the GPC is not applicable to convenience checks. Concerns over a purchase made with a check must be resolved directly with the merchant. The Custodian is solely responsible for securing restitution and/or credit or disputing purchases with the merchant. In some cases, payment can be stopped on a convenience check that has been written if the check has not yet cleared the account. To stop payment on a check, the Custodian must call the servicing bank’s customer service department to receive instructions on processing the action.

3.3.7. Each account will be audited at least yearly, on an unannounced basis, by the DSCA GPC APC or alternate.

3.4. Training Requirements.

3.4.1. Prior to being issued a card or authorization to use convenience checks, prospective Cardholders and Approving Officials shall attend (or take on-line) Purchase Card Program Training as directed by the DSCA GPC APC or alternate. The DSCA GPC APC or alternate shall provide instructions regarding completing the training and

will maintain a file of individuals trained and the date training was completed. Refresher training is required every three years.

3.4.2. Proper training of card program participants is important in the prevention of fraud, waste, and abuse. The DSCA APC or alternate is required to ensure appropriate training is established, maintained, and tracked. Some of the courses available to program participants include, but are not limited to, the following:

3.4.2.1. [DoD Government Purchase Card Tutorial and Refresher Training \(http://clc.dau.mil\)](http://clc.dau.mil),

3.4.2.2. [GSA SmartPay Purchase Card Training \(http://fss.gsa.gov/webtraining/trainingdocs/smartpaytraining/index.cfm\)](http://fss.gsa.gov/webtraining/trainingdocs/smartpaytraining/index.cfm), and

3.4.2.3. [GSA SmartPay Purchase Card APC On-Line Training Program \(http://apps.fss.gsa.gov/webtraining/trainingdocs/apctraining/index.cfm\)](http://apps.fss.gsa.gov/webtraining/trainingdocs/apctraining/index.cfm).

3.5. Standards of Conduct and Procurement Integrity.

3.5.1. Employees of the Department of Defense hold a public trust. Their conduct must meet the highest ethical standards. All DSCA and DSCA field activity authorized employees shall use their card/convenience checks to purchase only items authorized within the policy and procedural guides established for this program. Making false statements on purchase card/convenience check records may be the basis for removal from Federal service and/or other penalties. Personnel who misuse the GPC/convenience checks or who make false statements may be subject to administrative, civil, and/or to criminal penalties.

3.5.2. Cardholders and Approving Officials are required to file new entrant and annual [OGE Form 450, "Confidential Financial Disclosure Report\(s\)"](#) with the DSCA Office of General Counsel and to complete annual Ethics Training. The DSCA General Counsel is the Deputy Designated Agency Ethics Official. Cardholders and Approving Officials should direct questions on government ethics rules to the DSCA Office of General Counsel.

3.6. Dollar and Transaction Limits Associated with the Card. Use of the GPC by a Cardholder is subject to a single purchase limit and a monthly purchase limit. The Approving Official is subject to a monthly billing cycle limit for all GPCs under his or her purview. Each organizational component is also subject to an annual (fiscal year) limitation as established by the DSCA GPC APC.

3.6.1. Single Purchase Limit. The total of a single Purchase Card transaction may be comprised of multiple items; however, the aggregate amount of the transaction cannot exceed the Cardholder's authorized single purchase limit.

3.6.1.1. The single purchase limitation is determined by the DSCA GPC APC and is specified in the Delegation of Authority (DOA) memorandum issued to the Cardholder. It is established based on mission needs and shall not exceed the micro-purchase limit as defined in 4.10.. A transaction shall be denied if the authorized single purchase limit is exceeded.

3.6.1.2. If a requirement exceeds the Cardholder's single purchase limit, but is less than the micro-purchase limit as defined in 4.10., the Cardholder may contact the DSCA GPC APC for a one-time (or possible permanent) single purchase limit increase after obtaining Approving Official coordination on the request.

3.6.1.3. The single purchase limitation does not restrict the number of items that may be obtained under a single transaction – only the aggregate cost of that transaction. See paragraph 3.7. for information on the prohibition against splitting purchases to meet dollar limitation requirements.

