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NAVSUPPACT NAPLES INST 4200.8E
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NAVSUPPACT NAPLES INSTRUCTION 4200.8E

From: Commanding Officer, U.S. Naval Support Activity, Naples, Italy

Subj: GOVERNMENT COMMERCIAL PURCHASE CARD (GCPC) PROGRAM

Ref: (a) NRCD Naples ltr 4200 Ser 40B/0278 of 7 Jan 07
(b) NAVSUPINST 4200.99
(c) Commanding Officer Desk Guide
(d) Agency Program Coordinator (APC) Desk Guide
(e) Approving Official (AO) Desk Guide
(f) Cardholder Desk Guide

Encl: (1) GCPC Program Internal Operating Procedures

1. Purpose. To establish command responsibilities and procedures for the proper management of the GCPC Program.

2. Cancellation. NAVSUPPACT NAPLES INST 4200.8D.

3. Background. The Department of the Navy issued a task order under the General Services Administration (GSA) SMARTPAY contract to obtain commercial purchase card services from the approved financial institution to allow civilian and military government employees to make purchases for official government use. Reference (a) granted U.S. Naval Support Activity (NAVSUPPACT) Naples, Italy authority to use the purchase card up to the micro-purchase limit of $3,000 for supplies and for service and construction procured Outside the Continental United States (OCONUS), and as such not subject to the Service Contract Act (service) and the Davis Bacon Act (construction). For service and construction procured in Continental United States (CONUS), the micro-purchase threshold limit remains $2,500 and $2,000, respectively. Reference (a) granted additional authority up to $25,000 for local purchases or up to $100,000 on existing Indefinite Delivery Type Contracts for cardholders (CH) who have completed the required training.

4. Policy

a. The policy of NAVSUPPACT Naples is to maximize the use of the purchase card, which is intended to streamline procurement and payment procedures, and reduce the administration associated with the traditional methods of purchasing supplies and services. NAVSUPPACT Naples employees hold a public trust, and their conduct must meet the highest ethical standards. Purchase cards will be used to obtain only supplies and services required for official U.S. Government business. Approving Officials (AOs) and CHs acknowledge that making false statements on purchase card records may be grounds for removal from federal service. All GCPC purchases shall be made within the limits outlined herein, and per the Federal Acquisition Regulation (FAR), Part 13, the Defense FAR Supplement (DFARS), Part 213, the Navy Acquisition Procedures Supplement (NAPS), 5213, the GSA SMARTPAY Contract, reference (b), and the Internal Operating Procedures described in enclosure (1).

b. The purchase card is embossed with the individual CH's name. No other person may use it. It is a distinctly designed card, identified "For Official Use Only" and bears the Great Seal of the United States. This card must not be used for personal purchases or for purchases prohibited under the GCPC program.

c. A CH who makes an unauthorized purchase will be liable to the U.S. Government for the total dollar amount of the unauthorized purchase. GCPC accounts may be terminated at the Installation Business Manager's discretion if any misuse is suspected. The CH may be subject to additional disciplinary action for unauthorized or careless use. Intentional use of the credit card for other than official government business will be considered an attempt to commit fraud against the U.S. Government, and will result in immediate cancellation of an individual's credit card account, and disciplinary action. Misuse of the purchase card could result in a fine, imprisonment, or both, as stated in Section 1001, Title 18, United States Code.

d. The purchase card is used for over-the-counter, telephone, and internet transactions. Only over-the-counter purchases require that the card be presented to the merchant. For security

purposes the CH will retain all purchase cards in his/her custody in a secure locked area, preferably a safe, and issue the card when required for over-the-counter purchases.

e. NAVSUPPACT Naples, Italy, will not be liable for any unauthorized use of the GCPC.

5. Discussion. Enclosure (1) is issued to ensure the command GCPC Program is in compliance with the guidelines set forth in references (a) through (f).

R. B. RABUSE

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U.S. NAVAL SUPPORT ACTIVITY NAPLES, ITALY

GOVERNMENT COMMERCIAL PURCHASE CARD

(GCPC)

INTERNAL OPERATING PROCEDURES

(IOP)

U.S. NAVAL SUPPORT ACTIVITY, NAPLES, ITALY INTERNAL OPERATING PROCEDURES FOR THE GOVERNMENT COMMERCIAL PURCHASE CARD (GCPC) PROGRAM

TABLE OF CONTENTS

	Title	Page
1.	General	2
2.	Establishing Local Accounts	14
3.	Internal Processes	16
4.	Restrictions on the Use of the Purchase Card	30
5.	Unauthorized Use of the Purchase Card	31
6.	Lost or Stolen Cards	31
7.	Billing Errors and Disputes	32
8.	Card Security	33
9.	Training	33
10.	Other Procedures	34
11.	Disciplinary Guidelines	37

Attachments

Attachment (A)	Sample Approving Official Appointment Letter	A1
Attachment (B)	Sample Alternate Approving Official Appointment Letter	B1
Attachment (C)	Sample Cardholder Nomination Letter	C1
Attachment (D)	Sample Cardholder Delegation Letter	D1
Attachment (E)	List of Prohibited and Special Attention Items	E1
Attachment (F)	Sample Letter for I.V.A. Tax	F1
Attachment (G)	GCPC Worksheet	G1
Attachment (H)	Fair & Reasonable Price Determination	H1
Attachment (I)	Logbook	I1

1. General

a. The Department of Navy (DON) has issued Task Order (#0003) under the General Services Administration (GSA) SMARTPAY Contract (#GS-23F-98006) to obtain purchase card services from the approved financial institution. These internal operating procedures (IOP) provide guidance on the appropriate use of the purchase cards by U.S. Naval Support Activity Naples, Italy (NAVSUPPACT) personnel. The policy of NAVSUPPACT Naples is to use the purchase card as either a procurement method or a method of payment for all supplies and services at or below the micro-purchase threshold of $3,000 for supplies and for service and construction procured OCONUS, and as such not subject to the Service Contract Act (service) and the Davis Bacon Act (construction). For service and construction procured in CONUS, the micro-purchase threshold limit remains $2,500 and $2,000 respectively. With additional training, this limit can be extended up to $25,000 for overseas purchases only, and the purchase card can be used as a payment method up to $100,000 for Type I Firm Fixed Price Delivery/Task Orders against Federal Supply Schedules (FSS), GSA Contracts, and Indefinite Delivery Type Contracts (IDTC). All purchases must be accomplished per the Federal Acquisition Regulation (FAR), Part 13, the Defense FAR Supplement (DFARS) 213, the Navy Acquisition Procedures Supplement (NAPS) 5213, NAVSUPINST 4200.99, the GSA contract for the GCPC and these IOPs. NAVSUPPACT Naples Cardholders (CH) shall only use the purchase card for authorized purchases per these internal operating procedures. A CH who makes an unauthorized purchase will be liable to the U.S. Government for the total dollar amount of the unauthorized purchase. NAVSUPPACT Naples will not be liable for any unauthorized use of the GCPC.

b. Definitions

(1) Agency Program Coordinator (APC). The APC is the individual designated by the Commanding Officer (CO) or Head of Activity (HA) who shall have overall responsibility for the management, administration and day-to-day operations of the activity purchase card program. The APC should not be an Approving Official (AO) or purchase CH.

(2) Approving Official (AO). The AO is responsible for pre-approving purchase requests, reviewing, and verifying the

monthly purchase card statements of the CHs under his/her purview. The AO must verify that all purchases were necessary and for official government purposes per applicable directives. Unless otherwise specified, the AO must also be the Certifying Officer for his/her CHs. In that capacity, he/she must certify the transactions in the Bank's monthly billing statement. These will be done electronically and payment will be forwarded electronically to the Bank. The AO will normally be the CH's immediate supervisor or be in the direct line of authority of the CH. Under no circumstances shall a CH be his/her own AO. Each AO must have a designated alternate.

(3) Alternate Approving Official (AAO). The individual, who in the absence of the AO, is responsible for reviewing and verifying the monthly purchase card statements of the CHs under his/her purview. The AAO must verify that all purchases were necessary and for official government purposes per applicable directives. Unless otherwise specified, the AAO, in the absence of the AO, must also be the Certifying Officer for his/her CHs. In that capacity, he/she must certify the transactions in the Bank's monthly billing statement. These will be done electronically and payment will be forwarded electronically to the Bank.

(4) Bank. The bank is the GSA contracted financial institution, currently Citibank. For purposes of this instruction and future directives, "Bank" or "financial institution" are synonymous.

(5) Billing Cycle. The billing cycle is the 30-day billing period in which CHs may use their purchase card. For DON, the billing cycle ends on the 19th of the month.

(6) Billing Cycle Purchase Limit. The Billing Cycle Purchase Limit is the spending limit assigned to each CH's cumulative purchases and transactions within a given billing cycle. The CH's limit will be specified in the CH's nomination request and appointment letter, and will be entered in the Bank's database by the APC. The limit can be adjusted to meet mission requirements at the request of the AO.

(7) Cardholder (CH). The CH is any government employee who is designated by the Head of Activity or designee to be issued a purchase card or purchase card account. The purchase

card bears the name/account number of this individual. Purchase CHs should not hold positions within the command where the APC, AO or others can exercise undue influence over his/her actions as a purchase CH.

(8) Commonly Used Hazardous Material (HAZMAT). For the purpose of this instruction, commonly used HAZMAT means hazardous materials or products approved for use by the NAVSUPPACT Naples Hazardous Material Program Manager that are customarily sold to the general public to be used for non-governmental purposes (commercial products) which are in the same size and packaging found commercially and subject to procedures found later in this instruction. Examples of those materials or products include those required on a routine basis to meet daily operational needs, such as lubricants, batteries, toner cartridges, detergents, etc. All HAZMAT must appear on the Authorized Users List (AUL), and should only be purchased by a Supply Department Control Division CH from the Hazardous Minimization Center (HAZMINCENTER).

(9) Credit Limit. The Credit Limit is the maximum dollar threshold assigned at the AO/billing level, limiting the amount an account can have outstanding at any one time. The bank typically sets the amount at double the corresponding billing account's 30 day limit.

(10) Disputes. Disputes are instances where the transactions on the CH's statements do not agree with entries in the log or retained receipts that are presented to the issuing bank for resolution. This may include circumstances where the CH did not make the transaction, the amount of the transaction is incorrect, or the quality or service is an issue.

(11) Government Commercial Purchase Card (GCPC). The GCPC is a GSA-contracted purchase card that is used by authorized government personnel to buy and pay for supplies and services in support of official government business. For purposes of this instruction and future directives, "purchase card" or "GCPC" are synonymous.

(12) Head of Activity (HA). For the purposes of this instruction, HA is the military officer in command or the civilian executive in charge of the mission of a DON command or activity that has been granted contracting authority by the

cognizant Head of Contracting Authority and has overall responsibility for managing the delegation and use of this authority by personnel under his/her command.

(13) Head of Contracting Authority (HCA). The HCA is the official at one of the 23 DON components listed at DFARS 202.101 and NAPS 5202.101 (e.g. COMNAVSUPSYSCOM, COMNAVAIRSYSCOM, etc.) who has overall responsibility for managing contracting authority within his/her contracting chain of command. The HCA is responsible for the delegation, redelegation and use of contracting authority including use of the purchase card by DON commands, DON activities and DON personnel under his/her contracting cognizance.

(14) Merchant Category Code (MCC). A four-digit code assigned to a participating purchase card vendor based on his/her industry classification. APCs can limit CH transactions by type of merchant by blocking out certain categories of vendors for use by activity CHs.

(15) Micro-Purchase Threshold Limit. The micro-purchase limit is $3,000 for supplies and for service and construction procured OCONUS, and as such not subject to the Service Contract Act (service) and the Davis Bacon Act (construction). For service and construction procured in CONUS, the micro-purchase threshold limit remains $2,500 and $2,000 respectively. These dollar amounts will apply when this definition is used throughout this instruction.

(16) Minor Personal (Accountable) Property. Minor personal property refers to all items with an acquisition value equal to, or greater than $5,000, and other pilferable items (regardless of the unit dollar amount) designated by the Commanding Officer for which the Comptroller must maintain accountability records in the Defense Property Accountability System (DPAS). All purchases for minor personal property and capital assets must be identified prior to purchase and reported to the department minor property custodian upon receipt, who will forward to the Comptroller to update DPAS.

