

# 10-1. Policy and Use

a. Convenience checks provide activities with the flexibility to issue checks for payment of supplies and services to support mission needs when the vendor doesn't accept payment by GPC. Convenience checks may be used for purchases when supplies or service are available for delivery or completion within 15 days, whether at the contractor's place of business or at destination.

b. DoD policy has a goal to decrease convenience check usage on an annual basis. The Army does not receive rebates or retain dispute rights on convenience check purchases. The authority to maintain a convenience check account will be justified on an individual organization basis and controlled and monitored by the organization's CCO. The number of convenience check accounts per installation must be kept to a minimum. Convenience check accounts are available only to organizations that maintain active GPC accounts in good standing.

c. Convenience checks should only be used when the vendor does not accept the GPC. Convenience checks may not be used to avoid the normal GPC payment process. Before a check is issued, the paying agency must make every effort to use the GPC, including making maximum efforts to find and use merchants that accept the GPC.

## d. **Restrictions.**

1) Checkwriters must not use checks for employee reimbursements, cash advances, cash awards, travel-related transportation payments, or meals.

2) Convenience check purchases must not require detailed specifications or an inspection report.

3) Convenience checks should not be used for recurring payments.

4) Convenience checks must not be used as a method of payment against existing contract instruments.

5) Checks will not be issued as an "exchange-for-cash" vehicle to establish cash funds. If merchants issue credits or refunds by cash or check, the funds must be immediately credited to the account against which the purchase was originally made.

6) The same purchase prohibitions that apply to the GPC apply to convenience checks.

e. **Micro-purchase Threshold.** The MPTs for convenience checks are half of the open market and contingency MPTs. See Table 1-2. Splitting payments across multiple checks is prohibited if the total requirement will exceed the applicable convenience check MPT. Checkwriters may use checks for purchases in support of declared contingency events up to the applicable convenience check MPT.

f. **Processing Fee.** Convenience checks should be written for the exact payment amount. The payment amount for a check does not include the servicing bank's administrative processing fee. The check processing fee is added by the servicing bank during processing of the transaction, and the addition of the processing fee is not considered a split requirement. Checkwriters should ensure that the total funds obligated include both the payment amount and the processing fee. The convenience check MPT is for the payment amount of the good or service, which does not include the processing fee (e.g., a check may be written up to \$5,000; the processing fee is accounted for separately and is charged separately on the billing statement).

g. **Security and Oversight.** Convenience checks are negotiable instruments and must be stored in a locked container, such as a safe or locking filing cabinet. Checks must be accounted for appropriately to prevent loss, theft, or potential forgery. Convenience check accounts must be reviewed annually by a disinterested party and not the A/OPC.

h. Convenience checks are pre-numbered, and their use is controlled with a separate convenience check purchase log for each account. Check purchases are reconciled just as other GPC transactions, as a part of the monthly statement billing cycle in the servicing bank's EAS. Checkwriters must retain copies of voided checks through the carbon copy or photocopy the original check as a part of their file documentation.

i. **Disputes.** The normal GPC dispute process is not applicable to convenience checks. Concerns over a check purchase must be resolved directly with the merchant. The checkwriter is responsible for securing credits or resolving problems with the merchant. Each organization is responsible for all checks written on an account, unless it is determined fraud is involved. In some cases, payments can be stopped on a convenience check that has been written if the check has not yet been posted to an account. To stop payment on a check, the checkwriter must call the servicing bank's customer service department to receive instructions on processing the action.

**Parent topic:** [Chapter 10 - Convenience Checks and Foreign Draft Checks](#)