3.6.2. Cardholder Billing Cycle Purchase Card Limit (also referred to as the Cardholder's Monthly Purchase Limit). The maximum dollar amount that may be charged to the Purchase Card account for all transactions reported against that account within a 30-day billing cycle. This limitation is determined by the DSCA GPC APC, and is specified in the DOA memorandum to the Cardholder. It is established based on mission needs.

3.6.3. Approving Official Billing Cycle Limit. The maximum dollar amount that may be charged to all purchase card accounts assigned to a specific Approving Official for all transactions reported against those accounts within a 30-day billing cycle. This limitation is established by the DSCA GPC APC and is based on mission needs.

3.6.4. Annual (Fiscal Year) Limitation. The maximum dollar amount that may be charged to all purchase card accounts assigned to a specific organizational component for all transactions reported against those accounts within a given fiscal year (October 1 through September 30). The Annual (Fiscal Year) Limitation is not necessarily a multiple of the Approving Official Billing Cycle limitation. It is established based on historical annual spending, analysis of fluctuations in mission needs and annual budget limitations. The monthly amount spent by Cardholders shall be monitored by the Approving Official to ensure all Cardholders stay within the Annual (Fiscal Year) Limitation. Documentation showing that the Annual Limitation is tracked by the Approving Official shall be available for inspection by the DSCA GPC APC or alternate

at all times. Purchase limits are determined by the DSCA GPC APC and are specified in each Delegation of Authority (DOA) memorandum.

3.7. Split Purchase/Split Requirement Prohibition. A split purchase (or split requirement) is the intentional breakdown of a purchase or requirement to stay under the Cardholder's single purchase limit. When the Cardholder has a requirement that is over his or her single purchase limit, it cannot be split by quantity, vendor, time, or Cardholder. The Cardholder should contact the DSCA GPC APC or alternate if a requirement is over his or her single purchase limit but under the micro-purchase threshold as defined in 4.10.. A one-time or permanent increase can be accomplished. Purchases over the micro-purchase threshold, as defined in 4.10., shall be sent through the normal contracting channels. Splitting a purchase/requirement is strictly prohibited and is punishable by disciplinary action. Any questions regarding split purchases/requirements should be directed to the DSCA GPC APC or alternate.

3.8. Recurring Purchases. If an item must be purchased on a recurring basis (e.g., services that are anticipated to be charged more than once), the items should be purchased using a purchase order or delivery order. This includes items and services such as (but not limited to): FEDEX, purchases of furniture more than once in a 12-month period, telecommunication equipment, office movers, etc.

3.9. Purchases Over the Micro-Purchase Limit. If there is a need to purchase a service or item over the micro-purchase threshold, as defined in 4.10., a warranted Contracting Officer is the only person authorized to enter into a contract with the contractor and use the purchase card as a payment mechanism (except as allowed per paragraph 3.9.3.).

3.9.1. Cardholders, except those holding a contract warrant, are not authorized to purchase anything over the micro-purchase limit, as defined in 4.10., unless the item or service is purchased using a purchase order or delivery order and the credit card is used as a payment mechanism (refer to 3.9.3. below). The only exceptions to this policy are for special cards issued to training coordinators.

3.9.2. The following documents must be provided (via fax or e-mail) by the Cardholder when submitting requirements to the DSCA Contracting Office for consideration to purchase a service or item over the micro-purchase limit as defined in 4.10.:

3.9.2.1. A Performance Work Statement (PWS) for services or a detailed outline of the requirement to include specifications.

3.9.2.2. Three (3) quotes.

3.9.2.3. Independent Government Cost Estimate (IGCE). This does not have to be elaborate – just an estimate of the cost of the item or service.