(17) 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 CHs during a billing cycle.

(18) Monthly CH Statement. The Monthly CH Statement is a statement of charges forwarded to the CH at the end of a billing cycle, detailing all of the charges during that period.

(19) Overseas $25,000 Purchase Authority. This is the increased purchase authority granted to CHs who have completed DAU CON 237 Simplified Acquisition Procedures training and have been warranted on a SF 1402 by the CO.

(20) Pecuniary Liability. Pecuniary Liability is the personal financial liability for fiscal irregularities of disbursing and certifying officers and accountable officials as an incentive to guard against errors and theft by others, and also to protect the government against errors and dishonesty by the officers themselves.

(21) Program Financial Analyst. The Program Financial Analyst is the individual responsible, in conjunction with each CH, to monthly reconcile Command Financial Management System (CFMS) bulk funding with the actual expenditures recorded in the official financial system Standard Accounting Reporting System (STARS). This process is required to ensure sufficient funds are available for subsequent purchases.

(22) Purchase Card. The purchase card is a GSA-contracted purchase card that is used by authorized government personnel to buy and pay for supplies and services in support of official government business. For purposes of this instruction and future directives, "purchase card" or "GCPC" are synonymous.

(23) Purchase Card Log. The Purchase Card Log is a spreadsheet on which the CH 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. request for procurement document, email request, etc.). The purchase card documentation should provide an audit trail supporting the decision to use the card and any required special approvals that were obtained. (See attachment I for sample)

(24) Reconciliation. Reconciliation is the process by which the CH/AO review their monthly statements, reconcile against available vendor receipts and purchase card log, and authorize payment of those charges provided on the monthly billing/CH statements.

(25) Services. As relating to NAVSUPINST 4200.99, services are firm-fixed priced (including un-priced orders with an established ceiling), non-personal, commercially available requirements in which contractor's time and effort is directly engaged to perform a task. (e.g. repairs, maintenance, annual maintenance agreements, etc.).

(26) Single Purchase Limit. Single Purchase Limit is the dollar threshold assigned to each CH for a single purchase/payment action.

(27) Split Purchase. A split purchase is the "intentional" breaking down of a known requirement to stay within the micro-purchase threshold or to avoid having to send the requirement to a contracting officer. The requirement is the quantity known at the time of the purchase. If a CH makes a purchase as he/she becomes aware of a requirement, the requirement is each separate instance. If the requirements are consolidated and purchases made once a day, the requirement becomes what was received during the day. If a CH has historically made purchases as requirements became known to him/her, even if he/she has the same requirement ordered twice in one day from the same vendor, that action is not necessarily a split purchase.

(28) 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.

(29) Unauthorized Use. The use of a purchase card by any person other than the CH whose name appears on the card, or use by a CH which exceeds their authority is unauthorized use.

c. Designation of Offices under Government Commercial Purchase Card Program

(1) The Commanding Officer will:

(a) Commit the resources necessary to assure success of the NAVSUPPACT Naples GCPC Program.

(b) Not tolerate misuse, abuse, and fraudulent use of the purchase card.

(c) Establish and publicize the penalties and consequences for inappropriate use of the purchase card.

(d) Designate the APC.

(e) Be responsible for support/sponsorship to all participants in the Purchase Card Program and periodically conduct Purchase Card Program management reviews.

(f) Ensure adequacy of internal controls and sufficient oversight of resources, and ensure appropriate administrative and disciplinary action is taken when fraudulent, improper, and/or abusive purchase card transactions are found.

(g) Ensure all program participants have received the required training per DoD and DON policy and procedures.

(h) Be cognizant of the guidelines "Commanding Officer's Top 10 Purchase Card Management Tips" outlined in reference (d).

(2) The Installation Business Manager (IBM) will:

(a) Be responsible for the overall management of the GCPC program, ensuring individuals in the program have no conflicts of interest, and that adequate checks and balances are in place.

(b) Provide financial guidance and training as required to each departmental Command Financial Management System (CFMS) users as to what accounting procedures each department should use for GCPC purchases.

(c) Work with the APC to ensure the funds approval process is streamlined to the maximum extent practicable.

(3) The Agency Program Coordinator (APC) will:

(a) Be appointed in writing by the CO.

(b) Be responsible for day-to-day oversight of the command's GCPC program, using guidance outlined in reference (d).

(c) Receive initial training on purchase card policy as well as refresher training every two years. Documentation of all training must be maintained for the duration the employee serves in that capacity and for three years beyond.

(d) Ensure all GCPC program participants are properly trained prior to establishing their accounts. Conduct refresher training, and maintain individual training records.

(e) Have the authority to sign CH appointment letters.

(f) Be responsible for AO and CH accounts, including the initial setup of appropriate spending limits and assignment of Merchant Category Codes, monthly maintenance of accounts, and discontinuance of accounts upon transfer of personnel or revocation of cards.

(g) Per NAVSUPINST 4200.99, perform monthly transactional reviews, as well as semi-annual reviews of every aspect of the program for the periods 1 October to 31 March and 1 April to 30 September. The results of the semi-annual reviews are to be reported up through the chain of command to Commander, Navy Region Europe (CNRE).

(h) Provide quarterly briefings as needed to the CO regarding the status of the program, including the number of cards, spending patterns, delinquency issues, and instances of fraud, misuse, or abuse.

(i) Keep abreast of latest DON NAVSUP policy letters and provide information and technical assistance to account holders, as required. Recommend new and revised procedures aimed at continuously improving program controls, processes and procedures.

(j) Function as the point of contact for the financial institution, resolving technical and/or operational issues, and taking appropriate action regarding delinquent accounts.

(k) Conduct audits of AO and CH accounts, focusing on, but not be limited to, a one hundred percent review of all CH purchases on a monthly basis searching for questionable transactions, the adherence to Internal Management Controls as specified in paragraph 3 of these IOP (Internal Operating Processes), the proper certification of invoices, and a review of CH logs and other documentation.

(l) Utilize reports from the Bank to accomplish the above actions.

(m) The APC should not be an AO or purchase CH.

(4) The Approving Official (AO) will:

(a) Be appointed in writing by the HA or APC and should be in the CH's direct chain of command. The AO is the program's first line of defense against misuse, fraud and abuse.

(b) File an annual Financial Disclosure Report OGE Form 450. If the AO is an Italian employee, he/she is not required to file, but is encouraged to do so.

(c) Become thoroughly familiar with assigned duties and responsibilities, and the pecuniary liabilities of a certifying officer. Use reference (e) as a guide to duties.

(d) Ensure proper use of the purchase card through approval of purchases and services for official government business valued at or below the appropriate threshold.

(e) Perform a one hundred percent review of their CH transactions as well as all transactions of interest using PAT prior to certification. Assist as necessary in the reconciliation of CH statements. (Note: AOs should not review/certify more than 150 transactions per month).

(f) Physically validate each CH transaction by signing receipts, contractor invoices, vouchers and other

documents covering transactions paid with the GCPC by CHs under his/her accounts within five working days of receipt of the AO Statement and forward to the Bank for payment. (Note: AOs shall not have more than a 1:7 account ratio).

(g) Ensure that a separation of functions exist between the CH making the purchase and the individual inspecting and receiving the purchases.

(h) Report any violations in procedures, questionable purchases, or payments discovered immediately in writing to the APC.

(i) Take appropriate action in coordination with Human Resources, Inspector General, Legal, APC, or Commanding Officer (Head of Activity) upon discovery of any improprieties.

(j) Notify the APC of all accounts that require closing and of any lost or stolen cards.

(k) Maintain all original supporting documentation for accounts when the CH has transferred, been reassigned or retired and the account is closed. Purchase-related records, such as purchase card logs, micro-purchase worksheets, requisitions, etc., are to be retained for a minimum of three years, and financial records, such as invoices, statements, financial paperwork etc., for six years and three months.

(l) To the greatest extent practicable, be the supervisor or be in the direct line of authority of the CH. Under no circumstances shall a CH be his/her own AO.

(m) Be responsible, upon his/her return from any absence, for reviewing any AO statement and supporting documentation certified by the Alternate Approving Official.

(5) The Alternate Approving Official (AAO) will:

(a) Be appointed in writing by the HA or APC.

(b) Become thoroughly familiar with assigned duties and responsibilities, and the pecuniary liabilities of a certifying officer. Use reference (e) as a guide to duties to perform in the absence of the AO.

(c) In the absence of the AO, perform a one hundred percent review of their CH transactions as well as all transactions of interest prior to certification. Assist as necessary in the reconciliation of CH statements. (Note: AAOs should not review/certify more than 150 transactions per month).

(d) In the absence of the AO, physically validate each CH transaction by signing receipts, contractor invoices, vouchers and other documents covering transactions paid with the GCPC by CHs under his/her accounts within five working days of receipt of the AO Statement. (Note: AO is still responsible for reviewing these documents upon his/her return).

(e) Ensure separation of functions exist between the CH making the purchase and the individual inspecting and receiving the purchases.

(f) Report any violations in procedures or questionable purchases or payments discovered immediately in writing to the Comptroller, the APC and the AO upon his/her return. The Comptroller and the APC will brief the Commanding Officer.

(6) The Cardholder (CH) will:

(a) Be appointed in writing by the APC when he/she has micro-purchase authority and be warranted by the CO on an SF-1402 when he/she has authority over the micro-purchase threshold limit.

(b) File an annual Financial Disclosure Report OGE Form 450, if he/she anticipates making annual purchases over $100,000. If the CH is an Italian employee, he/she is not required to file, but is encouraged to do so.

(c) Become thoroughly familiar with assigned duties and responsibilities, and the pecuniary liabilities of a CH. Use reference (f) as a guide to duties.

(d) Ensure funds are available for all purchases made, and that the purchase card is used for authorized official U.S. Government purchases only, and are not prohibited items.

24 NOV 2003

(e) Screen all requirements for their availability from the mandatory U.S. Government sources of supply.

(f) Purchase only mission-essential requirements at fair and reasonable prices from responsible suppliers.

(g) Maintain an automated purchase log that documents individual transactions and screening for mandatory U.S. Government sources of supply.

(h) Safeguard their purchase card and allow no other individual to use it for any purpose.

(i) Maintain all documentation to support purchases, and process payments within five (5) working days of statement closing date to minimize prompt payment penalties. This should include logging into the Bank's online system (per section 2 of reference (f)) periodically to review account transactions throughout the month and verify the accuracy of the charges. Notify the AO of any problems.

(j) Resolve disputes with vendors.

(k) Reconcile CFMS bulk funded account amounts with their Financial Analyst monthly, after invoice certification. This is to ensure that funds are reserved for continuing purchase actions that subsequent cycle.

(l) Access the Bank's online system daily and reallocate all of the new transactions promptly. This is vital in keeping accounting data accurate.

(m) Notify AO and APC of his/her possible rotation date (PRD) and any subsequent changes.

(7) All NAVSUPPACT Naples Department Heads will:

(a) Approve the assignment of their AOs and AAOs.

(b) Ensure AOs, AAOs, and CHs are trained as required and thoroughly familiar with these internal operating procedures (IOP) prior to assumption of GCPC duties.

(c) Ensure the APC is notified as personnel changes occur.

(d) Establish management controls within their departments to comply with the requirements in this instruction and its enclosure. Failure to provide proper oversight could result in suspension or closure of accounts.

(8) The Command Evaluation and Review Office will:

(a) Conduct a monthly review of the purchase card program to ensure that the APC is properly operating the program, management's internal controls are working, and local operating procedures are in compliance with program requirements. A report of the review will be submitted to the CO, with a copy provided to the Comptroller/IBM. The APC will initiate appropriate action to improve the local program, or correct specific problem areas.

2. Establishing Local Accounts

a. The APC for NAVSUPPACT Naples is the command POC for providing management and oversight for the NAVSUPPACT Naples GPCP. In addition, he/she is the command POC for establishing all purchase card accounts with the financial institution.

(1) Prior to establishing purchase card accounts for local command personnel, the APC will ensure that the prospective CH has received proper training in:

(a) Standards of conduct (Ethics).

(b) Defense Acquisition University's (DAU) Government Purchase Card course.

(c) The DON NAVSUP purchase card training (CD-ROM/Internet online).

(d) These Internal Operating Procedures (IOP).

