



DEPARTMENT OF THE NAVY

U.S. NAVAL SUPPORT ACTIVITY

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NAVSUPPACT NAPLES INST 4200.8F

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24 JUL 2014

NAVSUPPACT NAPLES INSTRUCTION 4200.8F

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

Subj: GOVERNMENT COMMERCIAL PURCHASE CARD PROGRAM

Ref: (a) FLSCI Naples 4200 Ser 205P2/0161 of 17 Jul 08
(b) General Services Administration SmartPay2 Contract
(c) Federal Acquisition Regulation
(d) Defense Federal Acquisition Regulation Supplement
(e) Financial Management Regulation, Volume 5, Chapter 33
(f) NAVSUPINST 4200.85D
(g) NAVSUPINST 4200.99B
(h) UCMJ, Article 15

Encl: (1) GCPC Program Internal Operating Procedures

1. Purpose. To establish command responsibilities and procedures for the proper management of the Government Commercial Purchase Card (GCPC) Program.

2. Cancellation. NAVSUPPACT NAPLES INST 4200.8E

3. Background.

a. The Department of the Navy (DoN) Purchase Card Program is organizationally aligned within Naval Supply System Command (NAVSUP) Corporate Operations Directorate. The Consolidated Card Program Management of DoN financial card programs and selected electronic transactions systems. All DoN Activities using the program must comply with the provisions of references (a) through (h). DoN GCPC services are provided per a tailored Task Order under reference (b), which expires 29 November 2018.

b. Governing Policy. The DoN GCPC program is governed by acquisition, financial management and GCPC policies:

(1) Acquisition Policy - References (b) through (d) and (f) through (g) outlines acquisition policies for using the GCPC.

24 JUL 2014

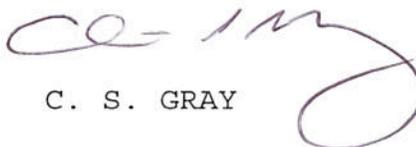
(2) Financial Management Policy for the GCPC is provided in reference (e).

(3) GCPC Policy - This instruction encompasses legal, regulatory, and policy from:

(a) United States Code Title 18, Section 1001 and reference (h) establishes legal requirements for management of GCPCs, safeguards, internal controls, and penalties for violations for GCPC misuse.

(b) Office of Management and Budget Circular, A-123 Appendix B provides Federal policy for management on Government Charge Card Programs.

4. Policy. NAVSUPPACT Naples policy is to use the GCPC for all requirements up to micro-purchase threshold of \$3,000 for supplies, \$2,500 for services, as a procurement method and, where practical and permissible, as a method of payment for contracts and as references (a) and (b) granted additional authority up to \$25,000 for supplies and services acquired and performed outside the United States must be documented in a Certification of Appointment (SF 1402) under the purchase cardholder authority.



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NAVSUPPACT NAPLES INST 4200.8F

24 JUL 2014

U.S. NAVAL SUPPORT ACTIVITY, NAPLES, ITALY

GOVERNMENT COMMERCIAL PURCHASE CARD

(GCPC)

INTERNAL OPERATING PROCEDURES

(IOP)

Enclosure (1)

24 JUL 2014

TABLE OF CONTENTS

1. Introduction	3
2. Citibank Purchase Card	4
3. Definitions	4
4. Delegations of Authority	7
5. Training Requirements	14
6. Standards of Conduct	15
7. Unauthorized uses/Restrictions on the Purchase Card	16
8. Reconciliation and Certification	17
9. Missing Documentation	18
10. Record Retention	18
11. Billing Errors and Disputes	18
12. Lost or Stolen Cards	18
13. Internal Review of the Local Program	19
14. Other Local Procedures	22

Attachments

A. Sample Approving Official Appointment Letter	A1
B. Sample Alternate Approving Official Appointment Letter	B1
C. Sample Cardholder Nomination Letter	C1
D. Sample Cardholder Delegation Letter	D1
E. DD Form 577	E1
F. GCPC or Purchase Order Request Form	F1
G. Purchase Card Log	G1
H. Sample Letter I.V.A Tax Exemption Form	H1
I. Fair & Reasonable Price Determination	I1

24 JUL 2014

1. Introduction

a. The need for the Purchase Card Program began with Executive Order 12352, Federal Procurement Reform, 1982. The Purchase Card program was developed to provide a fast and convenient method to procure and/or pay for all requirements under the micro-purchase threshold. After several interim programs, the Department of Navy (DoN) provided Task Order, GS-23F-U0006, issued under the General Services Administration (GSA) SmartPay[®]2 contract, GS-23F-T0003 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.