3.9.3. Once the DSCA Contracting Officer prepares the order, he or she will contact the Cardholder and advise that the order has been completed and the Cardholder can purchase the item/service using the GPC as the payment mechanism. Any item purchase over the micro-purchase limit, as defined in 4.10., will use a purchase order and the GPC purchase limit will be raised for that Cardholder for the particular purchase. The card will be used as a payment mechanism when the purchase order is completed by one of the DSCA Contracting Officers. Once the purchase has been made, the DSCA GPC APC or alternate will lower the limit back to the original threshold.

3.10. Vendor Authorization. When issuing the purchase card to a Cardholder, authorization codes shall be established and encoded by the DSCA GPC APC or alternate.

3.10.1. Usually merchants are required to obtain authorization from the GPC issuing bank for purchases over \$50. However, many merchants now use electronic authorization methods allowing them to obtain authorization for all purchases, regardless of amount. When authorization is sought for a purchase by the merchant, the GPC issuing bank will restrict purchases through the authorization system and will check the following before granting authorization for a transaction:

3.10.1.1. The Cardholder’s single purchase limit.

3.10.1.2. The Cardholder’s billing cycle (monthly) limit.

3.10.1.3. The Approving Official’s billing cycle limit.

3.10.1.4. The type of merchant (designated by the Merchant Category Code (MCC)) used by the Cardholder to make the purchase.

3.10.2. The MCCs listed in Table 3-1 are blocked DoD-wide and purchases are prohibited from merchants registered under these codes.

Table 3-1: Blocked Merchant Category Codes (MCCs)

Merchant Category Code (MCC)	Category of Item/Service
4829	Wire Transfer – Money Orders
5932	Antique Shops
5933	Pawn Shops
5937	Antique Reproductions

Merchant Category Code (MCC)	Category of Item/Service
5944	Jewelry Stores
5960	Direct Marketing Insurance
6010	Financial Institutions Manual Cash Advance
6011	Financial Institutions Automatic Cash Advance
6051	Non-Financial Institutions – Foreign Currency, Money Orders, Travelers Checks
6211	Security Brokers/Dealers
6760	Savings Bonds
7012	Timeshares
7273	Dating & Escort Services
7995	Betting, Casino Gaming Chips, Off-Track Betting
8651	Political Organizations
9211	Court Costs, Alimony, Child Support
9222	Fines
9223	Bail and Bond Payments
9311	Tax Payments
9700	Automated Referral Service

3.10.3. In addition to the codes listed in Table 3-1, Cardholder authority is tailored by the DSCA GPC APC, based on mission needs.

3.11. Prohibited Items. Even if a proposed purchase is within the Cardholder’s limits, it shall not be made for the items listed on Table 3-2. Please note that while the GPC is the payment method, rules for what may be purchased when using specific funding sources must be considered before determining whether a purchase is allowable. Some funding sources may allow purchases of food, for example, which could then be purchased using the GPC. Other funding sources, however, may prohibit the use of those funds for food purchases in which case the GPC cannot be used to make the unallowable purchase.

Table 3-2: Articles/Services Prohibited From Purchase Using DSCA-Issued GPCs

Prohibited Articles/Services
Cash advances, money orders, travelers checks, gift certificates
Travel-related purchases including rental/lease of motor vehicles associated with travel or temporary duty supported by travel orders (purchase of airline, bus, and train tickets), purchase of meals, drinks, lodging, or other travel or subsistence costs associated with official Government travel that will be reimbursed on a travel voucher (Specific cards are issued for travel requirements)
Rental or lease of land and buildings
Fuel to include aviation, diesel, gasoline fuel or oil for aircraft
Repair of leased vehicles

Prohibited Articles/Services
Major telecommunications systems such as FTS or DSN
Wire transfers
Savings Bonds
Items at Antique Shops
Items at Pawn Shops
Foreign Currency
Dating and Escort Services
Betting, Casino Gaming Chips, Off-Track Betting
Transactions with Political Organizations
Court Costs, Alimony, Child Support
Fines
Bail and Bond Payments
Tax Payments
Use of Third Party Payment Services such as Pay Pal, E-Bay, Billpoint, etc.
Items of clothing, footwear, or supplies covered by uniform or clothing allowance
Items for individual's emergency preparedness such as flashlights, food, water, blankets, or a change of clothing
Space heaters
Building maintenance
Space alterations
Training (Specific cards are issued for training requirements)
SES flags
Microwaves and Refrigerators