(2) The CH will be nominated by the Approving Official in writing. A sample of the nomination letter is provided in attachment (C). A sample of the Delegation Letter is provided in attachment (D).

(a) After accepting the nomination, the APC will schedule training for the CH.

(b) Complete DAU GCPC training, DON NAVSUP purchase card training, and training on local procedures (contact APC for internal training requirements).

(c) Obtain a Letter of Delegation or Contracting Officer's warrant (SF 1402) from the APC, if necessary.

b. CH Account Limits. Use of the purchase card at NAVSUPPACT Naples is subject to a single purchase limit normally at the micro-purchase threshold limit, a monthly CH limit, and a monthly office limit. The purpose of these dollar limits is as follows:

(1) Single Purchase Limit. The single purchase limit is a limitation on the purchase authority delegated to the purchase CH by the HA or APC. This dollar limit cannot be exceeded unless a revised delegation of authority is issued to the CH raising his/her limit.

(2) Billing Cycle Purchase Limit. The billing cycle CH limit is the spending limit assigned to the purchase CH's cumulative purchases in a billing cycle.

(3) Billing Cycle Office Limit. The monthly billing cycle office limit is a budgetary limit established for each AO. The limit should be double the sum of the CH billing cycle purchase limit, and should reflect spending history as well as budgetary trends.

c. AO Accounts. Department Heads will nominate individuals to be AOs by memorandum or email to the Comptroller or APC. New AOs will obtain the Bank's application from the APC, and will provide the personal information required. The completed application, certificates of training, and an OGE Form 450 will be forwarded to the APC for submission to the Bank to establish the account. The APC completes the account set-up forms on-line or via hard copy. The APC must include the account hierarchy, the default line of accounting and the credit limits.

d. CH Accounts. New CHs will obtain an application from the APC, and after completing the personal information on the application, will submit it to his/her prospective AO. The AO will fill in the single purchase and billing cycle limits, and submit the application, the training certificates, and a written request to the APC. The written request will contain a statement that the issuance of the card is essential to meet mission requirements and shall identify the type and kinds of items that will normally be purchased and the single/monthly transaction limits anticipated for the new CH. The request will also state that the new CH has completed all required training and possesses the business acumen and judgment to act on behalf of the government. The APC will enter the CH information online into the Bank's system, and the card will be ordered. If the AO needs to change a CH's limit, a written request or email for the change with appropriate justification will be submitted to the APC. The APC will review the request, and make the change in the Bank's online system.

e. Appointment Letters. The APC will ensure that AO, AAO, and CH appointment letters are completed.

(1) The AO Delegation Letter will state the AO's billing cycle office limit, the AO's responsibilities as a Purchase Card Certifying Officer. A sample AO Appointment Letter is provided as attachment (A).

(2) The AAO Delegation Letter will state the AAO's billing cycle office limit, the AAO's responsibilities as a Purchase Card Certifying Officer. A sample AAO Appointment Letter is provided as attachment (B).

(3) The CH Delegation Letter will state their single purchase limit, monthly purchase limit, and authorized purchases. A sample CH Delegation Letter is provided as attachment (D).

3. Internal Process

a. Purchase Request. The purchase process begins when a request for material or services is presented to the GCPC CH. Normally the request will be made through an approved memo or an email. Verbal requests are prohibited. The CH will retain a copy of the initial request in the purchase file.

b. NAVSUPPACT Naples GCPC Worksheet. For all purchases up to the micro-purchase threshold limit, micro-purchase procedures apply. Upon receipt of the purchase request, the CH shall complete and sign a copy of the GCPC worksheet provided as attachment (G), along with signatures from the Program Analyst or Department OPTAR Keeper and AO. In completing the GCPC worksheet, the CH shall ensure the following reviews are performed:

(1) Mandatory Screening. As per NAVSUPINST 4200.85D, screening requirements of government sources of supply are mandatory. Mandatory sources include Federal Prison Industries (FPI or UNICOR), AbilityOne Program for National Industries for the Blind (NIB) and National Industries for the Severely Handicapped (NISH) products, and the Environmental Protection Agency for environmentally preferable products. Mandatory products may be researched at www.unicor.gov, www.abilityone.org, and www.epa.gov/cpg. The CH will document the purchase log and GCPC worksheet that mandatory screening has been performed. However, the use of required sources is not mandatory overseas. Purchases from the Navy Exchange are authorized, however, mandatory screening must be conducted first. The Navy Exchange is not considered a government source of supply.

(2) Prohibited Purchase Review. The CH will review attachment (E) to ensure that a requested item or service is not prohibited. Attachment (E) is a "Don't Buy" List. If the item is on the prohibited list, the purchase will not be made. If an item requires special approval per reference (c), the CH shall obtain the appropriate approval.

(3) Unique Requirements Review.

(a) Hazardous Materials (HAZMAT). Except for toner cartridges and small dry cell type batteries (such as AA, AAA,C, D, 9 volt, etc.) that are used for consumer electronics, GCPC CHs are not authorized to purchase HAZMAT. Supply Department CHs working for the HAZMINCENTER are so authorized. If an end user has a HAZMAT requirement, he/she will comply with the following procedures:

1. The end user will present his/her request to the HAZMINCENTER. If the material requested requires a local purchase, the HAZMINCENTER will screen the requirement against

an Authorized Use List (AUL) and verify the existence onboard of a Material Safety Data Sheet (MSDS).

2. If the material is on the AUL and an MSDS exists, the Supply Department CH may make the purchase, ensuring that the minimum quantity is procured.

3. If the material is not on the AUL, the CH cannot complete the purchase. The end user must then obtain written approval from the HAZMAT Program Manager to add the item to their AUL.

(b) Unpriced services. Unpriced services may be obtained using the purchase card only when the CH can establish, in communication with the vendor, a ceiling price that will not be exceeded. 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 CH documentation along with the established ceiling price (e.g. copier repair, fax machine repair, etc.).

(c) Minor Personal Property and Capital Assets. As defined in paragraph 1.b of this IOP (Definitions), per DoD and DON policy, Minor Personal Property and Capital Assets must be identified prior to purchase in order that the appropriate department minor property custodian can be immediately informed when the material is received, and he/she can forward the pertinent information to the Comptroller/MPP administrator to update the DPAS. To identify this material in advance, the CH will answer yes/no in the GCPC worksheet, so all "yes" items can be flagged, and reported upon receipt. Minor personal property includes all items with an acquisition value equal to, or greater than $5,000. It also includes all Information Systems equipment (accessory and auxiliary computer equipment, including Personal Digital Assistants (PDAs)), and all items categorized as pilferable items by the CO, such as cameras and accessories, cellular phones, stereo equipment, VCRs, televisions, binoculars, and portable radios.

(4) Single Purchase Limit and "Split Purchase" Review. As defined in paragraph 1.b of this IOP (Definitions), the micro-purchase threshold limit on a single purchase is usually $3,000, unless set at a lower value in the CH's Appointment Letter. The total dollar value of a single purchase may be comprised of

multiple items, but cannot exceed the authorized single purchase limit. The CH will determine the total requirement, and not "split" an order into two or more orders to avoid the micro-purchase limit. If the total requirement exceeds the micro-purchase threshold limit, a CH with higher procurement authority must make the purchase, or the appropriate Contracting Office can submit a requisition to the Supply Department Pronto Center, for purchase. AOs will ensure that requirements are not split between two or more CHs to avoid the single purchase limit.

(5) Billing Cycle Purchase Limit Review. The CH will ensure that the dollar value of the requested purchase will not cause him/her to exceed his/her assigned billing cycle purchase limit. If so, the purchase can not be made.

(6) Fair and Reasonable Price Review. Although micro-purchase procedures do not require the solicitation of competitive quotations, the CH will not make a purchase if the price appears to be unfair or unreasonable. If unsure whether a price is fair and reasonable, the CH can make price comparisons on the Internet, check hard copy catalog prices, or ask for oral or written quotes from at least two vendors.

(7) Competition Review. Distribution of business is reviewed in the FISC NRCD Annual Review and APC Semi-annual Reviews. CHs are required to rotate micro-purchase requirements among qualified vendors to the maximum extent. The fact that a specific vendor accepts the purchase card does not, in itself, justify purchasing from that vendor. CHs must update price estimates and distribute business in an equitable manner. If any CH finds that past purchases have been consistently made with the same vendor, he/she will locate a different vendor that can provide the material at a reasonable price. For CHs with increased authority greater than the micro-purchase threshold limit, normal rules of competition described in NAVSUPINST 4200.85 apply to all purchases using the GCPC. Documentation of any necessary competition shall be documented and maintained in the Purchase File.

(8) Funding Review and Obligation of Funds. The CH will ensure that sufficient funding is available from the Claimant Financial Management System (CFMS) accounting user, prior to making a purchase. A purchase without sufficient funding constitutes an "unauthorized commitment" of government funds,

and will not be made. When a request is submitted to Supply or ISD to purchase on behalf of another program, that program provides the JON to be billed for the purchase, hence the requesting program account must allocate sufficient funds to cover the purchases under that JON. Purchases made by other CHs on the CH's behalf are billable back to the CH's centrally funded account.

c. Purchase Log Maintenance. Upon completion of the above reviews, the CH shall log the purchase information into the purchase log. The following entries must be completed for each purchase: the purchase date, estimated delivery date, merchant name, item description, Jon, transaction amount (dollar/Euro), date received, screening documented, and AO initials.

d. Purchases over the micro-purchase threshold limit. In addition to the above requirements, those CHs, who have received Simplified Acquisition Procedures (SAP) training and have been warranted on an SF-1402 by the CO, must comply with the following:

(1) Purchases can only be made outside the United States, from merchants outside the United States, for use outside of the United States, and only for commercial items.

(2) Three competitive bids are required.

(3) Use of the "Fair and Reasonable Price Determination" form from NAVSUPINST 4200.85D is mandatory. See attachment (H).

(4) If an item is unique and requires purchase from a particular merchant, the requestor must complete a sole source justification to be approved by the AO prior to purchase. A copy of the sole source justification will be filed in the Purchase File with all other supporting documentation.

e. Ordering and Receipt and Acceptance Procedures. NAVSUPPACT Naples CHs may purchase over-the-counter, or via the telephone, or the Internet. Regardless of which method is used, prior to making the purchase, the AO is responsible for ensuring that separation of functions exists, that all U.S. Government purchases are not subject to taxes, and that purchases are for mission essential requirements.

(1) Separation of Functions

(a) In order to protect the integrity of ordering and receiving procedures, a minimum two-way separation of functions is required when using the purchase card (i.e. one person making the purchase and one person accepting and receiving the supplies or services). In cases where the CH is picking up the material at the contractor's location, the end user or designated receiving personnel should sign for the final receipt. If the CH is the end user, the CH may sign the contractor/store receipt, however, they must ensure that another U.S. Government employee co-signs receipt/acceptance of the materials. The receipt must contain the receiver's printed name, signature and date as well as the AO's printed name, signature, and date.

(b) The individual designated to receive the material will inspect it to ensure that it is the item that was ordered, is the proper quantity, and is in good condition upon receipt. The receiver shall provide a signed and dated receipt/acceptance document to the CH within 48 hours of receipt of material. The CH shall file the document in the Purchase File. If the received material is Minor Property, the individual receiving the material shall report the receipt to their department Minor Property Custodian. NAVSUPPACT Naples CHs are responsible for verifying receipts of all transactions. Pay and confirm procedures will be followed. Specifically, where the CH is billed but does not receive the supplies or services at the time of the receipt of the official invoice, the CH must verify shipment of the material and then fully certify the invoice with the anticipation that receipt will occur within the next billing cycle. If the supplies or services are not received within the next billing cycle, the CH must dispute the item using established dispute procedures. The CH must also certify that the quantity and quality of the items furnished are per the agreement with the vendor. The CH must save all receipt documentation in order to properly reconcile the purchase card statement at the end of the billing cycle. If receipt documentation is not available, the CH must contact the end user, central receiving department or other person or persons responsible for receipt to obtain verification that the supplies or services have been received. The purchase log must be documented to indicate that proper receipt and acceptance has been accomplished.

