

# CHAPTER 14 - PROHIBITED AND RESTRICTED PURCHASES

- a. Cardholders must contact their A/OPC or other local authority (e.g., legal advisor, HCA, or resource manager) before making purchases that seem questionable or have the appearance of being inappropriate. When buying questionable items or services, CHs must include approval documentation in the purchase file.
- b. All exceptions must be on a per transaction basis after consultation with the A/OPC, legal counsel, HCA, SCO, CCO, or resource manager. Multiple requests for the same exception must be approved by the Level 3 or 4 A/OPC responsible for issuing the GPC accounts. There may be exceptions to the guidance in this section. For example, the armed escort of prisoners may be a legitimate use of the GPC even though “escort services” qualify as a prohibited transaction. CHs must include the results of their consultations and determination to use the GPC with their transaction supporting data.

**Parent topic:** [Appendix - EE DEPARTMENT OF THE ARMY GOVERNMENT PURCHASE CARD OPERATING PROCEDURES](#)

## 14-1. Authorized Purchases

- a. An authorized purchase satisfies a current mission-related need at a fair and reasonable price that meets all legal and regulatory requirements. It meets the following five criteria:
  - 1) **Lawful.** Purchase is funded and authorized by law or regulation, and the requested item/service fits the appropriation which is being used. See 48 CFR 13.301(a) and 31 USC 1301(a).
  - 2) **Legitimate Government Need.** Request is for official purposes and not for the personal benefit of a government employee.
  - 3) **Bona Fide Need (Current Year Appropriation).** Request is for the need of the current year of the appropriation. This rule does not prevent maintaining a legitimate inventory at reasonable and historical levels. See 31 USC 1502.
  - 4) **Minimum Needs of the Government.** Request should not exceed what is truly required. See FAR 11.103(c)(1).
  - 5) **Fair and Reasonable Price.** Price charged is fair to both parties, considering the quality and timeliness of performance and delivery. Micro-purchases may be awarded without seeking competitive quotes if the CH or BO considers the price to be reasonable. Cardholders should obtain multiple quotes if they suspect that the price is not reasonable or if buying a supply/service for which no comparable pricing is readily available. See FAR 13.203(a)(3).
- b. **Funding.** Funds must be committed and obligated prior to purchase. BOs must ensure that sufficient funds are obligated within the financial system before providing approval to the CH to make the purchase. CHs must screen the purchase request to verify the BO has approved the requirement to make the purchase. For CHs who use GFEBS, a purchase request with sufficient funding must have L4 approval before the card is swiped.

c. **Contract Payments.** If a valid procurement requirement has resulted in the award of a government contract, the GPC may be used as a method of payment against the contract, even if the acquisition would otherwise be for a GPC prohibited item.

## **14-2. Unauthorized Commitments and Ratification**

a. An unauthorized commitment (UAC) is defined by FAR 1.602-3(a) as “an agreement that is not binding solely because the Government representative who made it lacked the authority to enter into that agreement on behalf of the Government.” See AFARS 5101.602-3-90. The only individuals who can bind the Government are warranted contracting officers, ordering officials, and cardholders acting within the limits of their delegated authority. The primary factor in determining whether a purchase is considered a UAC is contracting authority. CHs have this authority from their appointment letter. When an individual without contracting authority initiates a purchase, it is considered a UAC. The designated CH is the only person authorized to make purchases with a GPC.

b. Payment for goods or services accepted for an UAC may be made only through the ratification process. Payment cannot be made unless a Contracting Officer has awarded a contract or an authorized GPC holder acting within his or her delegation of authority has ordered the item(s).

### **c. Examples of Unauthorized Commitments.**

- 1) The Army receives services/supplies in which a properly executed funding document and an authorized procurement method (e.g., contract, BPA, or GPC) was not established prior to the Government ordering the services/supplies.
- 2) Someone other than the CH contacts a vendor and asks them to provide supplies or perform work, without the CH’s knowledge and without prior approval of the billing official.
- 3) An individual without contracting authority orders supplies or services.
- 4) CH orders supplies or services exceeding their procurement authority.
- 5) A vendor mistakes a request for information as an order, ships the item, the receiver does not realize it is an improper order and accepts the item rather than rejecting and returning the item.
- 6) A contractor continues to perform a service contract or provide leased/rented equipment after the expiration date of the contract. This situation frequently occurs on yearly services/maintenance/lease-type contracts for which there is a continuing need.
- 7) An individual makes a commitment for continuation of services over and above the original scope and dollar amount, or delivery of supplies under an expired contract, purchase order, or delivery order.
- 8) An individual makes a commitment which exceeds the call order limit on a BPA.
- 9) A person who does not have delegated authority makes a commitment under a BPA.

