



## DEPARTMENT OF THE NAVY

NAVY MEDICINE EAST  
620 JOHN PAUL JONES CIRCLE  
PORTSMOUTH, VIRGINIA 23708-2106

NAVMEDEASTINST 4200.1

M8

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### NAVY MEDICINE EAST INSTRUCTION 4200.1

Subj: REQUISITIONING SUPPLIES USING THE GOVERNMENT-WIDE  
COMMERCIAL PURCHASE CARD PROGRAM (GCPC)

Ref: (a) EBUSOPSOFFINST 4200.99

Encl: (1) Internal Operating Procedures  
(2) Purchase Card Log  
(3) Micropurchase Worksheet

1. Purpose. To provide guidance on policies and procedures regarding the use of the GCPC.
2. Cancellation. HLTHCARESUPPONORINST 4200.1C
3. Policy. The purchase card shall be used to purchase supplies and services for official government use in accordance with reference (a). The purchase card shall be used to buy and/or pay for all requirements under the micro-purchase threshold of \$3,000. It must be used either as a procurement method or method of payment for micro-purchases. Enclosure (2) of reference (a) contains a list of items for which use of the purchase card is prohibited.

a. The purchase card may be used to order directly from Government required sources (e.g., GSA, Federal Prison Industries, Defense Automated Printing Service (DAPS), etc.) as well as outside vendors. Purchase cardholders must screen all requirements for their availability from the statutory sources. Those sources include Federal Prison Industries, the Javits-Wagner-O'Day (JWOD) Program, and the Government Printing Office. Whenever feasible, purchases should be made through the GSA program. When not feasible (e.g., GSA out of the product, another source offers a better price, time constraints, not carried by GSA, etc.), documentation should be included on purchase card log. The purchase card is also used to fund training. Any furniture purchased from a source other than the

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Federal Prison Industries (Unicor) must include Unicor's waiver in the cardholder's documentation.

b. Cardholders shall not split requirements over the micro-purchase threshold to avoid the competition requirements or break down requirements merely to make several purchase card transactions. Splitting requirements in that manner is an improper use of the purchase card. In addition, cardholders must rotate micro-purchase requirements among qualified suppliers to the maximum extent practicable.

c. The purchase card shall only be used for authorized U.S. Government purchases. Intentional use of the GCPC for other than official Government business will be considered an attempt to commit fraud against the U. S. Government and may result in immediate cancellation of an individual's purchase card and further disciplinary action. The cardholder will be held personally liable to the Government for the amount of any non-government transaction. Under 18 U.S.C. 287, misuse of the purchase card could result in a fine of not more than \$10,000 or imprisonment for not more than five years or both. Military members who misuse the purchase card may be subject to court martial under 10 U.S.C. 932, UCMJ Art. 132. Further guidance is provided in reference (a).

#### 4. Definitions and Responsibilities

a. Agency Program Coordinator (APC). The individual designated by the Chief of Staff who shall have overall responsibility for the development, management, administration, and day-to-day operations of the purchase card program. The APC ensures program personnel are properly appointed, trained, and are capable of performing their respective duties. Ensures that Approving Official and purchase cardholder profiles are appropriate for the mission. Ensures that appropriate action is taken when local reviews reveal non-compliance, misuse, and/or abuse and utilizes reports available through the ad hoc reporting tool with the bank system to proactively monitor the program.

b. Approving Official (AO). Also known as the Certifying Officer (CO), ensures that all purchases accomplished by the cardholders within his/her cognizance are appropriate and the charges accurate. Verifies supporting transaction documentation on all card accounts prior to certifying the monthly invoice. Notifies the APC of any suspected unauthorized purchases. Ensures proper receipt, acceptance, and inspection is accomplished on all items being certified for payment. Physical validation of proper receipt and acceptance is required by the AO. Certifies the monthly invoice within 5 days of end of billing cycle. Issues a letter of delegation to all cardholders under his/her purview.

