

Chapter 5 - Establishing and Maintaining a GPC Account

Parent topic: APPENDIX - EE DEPARTMENT OF THE ARMY GOVERNMENT PURCHASE CARD OPERATING PROCEDURES

5-1. Nomination, Selection, and Appointment of Cardholders and Billing Officials

a. Nomination, selection, and appointment of BOs and CHs are in accordance with DOD Charge Card Guidebook Chapters A.1.1 and A.3. A/OPCs must receive written and signed approval from the BO/CH's supervisory chain of command before initiating their appointment process. BOs must successfully complete the required GPC training to be appointed as an Approving/Billing Official. BOs should be in the supervisory chain of command of the CH. The BO will not be subordinate in grade or rank to their CHs to mitigate undue influence. There are no exceptions to this policy.

b. CHs must successfully complete the required GPC training to be delegated procurement authority **prior** to receiving their card.

c. The BO is also a Certifying Officer within the context of the Army GPC program, except for pay and confirm proponents. The Certifying Officer's minimum qualifications and eligibility are further discussed in DoD FMR Volume 5, Chapter 33. Billing officials are responsible for the accuracy of payments, including designation of the proper appropriation(s) or other funds certified to the paying office and disbursing officer. BOs are financially responsible for any illegal, improper, or incorrect payment as a result of an inaccurate or misleading certification. To certify GPC invoices for payment by DFAS, the BO must be appointed as and accept the responsibilities of a Certifying Officer using the DD Form 577 generated in JAM.

d. Approving Officials (AOs) follow pay and confirm procedures and are not appointed as Certifying Officers, such as Air Force personnel under the Army program.

e. GPC Delegation of Authority and appointment letters will clearly state the duties of the program participant, any dollar limit of the procurement authority (when applicable), and any limitations on the scope of authority to be exercised other than those contained in applicable law or regulation. All delegates/appointees must countersign their letters electronically in JAM to acknowledge they understand and concur with their GPC program responsibilities prior to establishing any accounts in the bank's EAS.

f. A/OPCs will maintain and monitor all delegations, appointments letters, and training certificates electronically in JAM. If electronic versions are available, the Level 4 A/OPC is not required to maintain a hard copy. Audit agencies can request access to PIEE modules when required. Ensure military and civilian out-processing checklists include a mandatory A/OPC sign-off for BOs and CHs.

g. **Receiving a GPC.** Standard practice is to have the card mailed to the CH's work address in accordance with the GSA SmartPay®3 contract. Using a CH's home address may be a fraud indicator and should not be a normal practice. However, there are situations where an alternate address, including the CH's home address, may be valid. Whether the card is mailed to the CH's

work address or an alternate address, the CH must maintain the physical security of the card. Examples of alternate address uses include, but are not limited to, the following:

- 1) When an A/OPC wants all cards mailed to the A/OPC's work address, and then the A/OPC provides each card to the new CH's work location.
- 2) When the A/OPC feels it is more reliable to have the card mailed to the A/OPC's work address and then sent by express mail to a CH's work address overseas.
- 3) When the organization has a policy that all cards will be sent to the work address of the responsible BO, who will then deliver each card to the CH in person or to the CH's work address.
- 4) When the CH will not be at the work location (duty station) for an extended period (COVID-19 stay-at-home orders would be one such example), the CH's home address could be used. If the CH's home address is used for card delivery, a note or memorandum for record must be added to the account notes stating why the home address was used.

Table 5-1: Delegations and Appointments for each Program Role

Role	Delegation of Procurement Authority Letter Required	GPC Appointment Letter Required	DD Form 577 Required
Level 1	No	Yes	No
Level 2 Component Program Manager	No	Yes	No
Level 3 A/OPC with Authority to Delegate Procurement Authority	Yes	Yes	No
Level 3 A/OPC without Authority to Delegate Procurement Authority	No	Yes	No
Level 4 A/OPC with Authority to Delegate Procurement Authority	Yes	Yes	No
Level 4 A/OPC without Authority to Delegate Procurement Authority	No	Yes	No

Role	Delegation of Procurement Authority Letter Required	GPC Appointment Letter Required	DD Form 577 Required
Resource Managers (All Levels)	No	No	No
Billing Officials who are Certifying Officers	No	Yes	Yes
Certifying Officers	No	No	Yes
Pay and Confirm Officials (Departmental Accountable Official (DAO))	No	Yes	No
Cardholders	Yes	Yes	No