3.12. Accountable Property. When acquiring accountable property using the GPC, it is the responsibility of the Approving Official to ensure that all applicable property regulations are being followed. Proper recording/tracking of accountable property is mandatory and shall be reviewed during all DSCA GPC APC or alternate inspections. The Cardholder cannot be the receiver or the property book custodian. A separation of duties must be maintained at all times among the Cardholder, the receiver of the item, and the property book custodian. Contact DBO/FPIO for questions concerning property management.

3.13. Purchases of Information Technology (IT) Equipment. IT is defined as items that will be connected over digital lines and installed on computers or computer systems. IT also includes video information equipment, items having both IT and telecommunications capabilities, and services related to IT items. IT items and related services shall be purchased only after approval is obtained from the "cognizant IT manager." The "cognizant IT manager" is someone identified by each field activity as being responsible for overall IT architecture and IT purchase planning for the activity.

Cognizant IT manager approval is required to ensure consistency with overall architecture and future plans pertaining to IT capabilities. If the cognizant IT manager is also the GPC cardholder, s/he should obtain concurrence of the Certifying/Approving Official as well. Such approvals shall be documented in the Purchase Card file either by retaining a copy of the cognizant IT manager's approval (and Certifying/Approving Official's concurrence, if applicable) or a copy of the [DD Form 562, "Request for Information Technology \(IT\) Goods and Services."](#)

3.14. Records Relating to GPC Use.

3.14.1. GPC Cardholders are responsible for maintaining a Purchase Log for all GPC purchases in accordance with DoD policy. GPC Purchase Logs must document every purchase in order to reconcile the monthly bank statement. Purchase Logs must contain at a minimum (for each purchase): the date purchased, the price paid, the merchant name and address, the item description, name of the individual requesting the item (if applicable), name of the recipient of the item (if applicable), and a receipt for the purchase.

3.14.2. Where appropriate, the Certifying Officer will ensure that corrections or additions to original invoices (i.e., reallocations to different funding lines) are proper and that, except in the case of fraudulent or unauthorized transactions, the payment totals have not changed. If appropriate, the Certifying Officer will enclose additional information on the original invoice to reallocate the payment to different funding lines from those reflected on the original invoice. S/he will determine whether these corrections are proper and affix his/her signature with the standard certification language on the original invoice – electronic or paper.

3.14.3. It is possible for the electronic or paper invoice to contain transaction(s) not authorized by the Cardholder, such as use of a lost or stolen card. Known or suspected improper or unauthorized transactions not initiated by the authorized Cardholder shall not be certified for payment and the electronic invoice shall be "short paid" by the amount of the transaction(s) in question, and electronically certified for payment. The bank and/or APC must be notified immediately and the Cardholder shall comply with the bank's fraud reporting procedures for questionable transactions. Prior to allowing certification of a short paid invoice, the system shall require Cardholders to identify the reason the transaction(s) was/were reported to the bank. In all instances, the Cardholder shall attempt to address/reconcile all transactions during the billing cycle within which they occur so that these fraudulent or unauthorized transactions are never included in the corresponding billing statement.

3.14.4. Certified billing statements and supporting documentation must be maintained for six (6) years and three (3) months.

3.15. Use of the GPC for Purchases Funded Using Official Representational Funds (ORF).

3.15.1. The GPC can be used to make purchases funded using ORF. The Approving Official/Certifying Officer is responsible for ensuring that use of ORF is appropriate for the specific purchase.

3.15.2. A separate GPC must be used when purchasing items and/or services funded with ORF. Individual Billed Accounts (IBA - travel cards) cannot be used to pay for ORF-related activities. Organizations requesting a card from DSCA must specify whether it will be used as the payment method for ORF activities.