c. Billing Cycle. The billing cycle is the 30-day billing period during which cardholders may use their purchase card. For this command, the billing cycle ends on the 19th of the month.

d. Billing Cycle Purchase Limit. The spending limit assigned each cardholder's cumulative purchases and transactions within a given billing cycle.

e. Cardholder. Any Government employee who is designated by the Chief of Staff or his/her designee to be issued a purchase card. The purchase card bears the name/account number of this individual. The cardholder ensures proper and adequate funding is available prior to any purchase card action. Screens all requirements for their availability from the mandatory Government sources of supply. Purchases only mission essential requirements at card statement to ensure that all charges are proper and accurate, then forwards the statement to the AO with appropriate supporting documentation (i.e., sales slips, documentation of receipt and acceptance, etc.). Follows the appropriate procedures for *pay and confirm* and or disputes as described in the Purchase Card Desk Guide and ensures that proper separation of function is occurring for each purchase card transaction.

f. Commonly Used Hazardous Materials (HAZMAT). For the purpose of this instruction, commonly used HAZMAT means hazardous materials or products that are customarily sold to the general public (commercial products). Examples of those materials or products include those required on a routine basis

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to meet daily operational needs such as batteries, toner cartridges, etc.

g. Disputes. Instances where transactions on the cardholder's statement do not agree with entries in the log or retained receipts. This may include circumstances where the cardholder did not make the transaction, the amount of the transaction is incorrect, or the quality or service is an issue.

h. Purchase Card Log. A manual or automated log (enclosure (2)) in which the cardholder documents screening for mandatory government sources and individual transactions using the purchase card. Entries in the purchase card log should be supported by internal command documentation (i.e., enclosure (3), the government purchase cardholder worksheet). The purchase card documentation should provide an audit trail supporting the decision to use the card and any required special approvals that were obtained.

i. Merchant Category Code (MCC). A four-digit code assigned to a participating purchase card vendor based on its industry classification. APCs can limit cardholder transactions by type of merchant by blocking out certain categories of vendors for use by activity cardholders.

j. Monthly Cardholder's Statement. The statement of charges at the end of the billing cycle detailing all of the charges during that period.

k. Monthly Billing Statement. The monthly billing statement is the official invoice for payment purposes which is provided to the AO. The billing statement identifies all of the purchase card transactions of his/her cardholders during a billing cycle.

l. Services. For the purposes of this instruction, services are firm-fixed priced (including unpriced orders with an established ceiling), non-personal, commercially available requirements in which the Government directly engages the time and effort of a contractor to perform a task (e.g., repairs, maintenance, annual maintenance agreements, etc.).

m. Single Purchase Limit. The dollar threshold assigned to each cardholder for a single transaction.

n. Reconciliation. The process by which the cardholder and his/her AO review the monthly statements, reconcile against available vendor receipts and purchase card log and authorize payment of those charges provided on the monthly billing/cardholder statements.

o. Transaction Type. The transaction type is the method by which an order is placed when using the purchase card. Purchase card buys may be made over-the-counter, over the phone, or via the internet.

5. Managing Department of Navy Purchase Card Program

a. Delegation of Contracting Authority. The Chief of Staff shall personally delegate contracting authority to each potential cardholder. A Letter of Delegation or Certificate of Appointment shall be used to delegate micro-purchase authority or authority to use the purchase card as a method of payment under \$3,000. Each document shall specify the following information: single purchase limit (for open market and government sources of supply); billing cycle purchase limit; transaction type; and limits, if any, on use as a method of payment. The APC and AOs should also have letters of delegation outlining the duties and responsibilities of each position.

b. Establishing Appropriate Authority. It is the responsibility of the APC to ensure that each AO and cardholder has an appropriate grant of authority to satisfy mission requirements. Cardholder accounts should be established which recognize applications for the card other than for micro-purchases (i.e., DAPS, training, method of payment). The cardholder limit should reflect the variety of use accordingly. In addition, cardholders and AOs should be made aware of account limits and be aware of procedures to revise account limits as functions change.