(2) Tax. For all purchases, the CH shall advise the vendor that the purchase is for official U.S. Government use, and that it is exempt from any tax for which the U.S. Government is exempt (i.e., VAT, I.V.A., etc.). A notice of tax exemption is embossed on the GCPC. If the vendor has questions or concerns about the tax exemption, the CH shall refer the vendor to the APC, who will provide attachment (F) (Letter for I.V.A. Tax) for clarification.

(3) Over-the-Counter (In-Store) Procedures. All items purchased over-the-counter must be immediately available. Back-orders/partial orders are not authorized. The following procedures will be used for over-the-counter purchases:

(a) GCPC/Identification. At the time of purchase, the CH shall present the GCPC together with their government identification card.

(b) Merchant Document Annotation. The CH shall request the merchant annotate their government identification number on the charge slip and the receipt document. If the merchant cannot or will not annotate receipts with required information, the requisition should be pursued through another merchant.

(4) Telephone and Internet Ordering Procedures. All items purchased by telephone or Internet must be available at the time the order is placed. Back-orders/partial orders are not authorized. The following procedures will be used for telephone and Internet purchases:

(a) Pick-Up/Shipment of Material. For local telephone orders to be picked up, the CH will instruct the vendor to annotate the sales slip with the name and Government Identification Number of the individual picking up the material, as well as the GCPC order number. For telephone or Internet orders to be shipped, the following procedures will be followed:

1. Shipping Charges. All purchases shipped must be purchased on a Free on Board (FOB) destination basis. FOB terms are required because both material and transportation costs are a combined purchase cost, and paid from the procuring appropriation. This should be agreed to with the merchant prior to the completion of the purchase transaction. The combined

purchase price of the item and shipping charges must not exceed the Single Purchase Limit. CHs should not accept FOB Origin charges.

2. Charging the GCPC. The CH will advise the merchant not to charge the GCPC until the shipment has been made.

3. Consolidated Delivery. The CH shall advise the merchant that all items purchased during one telephone transaction must be delivered in a single delivery.

(5) Required Shipping Information for Purchases made in the United States. The preferred method for the overseas shipping of material procured from the United States is the U.S. Postal Service (USPS) using the CH's Fleet Post Office (FPO) address. For shipments requiring tracing action, CHs are encouraged to use World Wide Express (WWX) contract carriers (i.e. FEDEX and DHL) for shipments weighing less than 150 pounds, or use the Defense Transportation System (DTS). Shipments over 150 pounds must be shipped via DTS. The CH shall advise the merchant that the below information must be included on the shipping label to avoid customs charges and problems, and to ensure proper receipt. The CH will instruct the shipper to provide all shipping status, citing the TCN, by mail, or by email to the CH. The following shipping information is required for the applicable shipment method:

(a) United State Postal Service (USPS). When material is being shipped via USPS, the following information should be included on the shipping label:

1. Complete MARK FOR address, including NAVSUPPACT Naples' UIC (N62588), FPO address and department and code for which the material is being procured;

2. Requisition/order number, Transportation Control Number (TCN) or other reference number provided by the CH; and

3. Merchant's name and address.

(b) WWX. When material is being shipped via WWX, the following address should be used:

U.S. NAVAL SUPPORT ACTIVITY NAPLES, ITALY
BUILDING 401
VIALE FULCO RUFFO DI CALABRIA
AEROPORTO DI CAPODICHINO
80144 NAPLES, ITALY

MARK FOR: (INSERT DEPARTMENT NAME AND CODE)

LOCAL PHONE NUMBER:

NO PERSONAL NAMES ALLOWED

(c) DTS. When the material is being shipped via the DTS (i.e. using the Air Mobility Command (AMC) Channel missions or scheduled sealift container services), the following information should be included on the shipping label:

1. Complete MARK FOR address, including the NAVSUPPACT Naples UIC (N62588), FPO address and department and code for which the material is being procured;

2. Transportation Control Number (TCN), (a TCN normally consists of the NAVSUPPACT Naples' requisition number, and three character MILSTAMP suffix, i.e. XXX), the requisition number (if not provided in TCN), and the order number or other reference number assigned by the CH;

3. Transportation Account Number (TAC). The TAC utilized for purchase card procured material through DTS is N820, a Navy Service-Wide Transportation First Destination TAC. The use of TAC N820 is strictly limited to the movement of purchase card procured material items from a MILSTAMP designated Aerial or Water Port of Embarkation (APO/WPOE) to an overseas activity;

4. Transportation Priority (TP) and Required Delivery Date (RDD). TP1 and TP2 for air shipments via AMC and TP3 for surface (container) shipments. If the RDD is not cited in a TP1 or TP2 shipment, the material will be diverted to a surface (water) carrier per MILSTAMP policy. An appropriate RDD (three digit Julian date) for the correct TP is to be used (i.e. TP1/999,TP1/NO5,TP2/777, etc.). Contact the Supply Department

Pronto Center if assistance is required in assigning TPs and RDDs;

5. Merchant's name and address;

6. Consignee/SHIP TO address (DTS transshipment point). Items will be consigned to one of the following transshipment points for entry into the DTS:

SHIP TO: N45750
VREP CONTRACTOR
TCN/TAC/TP/RDD/MARK For N62588
8349 AIR CARGO ROAD
BUILDING LP-117
NAVAL AIR STATION
NORFOLK, VA 23511-4496

Example: N6258823030100XXX/820/TP2/777/N62588

(d) Merchant Packing Slips. Regardless of which method of shipping is utilized, the merchant must include a packing slip inside each shipment with the following information:

1. Merchant's name and address;

2. Date of order;

3. Date of delivery or shipment;

4. Itemized list of supplies furnished, including quantities;

5. MARK FOR address, including UIC, FPO address of the Department and code for which the material is being procured; and

6. Requisition number or other reference number issued by the procuring activity.

(e) Items Requiring Special Handling. For any items that may require special handling, such as temperature controlled or signature service, the CH should contact the Naval Transportation Support Center Fleet Locator at 757-444-7381/DSN

564-7381 for shipping and routing information. Advance notification of the shipping information above should be forwarded via letter or naval message by the CH to the appropriate transshipment point to ensure proper routing upon material receipt and to preclude frustration of material.

(f) Third Party Delivery. Normally, the material will be delivered to a third party (not the CH). The CH shall advise the intended receiver to forward proof of receipt and acceptance to the CH within 48 hours of receipt of material.

f. Missing Documentation. If for some reason the CH does not have documentation of the transaction to send to the AO, he/she must attach an explanation that includes a description of the item, the date purchased, the merchant's name and the reason for lack of supporting documentation.

g. Accounting and Reconciliation Procedures for Purchase Card Accounts.

(1) The Comptroller Department will coordinate all accounting procedures with each NAVSUPPACT Naples Department, including the assignment of job order numbers and lines of accounting.

(2) The Bank's monthly billing cycle ends on the 19th of each month, and the statements will be available online within two working days. Normally, reconciliation procedures will involve only the CH and the AO. The CH will review the statement and reallocate to the correct LOA. The CH will certify the statement within five working days. The Statement of Account is a record of all purchases, credits, and other transaction data that the CH made in the monthly billing cycle. The CH will notify the AO when the statement is ready for approval. Statement must be approved electronically within five working days from notification of the CH. To help manage the reconciliation of his/her account, CHs and AOs are required to use the Bank's web site: www.home.cards.citidirect.com.

(3) The Bank's statements will reflect billing at the market exchange rate at the time of purchase. Purchases from U.S. vendors will be paid based on the dollar amount shown on the bank's statement. Purchases from Italian vendors will be paid based on the market exchange rate, not the dollar amount shown on

the statement or the budget exchange rate (BER), which is constant throughout the fiscal year.

(4) CH Procedures. When his/her statement is received, the CH shall clearly annotate it with the date received. He/she will reconcile the statement against the purchase log and appropriate receipts and invoices, ensuring all charges and credits are proper, and outstanding disputes are accounted for. The CH will immediately notify the AO, in writing, if there are any discrepancies in the statement. The CH will sign the statement and keep it along with any dispute forms in his/her files. The CH will submit the package to the AO for review and certification within five working days. If the CH does not have supporting documentation for a particular transaction to send along with the statement, he/she will attach an explanation that includes a description of the item, the transaction date, the merchant's name, and why there is no supporting documentation. If the CH fails to reconcile on time, the AO will presume the purchases are proper for payment and shall proceed with the AO procedures listed below.

(a) Processing Discrepancies. If an item is not billed correctly, or there is a receipt discrepancy (defective or incorrect material, incorrect quantity, etc.), the CH shall immediately contact the merchant to resolve, but the certification process will not be delayed. The CH shall document all discrepancies by annotating them in the purchase file. The CH must maintain supporting documents to ensure that billing errors and disputes are reconciled in future months. The CH is strongly encouraged to write a Memorandum for the Record to place in the purchase file to document complicated discrepancies. Procedures for processing routine discrepancies are provided below. Discrepancies that do not fall within any of the categories below shall be referred to the APC for resolution.

1. Amount Billed is Different from the Purchase Log Price. If there is a significant difference between the purchase price and the billing price, the CH shall first determine whether the charge includes shipping in the price of the material. If so, and if the shipping charge appears to be correct, the information will be adjusted in the purchase log to reflect the billing price on the statement. If there is no error involving shipping charges, the CH shall contact the merchant to investigate the cause of the discrepancy. If the merchant inappropriately

taxed the purchase, or otherwise erroneously charged the GCPC, the CH shall request the correction in writing, and get acknowledgement from the merchant that he/she will take action. The CH will verify the correction on the following monthly statement. If the correction does not appear, the CH will again try and resolve the discrepancy with the merchant, and if necessary, request the assistance of the AO. If there is still no resolution the CH must dispute the transaction.

2. Material Ordered, Not Received or Billed. If material was ordered and has not yet been received or billed, it is probably not shipped, and the merchant has rightfully not charged the GCPC. The CH will follow up with the merchant to determine when the shipment is expected. If the CH discovers the merchant has backordered the material, the CH should cancel the purchase unless mission requirements and availability dictate otherwise. Per reference (f), the purchase card is to be used for items that are readily available, not for backorders.

3. Material Billed, Not Received. If the GCPC has been billed, and the material has not yet been received, then the material has either not been shipped, is in transit, or receipt was not reported to the CH. If the merchant reports that the material was not shipped, then the CH shall advise the vendor that the purchase is canceled and request immediate credit in the amount billed, since the merchant should not charge the GCPC until shipment has been made. If the material has been shipped, under the Pay and Confirm Rule, the CH will process the statement for payment and continue to check for receipt of the material. The CH will annotate his/her statement with the shipping date. If the material has not been received by the next statement, the CH will submit a Government CH Dispute Form.

4. Material Received, but Not Billed. If material was received, but there is no transaction on the statement, the merchant neglected to charge the GCPC. The CH will contact the merchant to determine why the charge was not made. If the merchant reports that they neglected to charge the GCPC, the charge should be made immediately, and the CH shall verify it on the following monthly statement. If the merchant reports that the charge was made, the CH will check the bank's website for posting in the next billing cycle, and will verify the charge on the following monthly statement.

5. Statement Billed, Material Not Ordered. If the statement shows a charge for material that was not ordered, the CH shall initiate a Government CH Dispute Form and immediately contact the merchant for resolution. If the merchant processed an incorrect charge, an immediate credit will be requested, and the CH will verify the credit on the next statement. If the merchant states that the charge was proper, every effort will be made to discover how the purchase was made, and the disposition of the material purchased. If the GCPC was used fraudulently, it has been compromised, and the card will be cancelled. The CH will immediately advise the AO and APC, who will review the suspected fraudulent purchase, and report the findings to the Staff Judge Advocate, NCIS, and NRCD Naples, if appropriate.

(b) Dispute Procedures. If a merchant charges for material not ordered, delivers material other than ordered, records duplicate charges, fails to deliver material within 60 days of an order, charges a price different from the agreed order price, fails to comply with the cancellation of an order, or fails to apply a proper credit or charge to the GCPC, then the CH shall initiate a Government CH Dispute Form. This form should not be completed if tax is the questioned charge. The completed dispute form will be faxed directly to the Bank. It is the responsibility of the CH to file and follow up on all disputes submitted to the Bank.