3.16. Use of the GPC for Costs Incurred in Support of the Field Studies Program (FSP).

3.16.1. The GPC can be used in the execution of the FSP. Refer to [*DoDI 5410.17, "United States Field Studies Program \(FSP\) for International Military and Civilian Students and Military-Sponsored Visitors \(September 15, 2006\),"*](#) for a full explanation of the program. The Approving Official/Certifying Officer is responsible for ensuring that use of the FSP GPC is appropriate for the specific purchase.

3.16.2. A separate GPC must be used when purchasing items and/or services funded for the FSP. IBA (travel cards) cannot be used to pay for FSP-related activities. Organizations requesting a card must specify whether it will be used as the payment method for FSP activities.

3.17. Prompt Payment of Bills. All GPC bills must be paid promptly to ensure interest and other charges for late payment are not assessed. The DSCA GPC APC or alternate will audit payment dates as part of the overall assessment of GPC use. Lack of prompt payment may result in termination of the card.

3.18. Misuse of the GPC.

3.18.1. The DSCA GPC APC or alternate will conduct audits of each card managed through the DSCA GPC program. Spot checks will be done to randomly check on card use. In addition to these spot checks, the DSCA GPC APC or alternate will also conduct an annual review of records for each card. If any of these audits reveal suspected misuse or abuse of the card(s), the DSCA GPC APC or alternate will contact the Cardholder for additional information and clarification.

3.18.2. Government employees have a duty to report all suspected fraud, illegal or improper or incorrect payments or use of the GPC or convenience checks to the appropriate authorities. Cardholders shall use the GPC to purchase supplies and services

at the direction of the agency under official purchase authorization. GPC or convenience check misuse or fraud may have any, or a combination of, the following potential consequences for the accountable official: the full range of disciplinary or administrative action (including but not limited to counseling, notation in employee performance evaluation, cancellation of the purchase card, reprimand, suspension of employment (civilians only), termination of employment (civilians only), non-judicial punishment (military only), administrative separation (military only)), civil action such as civil false claims actions, and criminal prosecution

3.18.3. Any suspected and/or confirmed misuse or abuse of the GPC will be promptly referred to the misuser's supervisor and/or other appropriate authority (i.e., the DSCA GPC APC) and may result in, among other things, cancellation of the card as well as appropriate disciplinary action. Supervisors and/or other appropriate authorities who receive information indicating that a civilian or military employee has engaged in any fraud, misuse or abuse of a GPC/convenience check, shall take appropriate corrective or disciplinary/adverse action, including further investigation if needed. At a minimum, the APC will notify the bank and the GPC program management office.

3.18.4. The intent of this policy is to ensure that management emphasis is given to the important issue of personal accountability for purchase card fraud, misuse and abuse. There is no intent to deprive managers and supervisors of their discretion in handling of GPC/convenience check misuse in a manner appropriate to each individual case. The circumstances of each individual case will determine the appropriate type of disciplinary/adverse action, if any, that may be imposed. A progression of increasingly severe penalties is often appropriate in the case of minor instances of misuse, but more serious cases may warrant the most severe penalty for the first offense if abuse or fraudulent activity is prevalent or egregious. Clearly there is no single response appropriate for all cases. While the merits of each case may vary, timeliness, proportionality, and the exercise of good judgment and common sense are always important.

3.18.5. The review of the security clearance of the individual involved (or the modification or revocation of such security clearances in light of a review) in GPC/convenience check misuse, abuse or fraud cases, is not a disciplinary action and should not be treated as such. However, this does not preclude a separate and independent review of such misuse, abuse or fraud by the appropriate security managers in accordance with established guidance and direction. Modification or revocation of a security clearance will result in appropriate action, which could include reassignment or removal.

3.19. Restrictions on Use of GPCs at the End of the Fiscal Year.

3.19.1. No new GPC purchases (i.e., obligations) will be permitted between 19 and 30 September of each year. This is to ensure all charges can be processed and payments made before the end of the fiscal year. The DSCA GPC APC or alternate will

suspend all cards between 19 and 30 September to ensure no new charges are allowed. Disbursements for purchases authorized prior to 19 September will continue to be processed. The cards will be reinstated for use on 1 October each year.