### **d. Common Reasons for UACs.**

- 1) Failure to plan procurement needs far enough in advance to utilize normal contracting procedures.

- 2) Encountering emergency program requirements and not believing there is enough time to go through normal procurement procedures.
- 3) Failure to expeditiously review, approve, and transmit procurement requests to the Procurement Office.
- 4) Failure to perform extensive market research before taking an action.
- 5) Government officials not understanding the parameters of their actual authority or lack thereof.
- 6) Government official not understanding that agreeing to an option presented by a contractor could be an unauthorized action if it creates more work or expense.

e. **Ratification Process.** AFARS 5101.602-3-90 outlines the Army process for ratifying an unauthorized commitment. The Government accepts liability through ratification. When an A/OPC identifies a potential unauthorized commitment, the A/OPC must contact the local contracting office to initiate the ratification process.

f. **Payment of Properly Ratified Claims with the GPC.** After the UAC is ratified, the payment of the ratified claim may be made through an appropriate contract action (e.g., award of a contract, modification to a contract, purchase order, GPC). After ratification, the GPC may be used to satisfy the commitment if the amount of payment is within the cardholder's authority. If the outstanding charges have already been paid in error with the GPC prior to the discovery of the UAC, the UAC is being processed for ratification only and the supporting documentation is loaded in the bank's EAS.

## 14-3. Prohibited Transactions

The following list identifies supplies and services that are prohibited from purchase with the GPC.

- a. **Aircraft fuel and oil.** The Air card is the appropriate procurement method.
- b. **Auto Insurance for Government-owned vehicles.**
- c. **Bail and Bond Payments.**
- d. **Betting, casino gaming chips, and off-track betting.**
- e. **Cash advances, including money orders and travelers' checks.**
- f. **Court costs, alimony, and child support.**
- g. **Dating and escort services.**
- h. **Equal Employment Opportunity (EEO) settlements.**
- i. **Equipment, Systems, and Services Using Covered Telecommunications Equipment or Services as a Substantial Component or Critical Technology.** FAR 13.201(j)(1) prohibits use of the GPC to "procure, obtain, or extend or renew a contract to procure or obtain, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as a critical technology as part of any system, unless an exception applies or a waiver is granted."

j. **Fines.** Use of the GPC to settle a commercial or governmental fine is generally prohibited.

k. **Foreign currency.**

l. **Gift Certificates and Gift Cards.** Buying gift certificates and cards is generally prohibited. Gift certificates and gift cards are considered cash advances and must not be purchased with the GPC, even to obtain items from merchants that do not accept the GPC. As with cash and near-cash, gift certificates and gift cards are prohibited because they are easily misappropriated, and the award of gift certificates or gift cards requires the submission of 1099 reports in accordance with IRS regulations. The Army is required to file a form 1099-MISC for payments to individuals totaling more than \$600 in a tax year.

m. **Perfluorooctane Sulfonate (PFOS) or Perfluorooctanoic Acid (PFOA) Containing Items.** Cardholders must not procure any covered items that contain PFOS or PFOA. Covered items include (1) nonstick cookware or cooking utensils for use in galleys or dining facilities; and (2) upholstered furniture, carpets, and rugs that have been treated with stain-resistant coatings.

n. **Personal use Purchases.**

o. **Pharmaceuticals.** Pharmaceuticals must be purchased through the DLA supply system.

p. **Repair of leased GSA vehicles.** The fleet card is the appropriate method for these repairs.

q. **Salaries and Wages.**

r. **Savings bonds.**

s. **Supplies or Services from military personnel or civilian employees** (e.g., when Government employees are acting as vendors).

t. **Taxes.** Use of the GPC for personal tax payments is prohibited because personal expenses cannot be charged to the GPC. As a Federal Government entity, DoD is exempt from paying most taxes to any other Federal, State, or local authority. (Some states, like New Mexico, levy taxes the Federal Government must pay.) For more information, see the GSA State Tax Exemption Information for Government Charge Cards.

u. **Tax on Certain Foreign Procurements.** CHs will not use the GPC as a method of payment or purchase when a contract instrument contains FAR Clause 52.229-12, unless DFARS Clause 252.229-7014 is also present. In certain circumstances, the Government must withhold a two percent excise tax on foreign payments to vendors to comply with the FAR and IRS regulations. The GPC does not provide a method to accomplish this withholding. As a result, the GPC is prohibited from being used.