c. Training Requirements. Prior to issuance of a purchase card, all prospective cardholders and AOs must receive training in DON policies and procedures as well as local internal operating procedures. The APC, AOs, and cardholders must complete the appropriate role based DON eBusiness Computer Based

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Training and the Defense Acquisition University (DAU) Computer Learning Center DoD Government Purchase Card Tutorial. Refresher training is required at least every two years.

d. Cardholder's Contracting and Account Limitations

(1) Single Purchase Limit. Each cardholder's purchase card account and delegation of authority document shall include a single purchase limit, a limit for the use of the purchase card as a method of payment (in accordance with reference (a)), and a limit for all other uses limited to this command's authorized contracting authority.

(2) Billing Cycle Purchase Limit (30-day Limit). Each cardholder's account and delegation of authority shall include his/her billing cycle purchase limit.

6. Other Required Uses of the Purchase Card

a. DoD Printing Requisition/Order (DD Form 282)

(1) All printing or duplication procurement is strictly controlled and must be forwarded to Defense Printing (DAPS) which is the authorized agency for DON printing services. Additionally, the Under Secretary of Defense (Comptroller) has mandated that all requests for printing placed with DAPS be funded with the purchase card.

(2) The appropriation block of the DD Form 282 will reflect the purchase cardholder's name and telephone number.

c. Once DAPS completes the printing request, the cardholder will be called to furnish his/her purchase card account information for billing purpose.

b. Training (DD 1556). The purchase card shall be used as a method of payment to pay for training requirements valued at \$25,000 and below. When using the DD 1556, the cardholder's name and telephone number should be typed on the form.

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7. The Agency Program Coordinator will review this instruction annually.



PETER F. O'CONNOR  
Chief of Staff

Distribution: (NAVMEDEASTINST 5215.1)  
Cardholders  
Approving Officials

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INTERNAL OPERATING PROCEDURES (IOP)  
FOR GOVERNMENT PURCHASE CARD (GPC) USE

1. Purpose. To provide guidance on policies and procedures regarding use of the government purchase card.
2. Policy. The purchase card shall be used to make open market purchases and services not to exceed \$3,000 and construction not to exceed \$2,000 in accordance with EBUSOPSOFFINST 4200.99. In addition, cardholders must use required sources such as JWOD and Unicor and must rotate micro-purchase requirements among qualified suppliers to the maximum extent possible.
3. Using the Purchase Card
  - a. Prior to making an award, the cardholder must:
    - (1) Ensure that **sufficient funds are available**.
    - (2) Screen all requirements for their availability from the statutory sources of supply, i.e., JWOD/Unicor. Make sure the purchase isn't a prohibited item (listed in enclosure (2) of EBUSOPSOFFINST 4200.99).
    - (3) Document the solicitation information (price and delivery quotation) received from the vendor on the Micropurchase Worksheet. Maintain a Purchase Card Log.
    - (4) Have order approved in writing by cardholder's approving official.
    - (5) Have "funds available" annotated on the order by the comptroller or his/her designated representative.
  - b. Making an Award with the purchase card may be accomplished as follows:
    - (1) Over-the-Counter. The cardholder can go to the vendor's location or place of business to make the purchase.

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(2) By Phone. The cardholder can call the vendor and order the supplies. The contractor can then deliver the supplies or prepare the order for government pick-up if authorized.

(3) Via the Internet. Cardholders may place orders via the internet. When purchasing/ordering via the internet, cardholders should ensure that appropriate account safeguarding measures are taken. User identification, authentication, and encryption of data are important factors to consider in safeguarding cardholder information.

c. Whether the purchase is made over-the-counter, by phone, or via the internet, the following applies:

(1) Regardless of the method in which the cardholder uses his/her purchase card, the cardholder is responsible for safeguarding the security of the purchase card and account information. The card bears the cardholder's name and may only be used by him/her to purchase authorized supplies or services in accordance with EBUSOPSOFFINST 4200.99.