3.19.2. If an emergency arises and there is a need to make a purchase using the GPC between 19 and 30 September, contact the DSCA GPC APC or alternate for guidance.

3.20. Job Objectives for GPC Participants. Employees participating in the DSCA GPC program must have job objectives, which cover this duty and associated performance requirements. Standardized job objectives have been created for this purpose and shall be included in employee performance plans as appropriate.

3.20.1. **GPC Approving/Certifying Officials.** The following job objective must be included in performance plans for GPC Approving/Certifying Officials:

In accordance with governing policies and procedures: Ensure all Government credit card purchases are proper, legal, reasonable and satisfy a bona fide need by validating monthly GPC statements for cardholders generated from Access Online tool. On a monthly basis, review, validate and certify GPC purchases. Document any discovery of split purchases, single purchases exceeding the \$3,000 threshold and/or other discrepancies. Take corrective action as warranted. Keep abreast of all updated guidance and, as needed, acquire refresher training to maintain certifying official status.

Reference to DSCA Strategic Plan: Goal #1
Primary Contributing Factor(s): Technical Proficiency,
Communication, Resource Management, Critical Thinking

3.20.2. **GPC Cardholders.** The following job objective must be included in performance plans for GPC Cardholders:

In accordance with governing policies and procedures: Ensure all GPC purchases are proper, legal, reasonable and satisfy a bona fide need. Maintain all files and records to include reconciling all transactions in a timely manner. On a monthly basis, review Access Online statements. Maintain a purchase log, receipts and documentation for all purchases utilizing the simplified acquisition threshold. Reconcile and submit for approval monthly billing statements within three working days of Access Online bill availability. Ensure that purchases are not split and that the limit does not exceed \$3000.00 per transaction. Monitor all purchases to ensure compliance with recurring purchase guidelines. As needed,

acquire refresher training to maintain cardholder status.

Reference to DSCA Strategic Plan: Goal #1

Primary Contributing Factor(s): Technical Proficiency,
Communication, Resource Management, Critical Thinking

3.20.3. **Convenience Check Custodian.** The following job objective must be included in performance plans for GPC Convenience Check Custodians (note: if the GPC Cardholder also functions as GPC Convenience Check Custodian, combine the duties into one objective):

In accordance with governing policies and procedures: Ensure all convenience check purchases are proper, legal, reasonable and satisfy a bona fide need. Maintain all files and records to include reconciling all transactions in a timely manner. On a monthly basis, review Access Online statements. Maintain a purchase log, receipts and documentation for all purchases utilizing the simplified acquisition threshold. Reconcile and submit for approval monthly billing statements within three working days of Access Online bill availability. Ensure that purchases are not split and that the limit does not exceed \$3000.00 per transaction. Monitor all purchases to ensure compliance with recurring purchase guidelines. As needed, acquire refresher training to maintain cardholder status.

Reference to DSCA Strategic Plan: Goal #1

Primary Contributing Factor(s): Technical Proficiency,
Communication, Resource Management, Critical Thinking

3.21. Use of the GPC as a Payment Mechanism for Training Requirements.

Dedicated GPCs are issued to pay for employee training requirements. The purchase limits on these cards will be included in the Delegation of Authority memorandum issued to the Cardholder and may be set as high \$25,000. When an employee's attendance at a conference qualifies as a training activity, the Training GPC may be used to pay for conference registration fees and training expenses. The Training GPC may not be used to pay for registration fees or expenses associated with an employee's attendance at a conference or meeting that does not qualify as a training activity. DBO/FPIO will issue guidance specifying the paperwork and approvals required to use the Training GPC for eligible training activities.

3.22. Use of the GPC as a Payment Mechanism for Conference(s). DSCA maintains a requirements contract which it can use when conference space is required in the National Capital Region. Submit requirements to the contracting office for review and

determination as to whether the GPC may be used vice the contract. This is especially true for one-day conferences, as it may not be cost effective to use the contract.