v. **Telecommunication Systems.** Use of the GPC to purchase major telecommunication systems, such as Federal Telecommunications System or Defense Switched Network (DSN) systems, is prohibited. A contract vehicle is required because such purchases include special terms and conditions. DFARS 239.74 governs DoD's acquisition of telecommunications.

w. **TikTok.** In accordance with FAR 13.201(k), the prohibition in FAR 4.2202 on use of a ByteDance covered application ("TikTok") applies to purchases at or below the MPT where the performance of the contract may require the presence or use of a covered application (e.g., where social media advertising services might be part of the procurement), unless an exception is granted.

x. **Video Surveillance Cameras.**

y. **Wire transfers.**

## 14-4. Restricted Transactions

The following list identifies supplies and services that are generally prohibited from purchase. Under the following conditions, the below items are allowable to purchase with the GPC.

a. **Advance Payments.** Advance payments are generally prohibited unless authorized by a specific appropriation or other law. See 31 USC 3324. Exceptions include but are not limited to subscriptions or training based on an SF 182, Authorization, Agreement, Certification of Training. Advance payments are authorized for Tuition Assistance in accordance with AR 621-5. Limitations on advance payments do not apply to advance payments authorized by law for subscriptions or publications. Advance payment is authorized in 31 USC 3324(d)(2) for “charges for a publication printed or recorded in any way for the auditory or visual use of the agency.” CHs must place subscription orders in the name of an organization or a position title (e.g., Building Manager or Director, XXX Division) rather than in the name of an individual employee. CHs must retain the renewal notice or a statement that reflects the beginning and ending date of the subscription service.

b. **Business Cards.** Commercial printing of business cards is prohibited. Cardholders may use the GPC to order business cards from AbilityOne and National Industries for the Blind.

c. **Bottled Water.** Bottled water is generally prohibited. Cardholders may use the GPC to buy water when potable drinking water is not available on the premises or when the drinking water currently provided or available on the premises is harmful if consumed. Cardholders must obtain approval from their legal advisor prior to purchase and include approval documentation in the purchase file. (B- 247871, B-324781, B-310502, and B-318588)

d. **Coins.** Cardholders may use the GPC to buy coins in accordance with the specified policy in HQDA memo, Policy for the Procurement and Presentation of Coins, dated 14 December 2016.

e. **Commercial Unmanned Aerial Systems.** Use of the GPC to purchase commercial unmanned aerial systems (e.g., “drones”) is prohibited in the DPCAP 15 August 2018 memorandum titled “Government-Wide Commercial Purchase Card Prohibited Purchases.” See DPCAP 1 March 2019 memo titled “Limited Exception to the General Government Wide Commercial Purchase Card Unmanned Aerial Systems Purchasing Prohibition.”

f. **Conference Registration Fees.**

1) **Local In-person Training Conference.** Cardholders should use the GPC to pay the registration fee. Attendance may require conference approval from chain of command and legal office.

2) **Conference that Requires Official Travel.** Cardholders may use a GPC for a standalone, advanced payment of the registration fee. Attendance may require conference approval from chain of command and legal office.

3) **Virtual Training Conference.** Cardholders should use a GPC to pay the registration fee. Conference approval is not required per AR 1-50, 1-8.

g. **Food, Meals, and Refreshments.** In general, CHs may not use appropriated funds to purchase

items considered personal expenses, such as food, meals, and refreshments without specific authority. Provided you have specific authority, there may be limited exceptions that permit a CH to purchase food. Additional information regarding acceptable food purchases is available in the GAO publication, "Can Your Agency Use Appropriated Funds for Meals and Light Refreshments?" When purchasing food, CHs may use the GPC to buy disposable serving materials (e.g., paper plates and napkins, plastic forks). **Written legal and A/OPC approval is required for all food purchases and must be included in the purchase file. The below list identifies exemptions under which food may be allowable if approved by the command and legal counsel. This list is not all-inclusive.**

**1) Nongovernmental Meeting or Conference.** Cardholders may use GPC to pay for food if the cost of food is a non-separable portion of a registration or attendance fee that covers attendance and meals. CH may also use the GPC if food is necessary to obtain full benefit of the meeting or conference (B-233807, Aug. 27, 1990). Criteria used in determining if an agency may pay for food for an employee attending a nongovernmental meeting or conference:

- i. Meals and refreshments are incidental to the meeting or conference,
- ii. Attendance at the meal or when refreshments are provided is important to ensure the employees' full participation in the meeting or conference, and
- iii. The meal and refreshments are part of a formal conference or meeting that includes not just the meal and refreshments and, discussions or speeches that may take place when the meal and refreshments are served, but also substantial functions separate from when the food is served.