1. Cardholder (CH) Procedures. NAVSUPPACT Naples purchase CHs shall reconcile the transactions appearing on his/her monthly statement at the end of each billing cycle (the 19th of the month for DON CHs) by verifying the accuracy against CH records. The CH shall review all information on the monthly statement, verifying any changes, credits, outstanding disputes or refunds. (See paragraph 7 of this IOP for details on billing errors and dispute procedures). When certifying electronically, CHs will print out their electronic statement for signature. The CH is responsible for notifying the AO of any information he/she has knowledge of that impacts the propriety of certifying the monthly invoice for payment. If transactions or credits are not included on the current statement, the CH must retain the applicable documentation until the transactions or credits appear and then send the package of documentation to his/her AO or alternate. If the CH is unable to review the statement in a timely manner, the AO or AAO must review and certify the CH's monthly statement. The CH, upon his/her return, must review the

monthly statement and resolve any discrepancies with the AO or AAO.

2. Approving Official (AO) Procedures. The AO is the certifying officer for his/her CHs' monthly invoices. The AO statement is a record of all CH activity for which the AO has approving authority, and is the official invoice for payment purposes. Upon receipt of the AO Citigroup Statement, the AO will annotate it with the date received. The AO has five working days from this date to reconcile and certify the CH's transactions. Prior to submission, the AO shall complete a one hundred percent review of CH statements and all supporting documentation, and resolve any questionable purchases with the CH. When certifying electronically, AOs will print out their electronic statement for signature. The AO will review transactions of interest and add at least one transaction per cycle if none is automatically generated. In the event an unauthorized purchase is detected, the AO must notify the APC and other appropriate personnel within the command. The AO is responsible for submitting all documentation on time. The Bank will automatically suspend any AO account that is over 60 days delinquent.

3. Absence of CH or AO. If the CH has a planned absence (for leave, TAD, etc.) when his/her statement is normally received, he/she can enter the bank's web site and print a list of purchases completed during the billing cycle. The CH can then review all his/her purchases, and ensure all transactions have receipts. CH will approve the statement before departure. In the event of an unplanned absence, the AO is responsible for reconciling and certifying the CH's statement. Absence is no excuse for late document submission. If the AO is absent, his/her appointed designee is authorized to reconcile and certify the monthly statement using attachment (b), however, the AO is responsible for completing his/her review upon return.

4. Restrictions on the Use of the Purchase Card

a. Refer to attachment (E) for a list of prohibited and special attention DON-wide items related to purchase card buys as delineated in the NAVSUPINST 4200.99.

b. In addition to the DON-wide items listed in attachment (E), the following are NAVSUPPACT Naples-specific item procedures:

(1) Information Technology (IT) hardware. All NAVSUPPACT Naples departments must submit IT purchase requests to the Information Systems Department (ISD) for purchase or special approval. If ISD's CH is unable to make the purchase, ISD's supervisor or AO may give special approval for another CH to complete the purchase.

(2) Hazardous Materials (HAZMAT). GCPC CHs are not authorized to purchase HAZMAT, except for toner cartridges and small dry cell type batteries (such as AA, AAA, C, D, 9 volt, etc.) that are used for consumer electronics. Only Supply Department CHs working for the HAZMINCENTER are authorized to purchase other HAZMAT. If an end user has a HAZMAT requirement, they will comply with the following procedures:

(a) The end user will present his/her request to the HAZMINCENTER. If the material requested requires a local purchase, the HAZMINCENTER will screen the requirement against an Authorized Use List (AUL) and verify the existence onboard of a Material Safety Data Sheet (MSDS).

(b) If the material is on the AUL and an MSDS exists, the Supply Department CH may make the purchase, ensuring that the minimum quantity is procured.

(c) If the material is not on the AUL, the CH cannot complete the purchase. The end user must obtain written approval from the Hazardous Material Program Manager to add the item to their AUL.

5. Unauthorized Use of the Purchase Card

a. CHs who make unauthorized purchases or who use the card in an inappropriate manner may be liable to NAVSUPPACT Naples for the total amount of the purchases made in connection with misuse, fraud, or negligence.

b. Unauthorized use of the card may also include the use of the card by anyone other than the CH identified on the front of the purchase card.

6. Lost or Stolen Cards

a. Telephone Notification. If a purchase card is lost or stolen, the NAVSUPPACT Naples CH must immediately notify the financial institution at the following COLLECT numbers: Overseas Customer Service Phone Number: 001-904-954-7850. Overseas Customer Service Fax Number: 001-904-954-8710.

b. Written Notification. In addition to notifying the Bank within one working day after discovering the card missing, the CH must notify the APC and his/her AO. The notification shall include the following information:

(1) The card number;

(2) The CH's complete name;

(3) The date and location of the loss;

(4) If stolen, the date reported to the police, and the date and time the Bank was notified;

(5) Any purchases made on the card the day the card was stolen;

(6) Any other pertinent information.

c. AO determination. The AO will determine whether to recommend termination of the CH's account due to failure to adequately safeguard the GCPC, or to replace the card. If termination is the decided course of action, the APC will terminate the account. If the card is to be replaced, the Bank will mail a new card to the APC. If a GCPC that has been reported lost or stolen is subsequently recovered, it will be delivered to the APC for destruction, or the AO can destroy the card and report having done so to the APC.

7. Billing Errors and Disputes

a. CHs should attempt to resolve all discrepancies or billing errors with the local merchant first.

b. If a CH receives a monthly statement that lists a transaction for items that have not been received he/she should do the following:

(1) Under Pay and Confirm procedures, verify shipment of the material then pay the invoice in full in anticipation that the supplies will be received within the next billing cycle. If the supplies are not received by the next billing cycle, the CH will dispute the item using established dispute procedures.

(2) If the charges are not authorized or items have not been shipped, the CH must dispute the charges. All charges must be disputed within 60 days of the receipt of the invoice on which the charge first appeared.

c. Defective Items. If the items purchased are defective the CH should attempt to obtain a replacement or correction of the item from the merchant as soon as possible. If the vendor refuses to replace or correct the defected item the CH must dispute the item.

8. Card Security

a. NAVSUPPACT Naples CHs are responsible for the security of their purchase cards. The card is printed with the name of the employee who is the official U.S. Government representative authorized to use the purchase card. Only that person shall use the card.

b. It is the CH's responsibility to safeguard the purchase card and account number at all times. The CH must not allow anyone to use or gain access to his/her card or account number and should keep his/her purchase card in a secure place within his/her department when not being used.

9. Training

a. All individuals must complete training before they can participate in the GCPC Program. An account will not be set up until the training requirement is fulfilled.

b. All new APCs, AOs and CHs must complete the following four training modules before being appointed:

(1) The appropriate DON NAVSUP Computer Based Training Module available online at the www.navsup.navy.mil website. Refresher training is required every two years.

(2) The Defense Acquisition University Government Purchase Card Tutorial, available online at www.dau.mil. This training is only required once.

(3) The Department of Defense Annual Ethics training is available online at www.defenselink.mil. This training is required annually.

c. For purchases and payments over the micro-purchase threshold limit, CHs are also required to complete DAU CON 237 Simplified Acquisition Procedures (SAP) training. An AO with CHs with increased authority should also attend SAP training to understand his/her CH's responsibilities in making higher purchases.

d. In addition to the above listed training, all GCPC participants will receive orientation training from the APC on Internal Operating Procedures (IOP).

e. Training documentation for all purchase card employees will be retained for the duration they serve in that capacity and for three years beyond.

10. Other Procedures

a. Records Retention. APCs, AOs, and CHs must retain purchase related records such as purchase card logs, micro-purchase worksheets, requisitions, etc., for a minimum of three years, and financial records, such as invoices, statements, etc., for six years and three months. All documentation must be available for review by the APC, AO or NRCD for audit purposes. CHs must retain all documentation received from a contractor, including charge slips, cash register receipts and packing lists. If none exist, the CH must prepare a Memorandum for the Record with an explanation as to why documentation is missing. Due to the turnover of military and U.S. civilian personnel, AOs must ensure all required records are collected prior to departure of said personnel.

b. Terminating a CH Account. A CH's account may be terminated at any time by the APC. A request for termination may be made by the CH's Department Head or AO. Training documentation needs to be retained for all purchase card employees for the duration they serve in that capacity and for three years beyond. Accounts will also be terminated for the following reasons:

(1) Misuse or Abuse. If a misuse or abuse of the GCPC is reported or discovered, the card will be terminated. The AO for that CH will be required to immediately report it to the APC, who will forward the information to the appropriate authority.

(2) Separation or Transfer of CH. Prior to separation from NAVSUPPACT Naples, the CH will notify his/her AO of the expected date of departure. In addition, prior to final signing out from NAVSUPPACT Naples, the CH will surrender his/her purchase card to the APC. The APC will notify the Bank to have the account(s) cancelled or cancel it online. To the greatest extent practicable, the cancellation should occur at least 60 days (one billing cycle) prior to the CH's separation.

(3) Lost/Stolen Cards. The CH shall safeguard the GCPC and account number at all times. If a GCPC is lost or stolen, the CH shall immediately notify the Bank at the following numbers: Overseas Call Collect - Phone: (001-904-954-7850), Fax: (001-904-954-8710). The CH must notify the AO and the APC of the lost or stolen card within one working day after discovering the card missing. The AO will determine whether to recommend termination of the CH's account due to failure to safeguard the GCPC, or to replace the card. If termination is decided, the APC will terminate the account. If the card is to be replaced, the Bank will mail a new card to the APC. If a GCPC that has been reported lost or stolen is subsequently recovered, it will be delivered to the APC for destruction, or the AO can destroy the card and report having done so to the APC.

c. Audit and Review of the GCPC Program. The APC may audit and review CH Purchase Logs, Purchase Files, and statements at random. Questionable purchases will be brought to the attention of the applicable CH and AO for explanation. Issues discovered during audit and/or review may be brought to the attention of the appropriate manager such as Department Head, Comptroller or CO, or

may be investigated using normal command investigation procedures. As prescribed in paragraph 1.c. of this enclosure, the Command Evaluation and Review Office, and the APC will conduct required reviews. The APC shall maintain a file of all inspection discrepancies, and take appropriate corrective action.

d. Contact with the financial institution. The primary point of contact is the APC, however, AOs can call on routine matters. CHs should only call to report a lost or stolen card.

(1) Use of Citidirect as a Management Tool. This allows specific level access to account information. For APCs and AOs particularly, this can be very useful as a management tool. By monitoring accounts and transactions during the year, the APC or AO can identify and take more timely action on questionable purchases, or possible split purchases. The APC uses this system to establish accounts, manage limits, and perform other account maintenance. By spreading out the review of CH accounts during the cycle, the AO can greatly reduce his end of cycle workload that accompanies invoice certification. The AO can also download CH statements in case the paper statement has not been received. CHs use this tool to monitor their accounts during the cycle, and reallocate to the correct LOA throughout the month for electronic invoice certification. It is mandatory that all personnel in the GCPC program become completely familiar with this management tool.

e. Beginning of Fiscal Year. At the commencement of each fiscal year, CHs are responsible for ensuring that sufficient funds to cover anticipated purchases in the initial billing cycle have been reserved in their respective CFMS Credit Card Bulk funding account. CHs are responsible for working directly with their respective Program Financial Analyst.

f. End of Fiscal Year. Purchase cards will be closed every 19th of September; the end of the last full billing cycle in the fiscal year. If a particular program card needs to remain open through September 30th, AOs will submit a written request naming the CH and the justification. The deadline is September 1st.

(1) If a vendor does not process a charge until after October 1st, the funding for those purchases must be reserved in the bulk funding STARS obligation for the fiscal year in which

the purchase action/order was placed. Each CH should be reconciling charges with his/her assigned Financial Analyst as he/she makes purchases to ensure sufficient funds are available and STARS reflects only the balance for pending charges.

DISCIPLINARY GUIDELINES

Government Commercial Purchase Card (GCPC) misuse, abuse, and payment delinquency will not be tolerated. The GCPC card is for official U.S. Government business only. It is the DON's policy that improper, fraudulent, abusive, or negligent use of a government purchase card is prohibited.