(2) To protect the integrity of the process, a minimum two-way separation of functions is required when using the purchase card (i.e., the cardholder makes the purchase, but the Administrative Support Department accepts the merchandise). If the cardholder is picking up the material at the contractor's location, the receipt should be signed by the cardholder's approving official.

(3) Merchants should be instructed not to charge sales tax. The tax ID number for the purchase card is the first six digits of each cardholder's number.

(4) Pay and confirm procedures are used in instances where cardholders have been billed but have not yet received the item ordered. The cardholder shall confirm with the vendor that the items ordered are in transit and reconcile the monthly statement in full anticipation that the supplies will be received within the next billing cycle. The cardholder shall track the transactions that have not been received and pay the invoice in full. If the supplies are not received within the

next billing cycle, the cardholder will then dispute the item using dispute procedures outlined in EBUSOPSOFFINST 4200.99, page 2-8. In addition, pay and confirm procedures include damaged items received, which are still under warranty, where the contractor confirms that he/she will replace, modify, or repair within the next billing cycle.

(5) Cardholders shall retain any documentation received from the vendor as this will later be used to verify the transactions shown on the cardholder statement. This may include a charge slip, cash register receipt, packing list, etc. If, for some reason, the cardholder does not have documentation of the transaction, an explanation will need to be attached to the statement during the reconciliation process. In addition, APCs, AOs, and cardholders must maintain purchase-related records (e.g., purchase card logs, requisitions, etc.) for a minimum of three years and financial records (e.g., invoices, statements, etc.) for six years and three months.

(6) Purchase cardholders are **not** authorized to purchase hazardous materials (HAZMAT) except for those which are commonly used (such as toner cartridges) per EBUSOPSOFFINST 4200.99, page 5-7. All purchases of HAZMAT including those commonly used shall comply with the following procedures:

(a) The cardholder must comply with established local base or activity procedures for the procurement and use of HAZMAT. Such procedures shall, at a minimum, require screening the respected material against the activity's Authorized Use List (AUL) and approval by the designated HAZMAT official of a contractor-provided Material Safety Data Sheet (MSDS).

(b) The cardholder shall make available the appropriate MSDS to the product user.

(c) The cardholder shall notify the HAZMAT coordinator of receipt of hazardous materials.

(d) If the HAZMAT official approves the purchase, the cardholder should instruct the vendor that change in the material approved under this purchase is not permitted and the

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shipping container must be labeled in accordance with direction in the Hazard Communication Standard (29CFR 1910.1200-et. Seq.).

(7) Un-priced services may be obtained using the purchase card only when the cardholder can establish, in communication with the vendor, a ceiling price that will not be exceeded by the vendor. This authority is limited to services in which the commercial marketplace sets the market prices for services and those market prices are identified in the cardholder documentation along with the established ceiling price (e.g., copier repair, fax machine repair, etc.).

d. Receipt and Acceptance. It is the cardholder's responsibility to verify receipt of all transactions. The cardholder must certify that the quantity and quality of items furnished are in accordance with the agreement with the vendor. If receipt documentation is not available, the cardholder must contact the end-user to obtain verification that the supplies or services have been received. The purchase card log must be annotated to indicate that proper receipt and acceptance has been accomplished.

e. Reconciling Purchase Card Accounts

(1) Cardholder

(a) At the end of each monthly billing cycle, the cardholder shall reconcile the transactions appearing on his/her monthly statement by verifying their accuracy against cardholder records. Within five days of receipt, the cardholder shall review all information on the monthly statement, verifying charges, credits, outstanding disputes, and refunds. If the cardholder fails to review the monthly statement, including annotating any discrepancies, disputing improper charges, or signing and forwarding it to the AO within the five day period, the AO shall presume that all charges are proper and certify the monthly invoice for payment, using the bank's web-based program (currently Citidirect).

(b) The purchase cardholder must notify the AO in writing within five days of receipt of the monthly statement if there are discrepancies in the statement. The cardholder is

ultimately responsible for purchase card transactions being proper and for notifying the AO of any information he/she has knowledge of that impacts on the propriety of certifying the monthly invoice for payment. If transactions or credits are not included on the current statement, the cardholder must retain the applicable documentation until the transaction or credit appears and can be reconciled. The cardholder must then sign the statement, attach all supporting documentation, and forward the package to his/her AO.