3.23. Liability.

3.23.1. Certifying Officers are personally and pecuniarily liable for erroneous payments resulting from performance of their duties in accordance with [title 31 U.S.C. section 3528](#). Approving Officials are Certifying Officers. Further, DoD Accountable Officials are accountable and personally and pecuniarily liable for erroneous payments resulting from negligent performance of their responsibilities in accordance with [title 10 U.S.C. section 2773a.](#) These officers include the Cardholder, the Convenience Check Custodian/Cashier, and the GPC APC. DoD guidance is provided in the [DoD FMR, Volume 5, Chapter 33.](#)

3.23.2. Foreign National Liability. Per USD(C) Memorandum, “[Department of Defense \(DoD\) Accountable Officials – Local Nationals Abroad and Contractor or Contractor Support Personnel](#),” August 22, 2006, local foreign nationals may be eligible for appointment as a Certifying Officer or departmental Accountable Official. Local Status of Forces Agreements (SOFAs) or treaties generally provide that the employment of local foreign nationals is subject to the law of the host country, rather than to U.S. law. Local foreign nationals, both direct and indirect hires, appointed as Certifying Officers and departmental Accountable Officials may not be subject to pecuniary liability under U.S. law. Local national employees are an essential part of the workforce at overseas DoD installations. As a result, DoD may be required under international agreements to use foreign nationals; however, consider the potential consequences of hiring local nationals as Accountable Officials in countries where the SOFAs do not subject the local nationals to the same pecuniary liability as other DoD employees.

CHAPTER 4: DEFINITIONS

4.1. Accountable Officials. DoD military members or civilian personnel with established lines of responsibility, decision-making authority, and resource control (such as receiving officials or Cardholders) who are designated in writing but not otherwise accountable under applicable law as disbursing or Certifying Officials, for example, and who provide source information, data, or services to a Certifying Official in support of the payment process. They have pecuniary liability for erroneous payments resulting from their negligent actions. Title [10 U.S.C. section 2773a](#) states that Accountable Officials must be civilian employees of the Department or members of the armed forces under the jurisdiction of the Secretary of Defense. Therefore, contractors or contractor support personnel shall not be appointed as Certifying Officers and/or departmental Accountable Officials.

4.2. Accountable Property. Property recorded in a formal property management or accounting system. It is defined by a dollar threshold and/or type of item – i.e., sensitive or pilferable. Accountable property includes all property purchased, leased (capital leases), or otherwise obtained, having a unit acquisition cost of \$5,000 or more (land, regardless of cost), and items that are sensitive, including but not limited to pilferable items.

4.2.1. Sensitive Items. Sensitive items may include items that are governed by statutory requirements or regulations, such as narcotics and drug abuse items; precious metals; items that are of a high value, highly technical, or a hazardous nature; and small arms, ammunition, explosives, and demolition or classified material. These items require a high degree of protection and control; additional and/or separate records or other record-keeping instruments shall be established for management purposes or when otherwise required by law, policy, regulation, or agency direction.

4.2.2. Pilferable Items. Pilferable items have a ready resale value or application to personal possession and are therefore especially subject to theft.

4.3. Billing Cycle. An approximate 30-day billing period. Each monthly billing statement (invoice) shall be comprised of transactions (debits and credits) that post to the bank's system during this period. The billing cycle begins on the 20th of the month and ends on the 19th of the subsequent month. The 19th of the month is known as the "cycle date."

4.4. Blanket Purchase Agreement (BPA). A simplified method of filling anticipated repetitive needs for supplies or services by establishing "charge accounts" with qualified sources of supply. BPAs may be used for a wide variety of items in a broad class of supplies or services (e.g., hardware) that are generally purchased, but the exact items,

quantities, and delivery requirements are not known in advance and may vary considerably. BPAs are designed to accomplish simplified acquisitions by eliminating the need for numerous individual purchases. [See FAR 13.303](#). Requirements that are candidates for purchase under a BPA should be coordinated with the servicing contracting office.