1. Policy

a. It is the DOD policy that in each case of improper, fraudulent, abusive, or negligent use of the purchase card by civilian or military personnel, including any use at establishments or for purposes that are conflicting with the official business of DON or with applicable regulations, the supervisor of the responsible individual will be informed in a timely manner so that appropriate corrective, disciplinary or adverse action may be taken. Supervisors who receive information indicating that a civilian or military employee has engaged in any fraud, misuse or abuse of a purchase card, shall take appropriate corrective or disciplinary action, including further investigation if needed.

b. The intent of this policy is to ensure that 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 judgment in handling purchase card misuse in a manner appropriate to each individual case. The situation of each individual case will determine which disciplinary action, if any, may be imposed. A sequence 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.

2. Guidance

a. Civilian personnel penalty guidelines will address offenses with respect to GCPC cards and the penalty could result in the termination of the GCPC account as determined by the Supply Officer. Misuse of the purchase card could result in a fine, imprisonment, or both, as stated in Section 1001, Title 18 United States Code. In taking corrective or disciplinary action

against civilian personnel, supervisors shall use authoritative guidance.

b. Military personnel who misuse, abuse, or commit fraud with the purchase card shall be subject to actions, including counseling, reprimand, nonjudicial punishment, court-martial and administrative separation. In taking corrective or disciplinary action against military personnel who misuse or abuse the government purchase cards, commanders or supervisors shall use the procedures established for each case-by-case circumstance by the appropriate military department and consult with their legal advisors as necessary. In addition to corrective or disciplinary action, military personnel who misuse their government purchase card may have their access to classified information modified or revoked if warranted in the interest of national security.

4200
N8

From: Agency Program Coordinator, U.S. Naval Support Activity, Naples, Italy
To: Approving Official

Subj: APPOINTMENT AS GOVERNMENT-WIDE COMMERCIAL PURCHASE CARD APPROVING OFFICIAL AND CERTIFYING OFFICER

Ref: (a) Federal Acquisition Regulation (FAR) 1.6
(b) Defense Federal Acquisition Regulation (DFAR) 201.6
(c) DOD Financial Management Regulation Vol. 5 Chapter 33
(d) DON NAVSUPINST 4200.99
(e) Internal Operating Procedures

Encl: (1) Approving Official Purchase Card Certification Statement
(2) Acknowledgment Memorandum
(3) DD Form 577, Appointment/Termination Record

1. Per references (a) through (e), you are hereby appointed as an Approving Official (AO) and Certifying Officer (CO) for the Government-wide Purchase Card Program at Department (name). Detailed information regarding your authority and responsibilities is included in references (a) through (e). Your authority may not be re-delegated and is effective immediately.

2. In addition to the responsibilities outlined in references (a) through (e), you will serve as the alternate intermediary between the Agency Program Coordinator (APC) and the Cardholders under your purview. You will:

a. Ensure proper dissemination of program changes impacting Cardholders and their ability to use their purchase cards;

b. Review, verify, and certify all cardholders' monthly purchase card statements from the servicing bank. You must ensure that all supporting documentation is attached to the statement and that proper receipt and acceptance is annotated on the hard copy receipt;

Subj: APPOINTMENT AS GOVERNMENT-WIDE PURCHASE CARD APPROVING OFFICIAL AND CERTIFYING OFFICER

c. Forward monthly certified purchase card statements along with enclosure (1) for electronic payment via the Bank's online system. This will be done within five working days of receipt (usually 25th-28th of the month).

3. As the Approving Official, you are also the Certifying Officer and hold pecuniary liability for any illegal, improper, or incorrect payments resulting from an inaccurate or misleading certification. Actions beyond the scope of your authority may result in disciplinary action and personal liability. Your Billing Cycle (monthly) limit is $XXXX.

4. The following documents shall be retained for a period of six years and three months: monthly invoices, reconciled statements certified by Cardholders, chronological log of disputed items, completed dispute forms and any other documents associated with the purchase card transactions. These files must be available for inspection by management and personnel from Procurement Management Review and the Office of the Inspector General (IG) or General Accounting Office (GAO).

5. When you leave the command and/or are no longer part of the Purchase Card Program, this letter of delegation is cancelled.

6. As a condition of your appointment, you must acknowledge receipt of this letter by signing enclosures (1) through (3) and returning a copy to the APC. You will retain the originals in your AO files, for all documents you certify under this appointment, your signature must be shown in block 17 of enclosure (3).

7. Questions concerning your delegation of authority or the Purchase Card Program should be directed to the Command APC, (name), who can be reached at (phone number), or E-mail (e-mail address).

Subj: APPOINTMENT AS GOVERNMENT-WIDE PURCHASE CARD APPROVING OFFICIAL AND CERTIFYING OFFICER

8. This letter supersedes any previous delegation of authority issued under the NAVSUPPACT hierarchy.

(FI. MI. LNAME)
APC

24 NOV 2008

4200
N8

From: Agency Program Coordinator, U.S. Naval Support Activity Naples, Italy
To: Alternate Approving Officials

Subj: APPOINTMENT AS GOVERNMENT-WIDE COMMERCIAL PURCHASE CARD ALTERNATE APPROVING OFFICIAL AND CERTIFYING OFFICER

Ref: (a) Federal Acquisition Regulation (FAR) 1.6
(b) Defense Federal Acquisition Regulation (DFAR) 201.6
(c) DOD Financial Management Regulation Vol. 5 Chapter 33
(d) DON NAVSUPINST 4200.99
(e) Internal Operating Procedures

Encl: (1) Approving Official Purchase Card Certification Statement
(2) Acknowledgment Memorandum
(3) DD Form 577, Appointment/Termination Record

1. Per references (a) through (e), you are hereby appointed as an Alternate Approving Official (AO) and Certifying Officer (CO) for the Government-wide Purchase Card Program at Department (name). Detailed information regarding your authority and responsibilities is included in references (a) through (e). Your authority may not be re-delegated and is effective immediately.

2. In addition to the responsibilities outlined in references (a) through (e), you will serve as the alternate intermediary between the Agency Program Coordinator (APC) and the Cardholders under your purview. You will:

a. Ensure proper dissemination of program changes impacting Cardholders and their ability to use their purchase cards;

b. Review, verify, and certify all cardholders' monthly purchase card statements from the servicing bank. You must ensure that all supporting documentation is attached to the statement and that proper receipt and acceptance is annotated on the hard copy receipt;

Subj: APPOINTMENT AS GOVERNMENT-WIDE PURCHASE CARD ALTERNATE APPROVING OFFICIAL AND CERTIFYING OFFICER

c. Forward monthly certified purchase card statements along with enclosure (1) for electronic payment via the Bank's online system. This will be done within five working days of receipt (usually 25th - 28th of the month).

3. As the Approving Official, you are also the Certifying Officer and hold pecuniary liability for any illegal, improper, or incorrect payments resulting from an inaccurate or misleading certification. Actions beyond the scope of your authority may result in disciplinary action and personal liability. Your Billing Cycle (monthly) limit is $XXXX.

4. The following documents shall be retained for a period of six years and three months: monthly invoices, reconciled statements certified by Cardholders, chronological log of disputed items, completed dispute forms and any other documents associated with the purchase card transactions. These files must be available for inspection by management and personnel from Procurement Management Review and the Office of the Inspector General (IG) or General Accounting Office (GAO).

5. When you leave the command and/or are no longer part of the Purchase Card Program, this letter of delegation is cancelled.

6. As a condition of your appointment, you must acknowledge receipt of this letter by signing enclosures (1) through (3) and returning a copy to the APC. You will retain the originals in your AO files, for all documents you certify under this appointment, your signature must be shown in block 17 of enclosure (3).

7. Questions concerning your delegation of authority or the Purchase Card Program should be directed to the Command APC, (name), who can be reached at (phone number), or e-mail (e-mail address).

Subj: APPOINTMENT AS GOVERNMENT-WIDE PURCHASE CARD ALTERNATE APPROVING OFFICIAL AND CERTIFYING OFFICER

8. This letter supersedes any previous delegation of authority issued under the NSA hierarchy.

(FI. MI. LNAME)
APC

4200
N8

MEMORANDUM

From: Name and Title, U.S. Naval Support Activity, Naples, Italy
To: Agency Program Coordinator, U.S. Naval Support Activity, Naples, Italy

Subj: U.S. GOVERNMENT PURCHASE CARD FOR NEW CARDHOLDERS (NAME OF CARDHOLDER)

1. Request that a U.S. Government purchase card account be established for _____. The issuance of this account is essential to meet mission requirements.

2. _____ will utilize the government card to purchase all supplies and equipment for the _____. His/her single transaction limit will be $XXXXX and his monthly limit will be $XXXXX.

3. _____has the training, business acumen, and judgment to act on behalf of the U.S. Government.

_____
Approving Official

4200
N8

MEMORANDUM

From: Agency Program Coordinator, U.S. Naval Support Activity, Naples, Italy
To: Cardholder

Subj: DELEGATION OF AUTHORITY TO USE THE GOVERNMENT COMMERCIAL PURCHASE CARD

Ref: (a) Federal Acquisition Regulation (FAR) 1.6
(b) Defense Federal Acquisition Regulation (DFAR) 201.6
(c) DON NAVSUPINST 4200.99
(d) Local Internal Operating Procedure (IOP)

Encl: (1) Sample Cardholder Certification Statement
(2) Acknowledgement Memorandum
(3) DD Form 577, Appointment/Termination Record

1. Per references (a) through (d), you are hereby appointed as a Contracting Officer for the United States of America, limited to the use of the Government Commercial Purchase Card (GCPC). The specific limits of your authority are established below. You are reminded that you are personally accountable for strict adherence to Department of Navy (DON) Purchase Card policies and procedures when using the card.

a. Dollar Thresholds:

(1) $3,000 micro-purchase limit per transaction for supplies worldwide;

(2) $3,000 micro-purchase limit for service and construction procured OCONUS, and as such not subject to the Service Contract Act (service) and the Davis Bacon Act (construction). For service and construction procured in CONUS the micro-purchase threshold limit remains $2,500 and $2,000, respectively;

(3) $25,000 single purchase limit for the purchase of commercial items procured OCONUS and for use OCONUS;*

Subj: DELEGATION OF AUTHORITY TO USE THE GOVERNMENT COMMERCIAL PURCHASE CARD

(4) $100,000 method of payment for delivery orders issued by a properly appointed contracting officer;*

(5) $25,000 single payment transaction for training (DD1556) only;*

(6) $XXXX Monthly Cycle limit for purchases and payments.

b. Authorized Transaction Types:

(1) Over-the-counter;

(2) Telephone orders;

(3) Internet orders.

c. Authorized purchases are:

(1) Stand-alone procurement method;

(2) Method of payment against contract documents issued by a contracting officer;

(3) DAPS (Defense Automation and Printing Service (DD Form 282);

(4) Blanket Purchase Agreement/Letter of Agreement;

(5) Purchase of Training (SF-182)

2. The purchase card shall only be used for authorized U.S. Government purchases. Intentional use of the purchase card for other than official U.S. 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 CH will be held personally liable to the U.S. Government for the amount of any non-government transactions. Less than 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.

Subj: DELEGATION OF AUTHORITY TO USE THE GOVERNMENT COMMERCIAL PURCHASE CARD

Military members that misuse the purchase card may be subject to court martial under 10 U.S.C. 932, UCMJ Article 132.

3. Improper, fraudulent, abusive or negligent use of the U.S. Government purchase card is prohibited. Supervisors who receive information indicating that an employee (military or civilian) has engaged in any fraud, misuse, or abuse of a purchase card shall take appropriate corrective action as defined within the activity's Internal Operating Procedures. Your signature on Enclosure (2) of this letter indicates that you have read and understand that policy.

4. When you leave the command or are no longer part of the Purchase Card Program, this letter of delegation is cancelled.

5. As a condition of your appointment, you must acknowledge receipt of this letter by signing enclosures (1) through (3) and return a copy to the Agency Program Coordinator (APC) and Approving Official (AO). You will retain the originals in your cardholder files.

6. Questions concerning this letter of authority or Purchase Card Program should be directed to the Command Agency Program Coordinator, (name of APC), who can be reached at (insert APC telephone number/E-mail address).

7. This letter supersedes any previous delegation of authority issued under the NAVSUPPACT Naples hierarchy.

(FI. MI. LNAME)
APC

Copy to:
AO

*To be included only if the CH is authorized to purchase over the micro-purchase threshold limit.