(c) If the cardholder is unable to review the statement at the time it is certified, the AO or, if he/she is also unavailable, the APC, is responsible for reviewing and certifying the cardholder's monthly statement. The cardholder, upon his/her return, will review the monthly statement and resolve any discrepancies with the AO.

(2) Approving Official

(a) The AO is responsible for ensuring that all purchases made by the cardholder(s) within his/her cognizance were appropriate and the charges accurate. He/she must resolve all questionable purchases with the cardholder. In the event an unauthorized purchase is detected, the AO must notify the APC. After review, the AO will sign the cardholder's monthly statement of account and maintain the documentation. In addition, the AO is also responsible for certifying the monthly invoice resulting from the purchases/transactions of the cardholders within his/her account structure.

(b) The AO is responsible for reviewing and certifying the monthly purchase card invoice within five days of receipt from the cardholder using the bank's web-based program (currently Citidirect).

5. Request, Authorization, Agreement, Certification of Training and Reimbursement (DD Form 1556)

a. The purchase card is the authorized method of payment for all commercial training requests using the DD Form 1556. This form is authorized for costs associated with individual and group attendance at training under the following conditions:

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(1) The training is an off-the-shelf event, conference, or instructional service available to the general public and priced the same for everyone (i.e., price per student, course, program, service, or training).

(2) The DD Form 1556 has purchase card information cited in block 27.

6. DoD Printing Requisition/Order (DD Form 282)

a. All printing or duplication procurement is strictly controlled and must be forwarded to Defense Printing (DAPS) which is the authorized agency for DON printing services. Additionally, the Under Secretary of Defense (Comptroller) has mandated that all requests for printing placed with DAPS be funded with the purchase card.

b. The appropriation block of the DD Form 282 will reflect the purchase cardholder's name and telephone number.

c. Once DAPS completes the printing request, DAPS will call the cardholder to furnish his/her purchase card account information for billing purposes.

7. Internal Review. Semi-annual reviews completed by the Reviewing Official shall consist of an evaluation of local operating procedures, internal management controls, and a transactional review. A copy of the report shall be provided to the activity Officer in Charge and the APC. The APC will provide the Level III APC with a copy of the report. The reporting periods shall encompass the months of April through September and October through March. Further guidance is provided in EBUSOPSOFFINST 4200.99, pages 1-22, 1-23.



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Government Purchase Card Holder Worksheet

Requisition Date: \_\_\_\_\_ Requisition No. \_\_\_\_\_

Purpose: \_\_\_\_\_

Is material available through: NIB/NISH  Yes or  No FPI:  Yes  No

(If YES is checked for either source, you must attach a justification or market analysis for not using the source.)

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Delivery Date: \_\_\_\_\_

FOB: Destination \_\_\_\_\_ Shipping Charges \$ \_\_\_\_\_

Item \_\_\_\_\_ Description \_\_\_\_\_

Price is determined to be fair and reasonable: \_\_\_\_\_

Cardholder's Signature \_\_\_\_\_

| Department         | Approval/Authorization Signature | Date  |
|--------------------|----------------------------------|-------|
| Departmental       | _____                            | _____ |
| Funds Available    | _____                            | _____ |
| Funds Authorized   | _____                            | _____ |
| Approving Official | _____                            | _____ |
| IT Approval        | _____                            | _____ |
| Officer in Charge  | _____                            | _____ |

**N6890805MDCH** \_\_\_\_\_ \$ \_\_\_\_\_

Quantity \_\_\_\_\_ U/I \_\_\_\_\_ Unit Price \_\_\_\_\_ Total Cost \_\_\_\_\_

Shipping Charges (If Applicable): \_\_\_\_\_

Total Charge Amount: \_\_\_\_\_

Enclosure (3)