4.5. Cardholder Statement of Account. The statement of charges provided to a Cardholder by the GPC issuing bank detailing all the transactions posted to the account during a billing cycle.

4.6. Delegation of Authority (DOA). A memorandum, signed by the DSCA GPC APC, specifying the authority delegated to the Approving Officials and Cardholders. The Cardholder DOA outlines the single and monthly purchase spending limits for each Cardholder. Spending limits are based on mission need and a Cardholder's single-purchase limit may not exceed the \$3,000 (\$2,500 for services subject to the Service Contract Act and \$2,000 for construction subject to the Davis-Bacon Act) micro-purchase threshold. The Cardholder's single purchase limit may be set below \$3,000. Appointments of employees to the duties of Approving Official and Cardholder may change over time. Additionally, spending limits are adjusted according to mission needs. A new DOA is issued in each instance of change. The DOAs provide a historical paper trail that is to be retained as a permanent part of the Purchase Card files.

4.7. Delinquent Accounts. Delinquent accounts are subject to account suspension, whereby a Cardholder is disallowed from making purchases with the purchase card because of payment delinquency or multiple pre-suspension actions. Issuing banks will suspend accounts that are 61 days past due or 91 days past the billing date. Before the suspension, the bank will notify the Approving Officials and APCs of the pending suspension. The account(s) will remain suspended until the outstanding invoices are brought up to date. At that time, accounts will automatically be reinstated. When an account is suspended, no purchases can be made. Accounts suspended more than twice in a 12-month period may be cancelled. When a delinquency reaches 181 or more days past due, the account of the Approving Official and all associated Cardholders may be terminated.

4.8. DSCA Field Activities. For purposes of this Directive, DSCA field activities include: The Defense Institute of Security Assistance Management (DISAM), the Defense Institute of International Legal Studies (DIILS), the DoD Centers for Regional Security Studies (Africa Center for Strategic Studies, Asia-Pacific Center for Security Studies, Center for Hemispheric Defense Studies, George C. Marshall European Center for Security Studies, and Near East - South Asia Center for Strategic Studies), the Defense Security Assistance Development Center (DSADC), the Humanitarian Demining Training Center (HDTC).

4.9. GPC Issuing Bank. The bank under contract with GSA that maintains all accounts, issues cards to Cardholders, provides monthly Cardholder Statements of Account to Cardholders, monthly invoices (billing statements) to Approving Officials, and provides various reports to the GPC APC and alternate.

4.10. Micro-Purchase. An acquisition of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. The micro-purchase threshold is currently \$3,000 per order for supplies or services (\$2,500 for services subject to the Service Contract Act and \$2,000 for construction subject to the Davis-Bacon Act). A micro-purchase is not governed by small business participation or requirements of the Buy American Act and does not require full and open competition. It does require, however, adequate distribution of purchases among qualified vendors. See the [FAR](#) and [DFARS](#) for further information on using the GPC to make micro-purchases.

4.11. Monthly Invoice (Billing Statement). A combined summary of all purchases made by all Cardholders under a given Approving Official during a specified billing cycle. The Monthly Invoice is also referred to as the monthly billing statement and is used by the Approving Official to reconcile the purchases made by his or her cardholder(s) during the billing cycle. The monthly invoice (billing statement) is available in Access Online.

4.12. Pecuniary Liability. A personal financial obligation for fiscal irregularities of Certifying and Disbursing Officers and DoD Accountable Officials as an incentive to guard against errors, to discourage dishonesty, and to protect the Government against theft.

4.13. Purchase (Card) Log. A manual or automated log in which the Cardholder documents individual transactions and screening for mandatory sources when using the GPC and/or convenience checks. Entries in the purchase log may be supported by internal agency documentation (e.g., request for procurement document or e-mail request). The GPC/convenience check documentation should provide an audit trail supporting the decision to use the card and any required special approvals that were obtained. Refer to 3.14.1..