**2) Agency Paying for Food for an Employee Attending a Government-Sponsored Conference.** Cardholders may use the GPC if food is necessary to obtain full benefit of the conference and the conference involves matters of topical interest to multiple agencies and/or nongovernmental participants. Also, without statutory authority to charge a fee and retain the proceeds, the host agency may not charge a registration or other fee to defray the costs of providing food (B-198471, May 1, 1980, and B-288266, Jan. 27, 2003). Criteria used in determining if an agency may pay for food for an employee attending a government-sponsored meeting or conference:

- i. Meals and refreshments are incidental to the meeting or conference,
- ii. Attendance at the meal or when refreshments are provided is important to ensure the employees' full participation in the meeting or conference, and
- iii. The meal and refreshments are part of a formal conference or meeting that includes not just the meal and refreshments and discussions or speeches that may take place when the meal and refreshments are served, but also substantial functions separate from when the food is served.
- iv. In addition, the meeting or conference may not be a routine meeting that involves the day-to-day operations of the government.

**3) Agency Hosting a Formal Conference.** Cardholders may use the GPC if the conference includes registration, published substantive agenda, and scheduled speakers; the food is a legitimate conference expense; and the conference involves matters of topical interest to multiple agencies and/or nongovernmental participants. Also, without statutory authority to charge a fee and retain the proceeds, the host agency may not charge a registration or other fee to defray the costs of providing food (B-300826, March 3, 2005). Criteria used in determining when an agency, as host, may pay for food at a formal conference:

- i. Meals and refreshments are incidental to the formal conference,
- ii. Attendance at the meal or when refreshments are provided is important for the host agency to ensure attendees' full participation in essential discussions and speeches concerning the purpose of the formal conference, and
- iii. The meal and refreshments are part of a formal conference that includes not just the meal and refreshments and discussions or speeches that may take place when the meal and refreshments are served, but also substantial functions separate from when the food is served.

**4) Light Refreshments at Government-sponsored Conferences.** The agency sponsoring the conference may use the GPC to provide light refreshments on breaks at Government-sponsored conferences only for Government employees on travel orders (TDY status). Use of GPC to buy refreshments for non-Government employees or for Government employees not on travel orders is prohibited.

**5) Agency Hosting a Focus Group.** Cardholders may use the GPC if the focus group advances a specific statutory mission; the participants are federal employees; and the expenditure contributes materially to the achievement of the specific statutory function (B-304718, Nov. 9, 2005).

**6) Routine Agency Meeting Held to Discuss the Internal Day-to-Day Operations of the Government.** Cardholders may use GPC if the meeting is held at an outside facility, and the cost of food is included, at no extra charge, in the fee for the conference space (B-281063, Dec. 1, 1999).

**7) Training.** Cardholders may use GPC if participation in the meal is necessary to obtain the full benefit of the training (39 Comp. Gen. 119 (1959)). Sponsoring agency may serve refreshments/meals at training where the food is necessary to achieve the objectives of the training program. The food must be incidental to the training, and the event must meet the definition of training in 5 USC 4101(4). Attendees would fail to complete the training if they missed the meal.

**8) Award Ceremony.** Cardholders may use GPC if the recipients will be publicly recognized, and the authorized agency official has determined that food advances the recognition of the awardee. Sponsoring agency may serve light refreshments at award ceremonies honoring individuals recognized under a Civilian Employee Incentive Award Program. Use of GPC to pay for refreshments at the following types of ceremonies is prohibited: retirement, promotion, graduation, recurring quarterly recognition, commanders' call, PCS, and longevity (65 Comp. Gen. 738 (1986)).

**9) Cultural Awareness Ceremony.** Cardholders may use GPC if the food is part of a formal program intended to advance EEO objectives and make the audience aware of the cultural or ethnic history being celebrated. The food must be a sample of the food of the culture and be offered as part of the larger program to serve an educational function (B-301184, Jan. 15, 2004).