5-2. Account Establishment

a. GPCs are issued only as mission requirements dictate. Only DoD civilian employees or members of the Armed Forces may be issued a GPC or be appointed a BO. GPCs may not be issued to contractor personnel, except as provided in paragraph 1-5d. Junior Reserve Officer Training Corps (JROTC) instructors, Outside Continental United States (OCONUS) local national employees of the Army, and host Government direct hires for OCONUS agencies/organizations whose salaries are reimbursed by the Army or DoD tenant organizations, are not considered DoD contractors, and may be designated as CHs and BOs. Traditional National Guard members and State employees are prohibited from being appointed as a CH, BO or A/OPC. The following types of purchases require a separate card account delegated solely for that purpose:

- 1) Contract Payments
- 2) Official Representation Funds (ORF)
- 3) Ammunition
- 4) Gift Fund (for donated or proffered monies)

b. **Card Account Limits.** Each card account has a single purchase limit and a cycle or monthly limit. In most cases, the single purchase limit is the micro-purchase threshold. The cycle limit is determined by the anticipated spending needs of the cardholder.

c. **Managing Account Limits.** Each managing account has a cycle limit and a credit limit. The cycle limit is the sum of the monthly limits of all cardholders under the managing account. The credit limit is three times the managing account's cycle limit.

d. **Establishing Credit Limits.** The requiring activity establishes the credit limit, based on the organization and the user's anticipated spending needs. The limits should be set at a level commensurate with historical spending, anticipated requirements, and available funding. Limits should not be based on unlikely contingencies. The A/OPC approves requested limits and inputs the single purchase limit when creating the card account. The A/OPC then communicates the credit limits to the RM, who inputs the CH's credit limit and the BO's cycle and credit limit. RMs also establish the default and alternate lines of accounting for the proper designation of appropriation.

e. **Updating Credit Limits.** The single purchase, cycle, and credit limits can be changed as necessary to meet operational needs. The A/OPC inputs changes to the single purchase limit. The RM inputs cycle and credit limit changes. RMs must notify the Level 4 A/OPC of any cycle or credit limit changes to a BO or CH account.

5-3. Account Maintenance

The Level 4 A/OPC is required to maintain current BO and CH account information. Account maintenance may include the following:

- 1) Updating user information (e.g., name, email address, office address).
- 2) Adjusting single purchase limits.
- 3) Adding and removing merchant category code filters.
- 4) Updating BO access to applicable bank hierarchy.

5-4. Account Termination

a. Only cardholders with a continuing need to use the GPC will retain their card and appointment. At least 60 calendar days prior to reassignment, separation, or retirement, the CH or BO should notify the A/OPC of their change in status and begin to transition their duties and files over to another appointed organization representative. The BO must advise the Level 4 A/OPC when a CH no longer has a continuing need to use the card or when the CH transfers to other duties or organizations, retires, or leaves Government service.

b. The Level 4 A/OPC will terminate the CH's or BO's appointment in JAM and close the account in the servicing bank. The physical card must be destroyed, and its destruction must be confirmed in writing. When a cardholder account is terminated or closed, the cardholder will surrender the GPC and submit the account documentation to the BO. The BO will perform an in-depth surveillance of the cardholder's records within 30 calendar days of termination or closure.

c. The BO will ensure all outstanding transactions (charges and/or credits) have cleared the bank and the card has been destroyed. When a BO vacates their assignment, and a new BO is assigned, all CH accounts remain active under the existing managing account. The departing BO must reconcile their account with Financial Management prior to vacating the position. When a BO requests termination of their managing account, all CHs will surrender their GPC and submit the account documentation to the BO. The BO will perform an in-depth surveillance of the CH's records within

30 calendar days of termination. When all transactions (charges and/or credits) have cleared the bank and the card(s) has been destroyed, the BO will process removal of the remaining funds and submit a request for account termination to the A/OPC.

d. Military and civilian out-processing checklists must include a mandatory A/OPC sign-off for BOs and CHs.

5-5. Liability of Cardholders and Billing Officials

a. **Liability.** Billing officials are personally and pecuniarily liable for the full amount of any improper payments resulting from misuse, abuse, or unauthorized purchases of the GPC, in accordance with 31 USC 3528. Strict pecuniary liability applies when there is an erroneous (illegal, improper, or incorrect) payment. GPC CHs are pecuniarily liable for erroneous payments that result from the negligent performance of duties, up to one month's pay. All accountable officials are required to comply with DoD regulations, policies, and procedures, including standard operating procedures. Failure to act in accordance with such regulations, policies, and procedures is generally considered evidence of negligence. Following orders from superiors that are contrary to regulations, policies, and procedures, is no defense to negligence or bad faith. A heavy workload or a lack of experience, supervision, or training, is not a factor in determining relief from liability.

b. Use of the GPC by a CH to make an unauthorized purchase is the liability of the Government. However, the installation/organization is responsible for taking appropriate action against the CH including efforts to recover the funds.