LIST OF PROHIBITED AND SPECIAL ATTENTION ITEMS RELATED TO PURCHASE CARD BUYS

This information applies to Department of the Navy Agency Program coordinators, approving officials and purchase card holders with established purchase card programs. For a full explanation and/or background information on prohibitions referenced in this enclosure, refer to NAVSUPINST 4200.85D, enclosure (1). Not all of the prohibitions found in this enclosure require special approvals. Some may be procured using traditional purchase methods (e.g. purchase orders, blanket purchase agreement calls, etc) and paid for using the purchase card. Detailed procedures for using the purchase card as a method of payment may be found in the Purchase Card Desk Guide.

1. Advance Payments

a. General rule: Except for requirements such as subscriptions for publications (i.e. Navy Times, Federal Contracts Reporter, Commercial Clearing House Inc., etc.) and post office box rentals, advance payments are prohibited.

2. Advertising

a. General rule: Unless specific approvals have been obtained, advertising contract actions are not authorized per the Navy Acquisition Procedures Supplement (NAPS).

b. Exception: The Chief of Naval Personnel has authorized an increase from $1,000 to $2,500 for the specific media advertising purchase limit for Commanding Officers of Navy Recruiting Districts to commensurate with the current micro purchase threshold. This authority cannot be re-delegated and each advertisement is conditioned upon the use of a properly executed DD Form 1535 (Request/Approval for Authority to Advertise).

3. Asbestos-Containing Materials

a. General rule: Purchase CHs are not authorized to purchase asbestos or asbestos-containing materials.

4. Black Oxide Coated Brass Threaded Fasteners

a. General rule: Purchase CHs are not authorized to procure brass or copper alloy fasteners coated with black oxide.

5. Buildings and/or Land, Long-Term Rental or Lease of

a. General rule: Purchase CHs are prohibited from entering into long-term rentals or leases for buildings and/or land.

6. Business Cards

a. General rule: Flag Officers, members of the SES, and general officers may authorize the printing of business cards limited to using existing software and agency-purchased stock for those positions that require business cards in the performance of official duties.

7. Cash Advances

a. General rule: Purchase CHs are prohibited from using their purchase cards to obtain cash advances.

8. Christmas and Other Seasonal Decorations

a. General rule: Seasonal decorations may be acquired using the purchase card provided local customs and traditions are observed. Purchase CHs are not authorized to buy Christmas cards.

9. Coffee Pots, microwaves, refrigerators, and other related items

a. General rule: The acquisition of kitchen equipment purchased for the purpose of supporting civilian and military employees in the workplace is generally allowable provided the following conditions are met:

b. Appropriations are available to pay for items such as refrigerators, coffee pots, and microwaves, when the primary benefit of their use accrues to the agency, notwithstanding a collateral benefit to the individual.

c. Agencies shall develop local policy within their Purchase Card Internal Operating Procedures (IOPs) to ensure uniformity in the use of appropriations to acquire this equipment and determine the usefulness of appliances such as these in light of operational benefits, such as employee health and productivity, and the responsibility to provide a safe work environment.

d. Appropriations are not used to provide any equipment for the sole use of an individual. Agencies are required to locate appliances acquired with appropriated funds only in common areas where they are available for use by all personnel. It should also be clear that appropriated funds will not be used to furnish goods, such as the coffee itself or microwavable frozen foods, to be used in the kitchen area.

10. Light Refreshments

a. General Rule: Purchase CHs are prohibited from buying refreshments. While serving light refreshments to conference attendees might be a common business practice in private industry, the expenditure of public funds must be anchored in existing law, not the practices and conventions of the private sector. Per the Assistant Secretary of the Navy (Financial Management and Comptroller) (ASN(FM&C)) memo "CLARIFICATION OF USE OF APPROPRIATED FUNDS TO PROCURE LIGHT REFRESHMENTS", of April 18, 2003, appropriated funds are not authorized to pay for light refreshments at conferences.

b. Exceptions: The use of Official Representation Funds for official entertainment and Center of Influence events involving U.S. Navy recruiters are exceptions to this rule. In addition, U.S. Navy recruiters are authorized to use the purchase card to buy meals for recruiting applicants as an out-of-pocket expense.

c. Agencies sponsoring a conference are allowed to provide light refreshments during morning, afternoon, or evening breaks for conference attendees when most of the attendees are in a travel status. Travel within an employee's local commuting area does NOT satisfy the requirement to be in a 'travel status.' Light refreshments may be approved by the command sponsoring the conference if they decide it is appropriate use of their funds. The U.S. Government Purchase Card can be used to pay for the

refreshments. Use of the card and funding for this purpose is subject to local command approval. Card officials should ensure acceptability within their own command prior to using the card for this purpose.

11. Purchase of Commercial Vehicles

a. General rule: Purchase CHs shall not use their cards to purchase commercial vehicles.

12. Commercial or General Services Administration (GSA) Vehicles, Rental/Lease of (Without Drivers)

a. General rule: Purchase CHs are not authorized to use their purchase cards to rent/lease commercial or GSA vehicles.

13. Employee Identification Tags

a. General rule: Unless the requiring activity/command determines that use of the identification tags are necessary and in support of mission requirements, activities may not use appropriated funds to purchase employee identification tags.

14. Fireworks Display

a. General rule: Purchase CHs may not use appropriated funds to buy fireworks.

15. Fuel, Oil, Services, Maintenance and Repairs

a. General rule: Purchase CHs are not authorized to purchase fuel, oil, services, maintenance and repairs of Interagency Fleet Management System and GSA Fleet Management Programs (i.e. repair of GSA leased vehicles).

16. Hazardous Material (HAZMAT) and Hazardous Waste Disposal

a. General rule: Except for commonly used hazardous material the purchase of HAZMAT by CHs is prohibited.

17. Incentive Music and Equipment

a. General rule: Except for specifically programmed music, the purchase of music and equipment for broadcasting

(including radios, automatic record players or phonographic records) for entertainment purposes is generally not authorized.

b. Exception: Specifically programmed music may be purchased based on a written determination by the commanding officer describing how the acquisition would improve morale, benefit the command, etc., and thereby qualify as a necessary expense under the necessary expense rules. This prohibition also does not preclude the expenditure of appropriated funds for the purchase of a public address system required for intra-station communication.

18. Lodging and Meals

a. General rule: Purchase CHs are prohibited from using their purchase cards for the payment of lodging and meals for employees on temporary duty.

b. Exception: Certain reserve activities are authorized to buy meals for U.S. Navy reservists during drill activities.

19. Luggage

a. General rule: The purchase of luggage for employees/service members to carry personal belongings while on travel orders is generally not authorized.

b. Exception: Sea bags issued to service members and briefcases, etc., furnished for the express purpose of carrying official documents associated with the duties of the service member or employee.

20. Medical and Dental Care From Civilian Non-Federal Sources

a. General rule: Purchase CHs shall not use their cards for payment of medical and dental services.

21. Membership Dues

a. General rule: Except for membership dues, which solely benefit the agency or activity, the purchase of club, association, organization and other related memberships, are prohibited.

b. Exception: The use of appropriated funds for membership dues of an activity or agency is permissible if the membership contributes to the fulfillment of the mission of the activity or agency.

22. Ozone Depleting Substances (ODS)

a. General rule: Purchase CHs are not authorized to purchase ODS materials.

b. Exception: Contracting officers may use their purchase card as a method of payment provided guidance in the Navy Acquisition Procedures Supplement (NAPS) is strictly adhered to.

23. Personal Services

a. General rule: Unless you have specific statutory authority purchase CHs may not contract for personal services using the purchase card.

24. Pesticides

a. General rule: Unless prior approvals are obtained from cognizant Pest Management Consultant at the appropriate Naval Facilities Engineering Command (NAVFAC) or Bureau of Medicine and Surgery (BUMED) division, purchase CHs are not authorized to contract for purchase of pesticides.

25. Plaques, Ashtrays, Paperweights and other Mementos as Give-Away Items

a. General rule: The use of appropriated funds to buy give-away items such as plaques, cuff links, hats, T-shirts, license plate covers, bracelets, ashtrays, Christmas cards, paper-weights, cigarette lighters, novelty trash cans, key chains, and similar items is generally prohibited.

b. Exception: The purchase of give-away items in support of employee recognition programs may be authorized if accomplished per agency policy.

26. Printing and Duplication

a. General rule: Purchase CHs are prohibited from buying printing or duplication services from sources other than the Document Automation and Production System (DAPS).

27. Purchase from Government Employees or Businesses Owned or Controlled By Government Employees

a. General rule: Purchases from government employees (military or civilian) or from business organizations substantially owned or controlled by government employees are generally prohibited.

28. Reprographic Equipment

a. General rule: The purchase/lease/rental/trial/ replacement or change in lease plan of reprographic equipment is not authorized unless the requestor has complied with the requirements of the Navy Reprographic Equipment Program. The requestor must obtain written approval from the cognizant DAPS for all shore copying equipment with speeds of 71 or more copies per minute. (Examples of reprographic equipment are; copiers and high-speed copiers, Diazo process equipment, laser printers, and duplicating equipment).

29. Sensitive Compartmented Information In Contracts

a. General rule: Purchase CHs are not authorized to enter into negotiations that will include requirements for contractor access to Sensitive Compartmented Information unless the customer has staffed the requirement through Commander, Office of Naval Intelligence, Code ONI-532.

30. Shipboard Habitability Equipment, Including Furniture, Laundry/Dry Cleaning and Food Service Equipment

a. General rule: Except for the items listed in the following catalogs, furniture, laundry, dry cleaning, and food service equipment is prohibited:

(1) Furniture equipment - S9600-AD-GTP-010, U.S. Navy Shipboard Furniture Catalog with applicable changes.

(2) Laundry/dry cleaning equipment - S6152-B1-CAT-010, Navy Laundry and Dry Cleaning Catalog with applicable changes.

(3) Food service equipment - S6161-Q5-CAT-010, The Shipboard Food Service Equipment Catalog with applicable changes.

31. Transportation, Purchase of

a. General rule: DON purchase CHs are not authorized to use their card to ship logistics items or pay for cargo shipments except for emergency shipments where the activity or base transportation officer is not available. The GSA Express Small Package Contract now authorizes the use of the card to ship items using the FedEx contract when shipping administrative small packages under 150 pounds.

32. Travel, or Travel Related Expenses

a. General rule: The purchase card cannot be used to pay for government employee travel or travel related expenses (i.e. expenses associated with official travel including transportation, lodging, or meals). Note: This prohibition does not include requirements such as conference room rental.

33. Uniform Items

a. General rule: CHs are not authorized to use appropriated funds to purchase uniform items.

34. Visual Information (VI) Equipment

a. General rule: VI production equipment may not be provided to, acquired for, or used by, non-VI activities or personnel (see definitions). Requests for VI equipment that exceed the dollar thresholds listed below must be forwarded to the appropriate Major Claimant Visual Information Management Office (MCVIMO) for approval. The MCVIMO must certify that acquisitions are per activity authorizations prescribed by OPNAVINST 3104.1 and 3104.2. Requests for VI equipment that support VI functions that are not authorized for the activity can not be approved at MCVIMO or local levels and must be held pending Chief of Naval Operations (N09C1) approval of the new function.

b. Non-VI activities or personnel may acquire non-production VI equipment, unless otherwise specified by local VI instructions, or when restricted by local credit card dollar call limitations, such non-professional consumer type VI equipment as 35mm film based photographic camera systems costing less than $1,000; overhead, slide, filmstrip, and motion picture projection equipment costing less then $5,000; audio and video recorder players costing less then $5,000; video cameras and camera recorders costing less then $5,000; digital photographic cameras costing less than $5,000; digital photographic printers costing less then $10,000; and, video, LCD, LED, and CRT projectors costing less then $10,000.

c. For VI equipment policy and MCVIMO information, contact: Chief of Naval Operations (CNO) (N09C1) VI Equipment and Activities Policy Officer at (202) 433-3790; DSN 288.

d. Exceptions: The following types of equipment are exempt:

(1) VI equipment:

(a) Acquired and distributed by the Navy Exchange;

(b) Embedded in non-VI systems, which cannot be separated or operated to perform a VI function outside the system;

(c) Purchased with non-appropriated or Morale, Welfare, and Recreational funds including entertainment systems;

(d) Used solely to support research, development, test and evaluation (RDT&E) programmed mission requirements;

(e) Procured by the Naval Media Center in support of Armed Forces Radio and Television activities and "Navy and Marine Corps News This Week";

(f) Used by administrative and security offices only for identification (ID) purposes;

(g) Dedicated to Pilot Landing Training (PLAT) System, secure flight crew briefing systems and meteorological information systems;

(h) Acquired under the Ship Building and Conversion, Navy (SCN) program; or,

(i) VI equipment acquired for Video Teleconferencing (VTC) activities managed per OPNAVINST 2015.1.