**10) Official Representational Funds (ORF).** Cardholders may use the GPC to extend official courtesies, including meals and refreshments, to authorized guests in accordance with AR 37-47 or appropriate agency regulations. The GPC must be dedicated solely for use of ORF expenditures. For example, ORF may be used to purchase food in support of Employer Support of Guard and Reserve (ESGR) for official reception, representation, and advertising activities authorized in DoDI 7250.13, 10 USC 2241(c), and ESGROI 7000.1.

**11) Chaplain-led Programs.** Cardholders may use the GPC to buy food in support of chaplain-led programs to assist members of the Armed Forces and their immediate family members in building and maintaining strong family structures. Allowable expenses include the cost of transportation,

food, lodging, supplies, fees, childcare, and training materials for members of the Armed Forces and their immediate family members, including participation at retreats and training conferences (10 USC 1789(b) and AR 165-1).

**12) Yellow Ribbon Reintegration Program (YRRP).** Use of the GPC may be authorized for purchases in support of YRRP events (e.g., meals/refreshments, childcare) for eligible individuals when the purchase is considered a “necessary expense” in carrying out the statutory requirement of the program established under Public Law 110-181 Section 582. See DoDI 1342.28; JTR 031902; 37 USC § 4811 and 37 USC § 452(b)(15); OUSD Memo “Use of Appropriated Funds for the YRRP” dated 7 Jul 2010; and Chief National Guard Bureau Manual 1801.01.

**13) Recruiting Activities.** Cardholders may use the GPC for purchases in compliance with Army Regulation (AR) 601-2, Army Recruiting Support Programs Chapter 5-2. See National Guard Regulation 601-1 para. 9-10., Army National Guard Strength Maintenance Program. Per 10 USC § 520c: Recruiting functions: provisions of meals and refreshments, funds appropriated to the Department of Defense for recruitment of military personnel may be expended for small meals and refreshments during recruiting functions for the following persons:

- i. Persons who have enlisted under the Delayed Entry Program authorized by section 513 of this title.
- ii. Persons who are objects of armed forces recruiting efforts.
- iii. Persons whose assistance in recruiting efforts of the military departments is determined to be influential by the Secretary concerned.
- iv. Members of the armed forces and Federal employees when attending recruiting functions in accordance with a requirement to do so.
- v. Other persons whose presence at recruiting functions will contribute to recruiting efforts.

**14) Field Studies Program (FSP).** Cardholders may use the GPC for the Field Studies Program to pay for administrative program costs and actual event execution costs below the micro-purchase threshold. DoD training activities may pay for expenditures in support of the Field Studies Program IAW DoDI 5410.17, AR 12-15, SECNAVINST 4950.4B, and AFI 16-105, including but not limited to, food and meals, supplies for International Military Student lounges such as coffee, tea, and condiment kits, admission to authorized venues, rental of event space, hiring of tour guides as well as other authorized support services during FSP field trips. See AR 12-15, Chapter 11-30a(2).

**15) Emergency Requirements.** CHs may use the GPC to purchase food in emergency circumstances where the provision of food is incidental to the protection of human life or Federal property (B-189003, July 5, 1977). This exception applies in authorized emergency conditions that clearly present an imminent danger to human life and/or destruction to federal property and it was necessary to have employees assist in the emergency response and/or maintain the essential functions of the office for an extended period (53 Comp. Gen. 71 (1973) and B189003). Emergency circumstances do not include situations where employees are merely required to remain on duty beyond their regular working hours, even if required to remain on duty for a 24-hour period (B-185159, Dec. 10, 1975). Further, emergency circumstances do not include situations merely involving inclement weather (68 Comp. Gen. 46 (1988)). Food is unauthorized in an event where personnel were not engaged in activities to prevent imminent danger to human life or Federal property but were only investigating a dangerous situation which had already occurred. Food purchases for this exception will depend on the facts and circumstances present in each case.



Occupations such as those of policeman, firemen, security guards, are often required to be performed under emergent and dangerous conditions and this fact alone does not warrant departure from general rule against payment for employees' meals from appropriated funds (B-185159, December 10, 1975).