c. The intentional use of the GPC for other than official Government business may be considered an attempt to commit fraud against the U.S. Government. Misuse may result in immediate cancellation of an individual's card, financial liability, and negative administrative and/or disciplinary action against the CH and, if warranted, against the BO. Any misuse of the GPC is subject to criminal, civil, Uniform Code of Military Justice, administrative, and disciplinary actions as appropriate.

d. **Cardholders.** DoD FMR Volume 5, Chapter 5, paragraph 1.1.2 defines a CH as a Departmental Accountable Official (DAO). DAOs are accountable officials that provide information, data, or services that certifying officers rely on to certify vouchers. DoD Directive 7000.14-R imposes financial liability for negligent performance of the CH's duties. DAOs will be personally and pecuniarily liable for erroneous payments that result from the negligent performance of duties.

e. **Billing Officials.** 31 USC 3528 provides for personal and pecuniary liability for improper payments resulting from misuse/abuse of the purchase card for Certifying Officials. The BO meets the definition for Certifying Officer in the DoD FMR; as such, the BO is financially liable for improper payments resulting from misuse or abuse. The act of certifying a billing statement for payment makes the BO financially responsible for illegal, improper, or incorrect payment due to an inaccurate or misleading certification. Consequently, a BO who knowingly makes a false certification may be asked to repay the Government for the items or service purchased. If unsure about certification, BOs should contact the supporting Level 4 A/OPC for guidance.

f. **SCO Oversight.** The SCO and/or CCO have responsibility for the operation of the GPC program for their activity. The SCO is responsible for establishing effective internal controls that will ensure the appropriate management, operation, and oversight of the local GPC program. The SCO must establish and maintain a command climate to prevent the requiring activity from exercising undue influence over the actions of a cardholder. The SCO will establish local policies and procedures

identifying informal and formal disciplinary actions to be taken in the event of noncompliance, fraud, misuse, and abuse. Disciplinary actions should be based on the severity and frequency of the infraction and can range from informal actions (such as written or verbal counseling) to demotion, removal, or potential criminal prosecution.

g. Investigation Required. Commands must be notified when evidence of fraud or other criminal activity is identified. Evidence of deliberate abuse will be referred to the CH's and/or BO's command for appropriate action. The investigation must provide the Army employee or military member with an opportunity to rebut the presumed liability.

5-6. Card Suspension Policy

a. Level 3 and 4 A/OPCs have the authority to suspend BO and CH accounts due to non-compliance with GPC policies and procedures.

b. Automatic Suspensions. Requests for suspension exemptions for BO accounts with operational emergencies may be granted on a case-by-case basis. Exemption requests must be submitted in writing from the Level 4 A/OPC, through the Level 3, to the Level 2 point of contact. In accordance with DoD business practices, U.S. Bank will automatically suspend BO accounts under the following conditions:

1) BO's account goes over 60 days past due (90 days after the billing date). The managing account and all card accounts under it are suspended until the delinquent payment has posted.

2) BO's account goes over 180 days past due (210 days after the billing date). All managing accounts assigned under the Level 4 agent are suspended until delinquent payment has posted. The delinquent managing account is permanently closed (T9).

3) BO's account has more than 20 open card and/or checking accounts. The managing account is suspended unless a waiver has been approved by the Army Level 2 A/OPC.

4) Before reopening a closed account due to a delinquent payment, the Level 3 and/or 4 A/OPC will document that U.S. Bank received full payment. Only the Army Level 2 may reopen suspended accounts prior to payment being received by U.S. Bank. Accounts will be closed permanently if more than two suspensions occur within a 12-month period. Only the Army Level 2 A/OPC may approve waivers to this policy.

5-7. Card Security

a. CHs are responsible for properly using and safeguarding their GPC. CHs must take appropriate precautions comparable to those taken to secure personal checks, credit cards, or cash. CHs must maintain the physical security of the card to prevent compromise. The card should never be surrendered, except when the account is going to be cancelled. Additionally, the account number should not be released to anyone other than the vendor processing the transaction.

b. Lost or stolen cards. The CH must promptly report lost, stolen, or compromised cards to the issuing bank, BO, and Level 4 A/OPC. The servicing bank will immediately block the account from

accepting additional charges.

c. Only the designated CH has authority to make purchases with their GPC. The card is not to be used as a company card (e.g., during a CH's absence, someone other than the CH borrows the card to make a purchase). Use of a GPC by multiple persons is prohibited.

d. In addition to corrective or disciplinary action, military personnel who misuse their GPC may have their access to classified information modified or revoked if warranted in the interest of national security. Commanders and supervisors will follow Army guidance to ensure that security clearance reviews are conducted if the CH comes under investigation for card misuse.