(j) Timing and synchronization apparatus related to instrumentation recording.

(k) Radiographic equipment (industrial, medical and dental (x-rays)).

(l) Office-related support equipment including: word processing equipment; transcribing and intercom equipment; telephone answering devices; xerographic equipment; and microform production and using (viewing and printing) equipment.

35. VI Equipment

a. Production. Items used for the recording, producing, reproducing, processing, broadcasting, editing, distribution, exhibiting, and storing of VI, to include professional still, motion picture and video cameras; editing equipment, telecine equipment, audiotape and cassette duplicators; computer generated graphics systems; film and paper processing equipment photographic printers.

b. Non-production. Items used to maintain, repair, store, retrieve, exhibit or otherwise provide for the use of VI products. Non-production VI equipment includes videotape/disc players and television monitors; interactive video equipment; and, slide, film strip, motion picture, overhead, opaque and video projectors.

36. VI Activity

a. A VI Activity is an organizational element or a function within an organization in which one or more individuals are classified as VI, or whose principal responsibility is to

provide VI services. Navy VI activities are further identified by a Defense Visual Information Activity Numbers (DVIAN).

b. For questions regarding this policy, contact: CNO (N09C1) VI Equipment and Activities Policy Officer at (202) 433-3790; DSN 288.

37. Visual Information-Audiovisual (VI-AV) Production including Interactive Video Acquisition

a. General rule: Per OPNAVINST 3104.1 and its implementing instructions, the Naval Media Center (NMC) is the single contracting activity within the DON authorized to procure VI-AV productions. All requests for contracting for VI-AV productions, except as excluded below, must be forwarded to the CNO (N09C1) via the appropriate Major Claimant Visual Information Management Office (MCVIMO) for approval and or assignment. For questions regarding this policy, contact: CNO (N09C1) VI/AV Production Policy Officer at (202) 433-3714; DSN 288.

b. Exceptions: The following are exempt from the DoD VI production reporting requirements (Visual Information Production Request and Report, DD 1995) and the search of the Defense Automated Visual Information System (DAVIS) products:

(1) Mixed media packages with a predominance of text;

(2) Television spot announcements, public service announcements, news clips, and information programs funded by Armed Forces Radio and Television Service (AFRTS);

(3) The Navy Broadcasting Department of the Naval Media Center;

(4) Activities engaged in or supporting research, development, test and evaluation;

(5) The Navy Exchange;

(6) Productions acquired from commercial sources by or for;

(a) DoD dependent schools.

(b) MWR activities.

(c) Education centers.

(d) Non-VI libraries controlled by SECNAVINST 5401.2.

(7) Productions funded and reported as an integral part of a recruiting advertising contract; or,

(8) Interactive courseware acquired under OPNAVINST 1500.73.

38. Definitions (OPNAVINST 3104.1):

a. Commercial VI Production: A completed VI production that is purchased off-the-shelf, i.e., from the stocks of a vendor.

b. VI Production: The process of combining or arranging any separate audio or visual product(s) in continuity in a self-contained, complete presentation that is developed according to a plan or script for conveying information to, or communicating with, an audience. A VI product is also the end item of the production process. The special kind of VI production that combines motion media with sound is further defined as "AV production." Used collectively, VI production refers to the functions of procurement, production, or adoption from all sources; i.e., in-house or contract production, off-the-shelf purchase, or adoption from another federal agency.

39. Commercial Off-The-Shelf Visual Information-Audiovisual VI-AV) Production Acquisition

a. General rule: Commercial off-the-shelf VI productions that support local, major claimant or Navy-wide requirements do not require a completed DD 1995 and may be purchased without MCVIMO or CNO (N09C1) validation. However, a DAVIS search is required to ensure that completed Navy or other DoD VI productions that may satisfy the requirements do not already exist. The DAVIS can be accessed via the Internet at http://dodimagery.afis.osd.mil.

40. Withdrawal of Tax-free Ethyl and Specifically Denatured Alcohol

a. General rule: The purchase of tax-free ethyl and specifically denatured alcohol is not authorized unless a permit from the Bureau of Alcohol, Tobacco and Firearms has been issued.

24 NOV 2008

U.S. NAVAL SUPPORT ACTIVITY
NAPLES, ITALY
AEROPORTO DI CAPODICHINO
80144 NAPOLI

Napoli_____

Alla Direzione della Ditta: _____

Oggetto: RICHIESTA DI ESENZIONE IVA

Vi informiamo che l'articolo 72 del DPR 633 del 26/10/1972 Prevede la esenzione da parte del Governo degli Stati Uniti D'America al pagamento delle aliquote I.V.A. sulle cessioni di beni e prestazioni di servizi effettuati ai Comandi Statunitensi in Italia.

Pertanto, gli acquisiti che saranno effettuati in data odierna presso I Vs. locali sono esenti dal pagamento della aliquota I.V.A. e saranno liquidati con carta di credito (MASTERCARD) del comando degli Stati Uniti D'America

intestata al Sig _____
in servizio presso la U.S. Naval Support Activity, di Napoli.
Il Codice fiscale del ns Comando e' il seguente:

80156020630

Ci e'gradito ringraziarVi per la Vs. cortese collaborazione.

U.S. Navy, Napoli

24 NOV 2008

GOVERNMENT COMMERCIAL PURCHASE CARD PROGRAM - PURCHASE REQUEST WORKSHEET
U.S. NAVAL SUPPORT ACTIVITY / CNRE

PROCUREMENT INFORMATION (REQUESTOR RESPONSIBILITY)

REQUESTOR (PRINT NAME):	REQUESTOR SIGNATURE:
VENDOR NAME:	VENDOR TELEPHONE NUMBER:
DEPARTMENT:	DEPARTMENT SUPERVISOR SIGNATURE:

JUSTIFICATION TO SUPPORT THIS PURCHASE REQUEST (Include regulation/directive where pertinent)

Complete:

SPECIAL APPROVALS - CONTACT DESIGNATED DEPARTMENT - OBTAIN WRITTEN APPROVAL/SUPPORT

HAZMAT / AUL / SAFETY ☐ | IT ☐ | FACILITIES ☐

ITEMIZED DESCRIPTION (Include Nomenclature, Part/Model No., Size, Color etc.)	U/I	QTY	ESTIMATE UNIT PRICE	ESTIMATE TOTAL COST
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
	SUB-TOTAL:			$0.00
	GRAND TOTAL: (INCLUDE ALL PAGES)			$0.00

FUNDING AUTHORIZATION (REQUESTOR RESPONSIBILITY TO OBTAIN SIGNATURE)

JOB ORDER NUMBER (JON) & EXPENSE ELEMENT (EE): _____	PROGRAM FINANCIAL ANALYST / DEPT. OPTAR KEEPER I CERTIFY FUNDS ARE AVAILABLE (PRINT NAME/SIGNATURE) _____

MANDATORY SCREENING PROCESS (CARDHOLDER Responsibility)

CHECK BOXES BELOW TO INDICATE EVIDENCE OF SCREENING

REVIEWED PROHIBITED & SPECIAL ATTENTION ITEMS	REQUIREMENT HAS NOT BEEN "SPLIT"	MANDATORY SOURCES	
		ABILITY ONE / NIB / NISH	DAPS
YES ☐ NO ☐	CORRECT ☐	YES ☐ NO ☐ I certify _____	YES ☐ NO ☐

ACCOUNTABLE/MINOR PROPERTY - YES ☐ NO ☐

SEPARATION OF FUNCTIONS

CARDHOLDER (PRINT NAME):	CARDHOLDER SIGNATURE:	DATE:
GCPC APPROVING OFFICIAL ** (PRINT NAME):	GCPC APPROVING OFFICIAL SIGNATURE:**	DATE:

**Approving Official (AO) is required to approve, sign & date all purchase requests PRIOR to transaction.

Also, the AO is required to sign & date front of each CH's sales receipt &/or invoice indicating proof of "physical validation".

DATE ORDER: _____	PURCHASE CARD LOG #: _____
DATE RECEIVED: _____	ACTUAL PURCHASE COST: _____
CITIBANK JON _____	CITIBANK DOC # _____

FAIR AND REASONABLE PRICE DETERMINATION

REF: PURCHASE REQUEST/SOLICITATION NUMBER: _____

1. I am recommending award to _____. I used one or more of the following price analysis techniques compared to the quoted price of _____ ($_____). The quoted price was similar enough to the comparative price(s) to conclude that the quoted price is determined fair and reasonable.

a. ADEQUATE PRICE COMPARISON. ____ vendors were solicited and ____ quotes were received. After comparing the quoted prices, I consider the quotes to be competitive. See the Simplified Acquisition Worksheet or BELOW record of price quotes received. (NOTE: If you are making award upon the basis of other than low price AND your RFQ specifically advised offerors of that fact, AND what other factors (such as past performance) you were considering, then you will need to explain below in "Other Price Analyses or Comments".)

SUMMARY OF QUOTATIONS

VENDOR NAME	QUOTATION	REMARKS
_____	_____	_____
_____	_____	_____
_____	_____	_____

b. COMMERCIAL CATALOG OR PUBLISHED PRICE LIST

(1) Manufacturer/Vendor's Name: _____ (2) Catalog/List Title or Number: _____

(3) Effective dates: _____(4) Page Number(s) _____(5) Catalog/List Prices:_____

☐ The quoted price is the same as the catalog or published price(s) noted above and reflects prices charged to customers buying the same or similar quantities.

☐ The quoted price is higher/lower than the catalog or published price list and is considered fair and reasonable under the circumstances of this acquisition. The decision is based on the following factors:

_____

_____

c. ESTABLISHED MARKET PRICE OR PRICES SET BY

Law/Regulation. The quoted price is the same as the established market price (based upon market research) or the prices set by law or regulation as verified by (attach copy of ad, or internet quote, etc. if available):

_____

_____

_____

If the item(s) are not identical, explain why the comparison is considered valid:

_____

_____

NAVSUPPACT NAPLES FORM 4200/2 (Rev 12-06)

d. HISTORICAL COMPARISON FOR THE SAME OR SIMILAR ITEM(S)

(1) Prior Contractor: _____

(2) Order No: _____

(3) Date Purchased: _____

(4) Quantity and Unit of Issue: _____

(5) Unit Price Previously paid: _____

e. BASIS FOR DETERMINING PRIOR PRICE REASONABLE

_____

If the item(s) are not identical, explain why the comparison is considered valid:

_____

_____

Other Price Analyses or Comments:

2. As the contracting officer for this pending award, I have reviewed the above pricing documentation; and do hereby make the determination that the price of the suggested quote is fair and reasonable.

PREPARED BY: _____
(Buyer signature and date)

APPROVED BY: _____
(Contracting Officer signature and date)

_____

REASON FOR SOLICITING ONLY ONE SOURCE:

_____

_____

_____

APPROVED BY CONTRACTING OFFICER _____ **DATE** _____

NAVSUPPACT NAPLES FORM 4200/2 (Rev 12-06) (BACK)

24 NOV 2008

GOVERNMENTWIDE PURCHASE CARD ORDER LOG FOR NSA
7/10/2008
CARD HOLDER NAME: _____
APPROVING OFFICER: _____
PAGE 1 OF 1

REF. NUMBER	PURCHASE DATE	EST. DEL. DATE	NAME OF MERCHANT	MERCHANT POC	BRIEF DESCRIPTION OF ITEM/S	JON	PRICE IN Euro	PRICE IN DOLLARS	DATE RECEIVED	CITIBANK STMT MONTH	SCREENING DOCUMENTED	AO REVIEW INITIALS	Comment (s)
CNRE-06001	7-Mar-06	7-Mar-06	SAMPLE.COM	MARIA 626-1111 for SMITH	CONFERENCE ROOM FEE	PAA03	0.00	200.00	7-Mar-06	27-Mar-06	YES or Special approval POC		PURCHASE FOR MRS. SMITH

Enclosure (1)