**h. Fuel.**

- 1) **Fuel for Special Purpose Vehicles.** Cardholders may use GPC for fuel for special purpose vehicles such as a forklift, tractor, lawn mower.
- 2) **Fuel for Rental Vehicles.** Cardholders may use GPC for fuel for vehicles rented 30 days or less for official purposes, when not in a TDY status. If in TDY status and need to purchase fuel for the rental vehicle, requester must use a Travel card.
- 3) **Fuel for Army NAF-owned Vehicles.** Cardholders may use GPC for NAF vehicle refueling in accordance with NAF vehicle refueling policy requirements in the JTR and DFAS 4200.2-1.
- 4) **Fuel for Personally owned Vehicles.** GPC is prohibited. Requester must use travel card.
- 5) **Fuel for GSA Fleet vehicles.** GPC is prohibited. Requester must use the GSA Fleet card.
- 6) **Fuel for Vehicles owned or leased by DoD.** Requester should use the DoD Fleet card.
- 7) **Bulk Fuel.** Requester should use the Logistics Fuel Card (LOGFUEL). The fuel may also be purchased via contract.

i. **Gift Funds** in support of Army donor program where nonappropriated funds are permitted. Gift Fund purchases must each have a supporting legal review uploaded in the bank's EAS. Gift Fund programs must operate in accordance with AR 1-100 and donor intent while following their local Gift Fund standard operating procedure. The A/OPC will check uploaded purchase documents to ensure the supporting legal review is attached while monitoring program compliance.

**j. Lodging in Kind (LIK) and Subsistence in Kind (SIK).**

- 1) The GPC is the preferred method to purchase and pay for LIK/SIK requirements below the MPT on dedicated LIK/SIK cards.
- 2) The requiring activity must coordinate LIK/SIK requirements with their respective contracting activities early in the acquisition planning process to decide if a contract or the GPC is the appropriate method of procurement. The requiring activity's contracting office will determine the proper procurement method. If the GPC is deemed the appropriate procurement method, the contracting office will forward the requirement to the appropriate CH to make the purchase. If the appropriate procurement method is determined to be a contract or BPA, the contracting office should establish or utilize a contract/BPA. The contracting office will determine if the GPC will be used as a method of payment.
- 3) The Army will identify recurring GPC LIK/SIK requirements on an annual basis and, where appropriate, put these acquisitions into contract vehicles or BPAs.
- 4) See the [Army LIK/SIK Standard Operating Procedures \(SOP\)](#) for detailed guidance.

**k. Long-term Lease of Land and Buildings.**

1) Lease of real property (i.e., land and/or buildings) for a term longer than 30 days is prohibited.

2) Lease of real property for a term shorter than 30 days is permitted.

**l. Professional Credentials.** Per 5 USC 5757, an agency may use appropriated funds or funds otherwise available to the agency to pay for expenses for employees to obtain professional credentials, including expenses for professional accreditation, state-imposed and professional licenses, and professional certification; and examinations to obtain such credentials. The authority under subsection

(a) may not be exercised on behalf of any employee occupying or seeking to qualify for appointment to any position that is excepted from the competitive service because of the confidential, policy-determining, policymaking, or policy-advocating character of the position.

**m. Recreational Events.** Cardholders using appropriated funds cannot pay for recreational events with the GPC. NAF CHs using non-appropriated funds may pay for recreational events with the GPC.

**n. Subscriptions.** Advance payment is authorized in 31 USC 3324(d)(2) for “charges for a publication printed or recorded in any way for the auditory or visual use of the agency.” CHs must retain the renewal notice or a statement that reflects the beginning and ending date of the subscription service. CHs must purchase mission-related subscriptions to magazines, journals, and technical data in the name of the agency only rather than in the name of an individual employee. Advance payments are authorized for subscriptions to prevent disruptions in service. Subscriptions must not have an automatic renewal at the end of the subscription period. Before leaving their role, CHs should notify their BO and A/OPC so that the subscription may be cancelled or transferred to another account as appropriate.

**o. Tires.** Cardholders may use [FedMall’s Global Tires Program](#) contract.

**p. Travel Advances, Claims, or Expenses.** Only the Government Travel Charge Card is to be used for individual official travel-related expenses. All travel-related expenses (e.g., metro fares, taxi, bus fares, automated toll tools, and parking fees) are processed in accordance with the JTR. For travel-related expenses, the GPC may be used only to place orders and/or make payments against contracts awarded by warranted Contracting Officers.

**q. Vehicle-related expenses.** These expenses are generally paid with the travel or fleet cards. CHs may use GPC when the travel or fleet card is inappropriate, e.g., NAF and Air Force vehicles. Use of the GPC to purchase repairs on GSA fleet-operated vehicles is prohibited.

**r. Vehicle Rental.** Cardholders may use the GPC for short term vehicle rental (less than 90 days) from a commercial vendor 1) if vehicles are not available from the installation’s motor pool and 2) use of GSA Short Term Rental program is not feasible. The total rental cost must be below the MPT. See AR 58-1 for guidance on maintenance and lease of vehicles.

**s. Weapons, Ammunition, and Explosives.** Use of the GPC for purchases of these items is generally prohibited. As controlled DoD commodities, weapons, ammunition, and explosives are assigned to the Army (see DFARS 208.70), which has contracting responsibility to supply all DoD Components with weapons, ammunition, explosives, and other commodities listed in DFARS PGI 208.7006. DoD Components are to submit their commodity requirements via MIPR to the assigned Component in accordance with DFARS 208.7002 and DFARS PGI 208.7002-1. See Chapter 16 for exceptions to policy. CHs may purchase ceremonial knives and swords provided they meet all the following conditions:

- 1) Do not have a sharpened blade – must not be sharpened for use as a weapon.
- 2) Used for change of command, military retirements, drills, Honor Guard, ceremonies, displays, cake cutting, etc.
- 3) Not for personal use.
- 4) Kept on hand for use in appropriate ceremonies.

## 14-5. Split Purchases

a. A split purchase is the intentional breaking down of a known requirement to stay within a CH's single purchase limit or the MPT to avoid other procurement methods or competition requirements. Split purchases are prohibited with the GPC (FAR 13.003(c)(2)). Direct requirements exceeding the MPT to the contracting office. Cardholders and A/OPCs should check with their legal advisor if unsure whether a proposed purchase would be considered split.

b. The requirement is the total quantity and price known at the time of purchase. If a CH purchases as they become aware of a requirement, the requirement is each purchase. If a CH consolidates purchases and buys once a day, the requirement becomes what was received during that day.

c. Examples of split purchases include, but are not limited to, the following:

- 1) A single CH making multiple purchases from the same merchant on the same day, the total of which exceeds the single purchase limit, and the total requirement was known at the time of the first purchase.
- 2) A single CH purchasing the same/similar item(s) from multiple merchants on the same day, the total of which exceeds the single purchase limit, and the total was known at the time of the first purchase.
- 3) A single CH making multiple purchases of similar items from the same or multiple merchants over a period of time when the total requirement was known at time of the first purchase and the value exceeds the single purchase limit.
- 4) Multiple CHs under the same supervision or BO purchasing the same/similar item(s) the same day or in a compressed timeframe when the total requirement is known at a given time and exceeds the single purchase limit.
- 5) Requirements exceeding the MPT (e.g., requirements for monthly recurring services, in which the monthly payment is less than the applicable services MPT, but the known yearly total exceeds the MPT).

d. **What is not a Split Purchase.** Sometimes transactions appear like a split purchase, but they do not meet the definition and are allowable to purchase with the GPC. See common examples below:

- 1) Multiple purchases to the same vendor which do not exceed the single purchase limit or MPT.  
**Example.** A CH makes two separate \$100 purchases from the same vendor on the same day. This situation is not a split purchase because the combined total of \$200 is below the MPT.
- 2) Multiple purchases to the same vendor when the CH purchases as requirements are received.

**Example.** A CH receives a \$6,000 purchase request on Monday. He obtains funding and approval and places the order. On Wednesday, the CH receives a purchase request from the same customer to buy additional items from the same vendor for \$5,000. He obtains funding and approval and places a second order to the same vendor. This situation is not a split purchase, because the CH was unaware of the second request when he made the initial purchase.

## 14-6. Merchant Authorization Controls (MAC)

a. The servicing bank provides Merchant Authorization Controls (MAC) in the form of Merchant Category Codes (MCC) and Merchant Category Code Groups (MCCG). MCCs and MCCGs categorize merchants by the goods and services they provide. They are used within the servicing bank's card processing system to authorize or decline purchase transactions based on controls established for each GPC account. An MCC is a four-character numeric code with a corresponding description that reflects the merchant's primary business. An MCCG is a logical grouping of MCCs.

b. **Merchant Category Code (MCC).** A code assigned by the merchant's bank to categorize each merchant according to the type of business in which the merchant is engaged and the kinds of supplies or services provided. These codes are used as authorized transaction codes on a card/account to identify the types of businesses providing authorized supplies or services. DPCAP maintains the list of DoD-wide blocked MCC codes. The servicing bank uses MasterCard's MCCs to categorize merchants based on the types of goods or services they provide. When an A/OPC adds MCCs to a Cardholder or Managing Account profile, it enables that specific account to make purchases from vendors categorized under that MCC.

c. **Tier 1 MCCs.** The servicing bank has placed a hard block on merchants with Tier 1 (Very High Risk) MCCs. The bank will decline all attempted transactions from vendors with these MCCs. Tier 1 MCCs may be unblocked upon approval by the Level 2 A/OPC, on a case-by-case basis. All purchases from merchants associated with Tier 1 MCCs will generate a data mining case in IOD.

Table 14-1: Tier 1 Hard Block Merchant Category Codes

Code	Description
4829	Money/Wire Transfer - Money Orders
5960	Direct Marketing Insurance Services
5962	Direct Marketing - Travel Related Services
6010	Financial Instructions - Manual Cash Disbursements
6011	Financial Instructions - Automated Cash Disbursements
6012	Merchandise and Service - Custom Financial Institution

6051	Quasi Cash - Merchant
6211	Securities - Broker and Dealers
6532	Payment Service Provider - Member Financial Inst. - Payment Trans. (M/C Only)
6533	Payment Service Provider - Merchant - Payment Transaction (M/C Only)
7012	Timeshares
7273	Dating Services
7276	Services - Tax Preparation
7297	Massage Parlors
7800	Government-Owned Lotteries
7801	Government-Licensed On-Line Casinos (On-Line Gambling)
7802	Government-Licensed Horse/Dog Racing
7995	Gambling Transactions
8651	Political Organizations
8661	Religious Organizations
9211	Court Cost Including Alimony and Child Support
9222	Fines
9223	Bail and Bond Payments
9311	Tax Payments
9401	I-Purchasing Pilot
9406	Government Owned Lottery (Specific Countries)

d. **Tier 2 MCCs.** Tier 2 MCCs are considered high risk, and their blocking can be customized within the servicing bank. Level 3 A/OPCs may authorize purchase from vendors with Tier 2 MCCs on a case-by-case basis. Purchases from merchants associated with these MCCs will not automatically generate a case in IOD. A complete list of Tier 1 and 2 MCCs are located at [DoD Tier 1 and 2 MCC Codes](#).

e. **MCC Blocking.** MCC blocking is a designation attached to an account, which prevents a specified MCC group from being charged (e.g., casinos, pawn shops). The blocking is established by attaching a merchant authorization control to a cardholder and/or managing account. If authorized MCCs are attached and set to approve, then non-authorized MCCs are effectively blocked. If non-authorized MCCs are attached and set to decline, then those MCCs are blocked and all other MCCs are effectively authorized.

f. **Requests to Override an MCC Block.** When requesting to override an MCC block, the CH or BO must provide the following information to the A/OPC.

- 1) Merchant name and address
- 2) Item/service description
- 3) Exact dollar amount of the transaction
- 4) Estimated date of the purchase
- 5) CH name and last four digits of the card account number
- 6) Justification for the purchase
- 7) Description of efforts to locate a source other than the merchant with the blocked MCC
- 8) Blocked MCC, if known

The Level 4 A/OPC will forward the request to the appropriate higher-level A/OPC for approval. Upon approval, the Level 4 A/OPC will update the merchant authorization control in the CH account to allow the transaction to process. The CH asks the vendor to resubmit the charge. After the transaction has processed, the Level 4 A/OPC will reapply the merchant authorization control to the CH account.

g. **Erroneous MCCs.** When a GPC transaction is declined due to an erroneously identified code, the CH must contact the servicing bank to determine what code is necessary to complete the transaction with the declining merchant. The BO and CH should contact the A/OPC to discuss a change to the CH's merchant authorization controls. Appropriate authorization is required when Tier 1 or Tier 2 MCC is the concern.

## 14-7. Detainees and Obligations under the Geneva

# Convention

The GPC is an authorized tool to procure items in support of detainee operations with the consultation of their A/OPC and legal office. Under the articles of the Geneva Convention, the US is obligated to provide certain standards of care to persons in the custody of the U.S. Armed Forces, often referred to as detainees. Personal items purchased in support of detainee operations is thereby authorized in accordance with the Geneva Convention. These items may include but are not limited to the following:

- 1) Personal clothing items/footwear
- 2) Medical care
- 3) Quarters
- 4) Food/food preparation
- 5) Items in support of religious, social, recreational, educational and intellectual activities

Prior to purchasing these items, the cardholder must consult with their legal and A/OPC. To obtain more information on detainee operation please refer to AR 190-8 and Articles 89, 90 91, 93 and 94 of the Geneva Convention IV.