b. 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, this limit can be extended up to \$25,000 for OCONUS purchases only, if the DFARS (Part 213 Simplified Acquisition Procedures) conditions are met and the purchase card can be used as a payment method up to \$100,000 for placing delivery and task Orders (e.g. Department of Defense EMall) against competed Federal Supply Schedules (FSS), GSA Contracts, Indefinite Quantity (IDIQ) contracts, Indefinite Delivery Type Contracts (IDTC), to pay for printing services up to \$50,000 through Defense Logistics Agency Document Services and Up to \$25,000 for training requirements using the SF 182 (Certification of Training).

c. All purchases must be accomplished per the Federal Acquisition Regulation (FAR) Part 13, the Defense FAR Supplement (DFARS) Part 213, the Navy Marine Corps Acquisition Regulation Supplement (NMCARS), NAVSUPINST 4200.99 (series), the GSA contract for the GCPC and these IOPs.

d. In September 2011, the FLC Norfolk awarded a suite of 120 Furniture BPAs under the GSA's Federal Supply Schedule Program. The use of BPAs is mandatory for the purchase of furniture and will be limited to BPA holders only. Specific guidance and waiver procedures to the use of this policy is obtained from NAVSUP Fleet Logistics Center (FLC) Sigonella, Naples Detachment.

24 JUL 2014

e. In January 2013 Department of the Navy established a mandatory enterprise-wide policy to improve management and use of all networked and stand-alone DON copiers, printers, fax machines, scanners, Multi-Functional Devices (MFDs), it's procurement and disposal must be done through DLA Document Services

f. The purchase of office supplies will be limited to the various contracting vehicles available and to use automated purchasing systems on the DoD EMall, GSA Advantage, Va.gov or from existing base supply stores (ServMarts/NEX Depot). When using the DoD EMall, purchases are restricted to either the "Navy Contracts" or the "Federal Strategic Sourcing" corridors. Non use of the Mandatory Sources of Supply must be documented in purchase file.

2. Citibank Purchase Card. Citibank is the GSA contracted financial institution who will maintain all purchase card accounts and issue cards to cardholders (CHs), send monthly statements to approving officials (AOs).

3. Definitions

a. Billing Cycle. The billing cycle is a 30-day billing period when CHs may use their purchase card. For DoN, the billing cycle ends on the 19th of each month. If the 19th falls on a Saturday or Sunday, the billing cycle ends on the preceding Friday.

b. Billing Cycle Limit (30-day limit). The billing cycle limit assigned to each CH cumulative purchases and transactions within a given billing cycle. The CH and AO's billing cycle limits shall be reviewed 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.

c. Purchase Cardholder (CH). A purchase CH is any government employee who is designated by either the HA or designee to be issued a purchase card or purchase card account. The purchase card bears the name/account number of the purchase cardholder.

24 JUL 2014

d. 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 HAZMAT 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. 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 and/or consented by a Supply Department Control Division from the Hazardous Minimization Center (HAZMINCENTER).

e. Contracting Officer. The contracting officer is a government employee who has the authority to bind the government to extend of the delegated purchasing authority. The CHs are granted limited contracting authority by their HA or appointed in writing by the issuance of a letter of delegation or SF 1402, Contracting Officer's warrant.

f. Monthly's CH's Statement. The monthly CH's statement is the statement of charges provided to the AO at the end of the billing cycle detailing all of the transactions that posted to their account during the period.

g. Merchant Category Code (MCC) blocks. A four-digit code assigned to a participating purchase card vendor based on his/her industry classification. DoN has blocked purchase card transactions for certain categories of merchants. For examples, casinos, gasoline stations, jewelry stores, drinking establishments, etc. These MCCs are automatically applied to CH account profiles at the time of set-up.

h. Minor Personal (Accountable) Property. Minor personal or pilferable property refers to items that have a ready resale value or application to personal possession and other pilferable items, making them subject to theft (regardless of the unit dollar amount). The comptroller department must maintain accountability records in the Defense Property Accountability System (DPAS). Examples of property that is considered "pilferable" are cameras, lap top computers, iPad/tablet, computer accessories, cellular phones, Global Positioning System (GPS), Blackberries, and Personal Digital Assistants (PDAs).

24 JUL 2014

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.

i. Program Audit Tool (PAT). The PAT was developed for the DoN Consolidated Card Program Management Division (CCPMD). Its purpose is to be a method for review and corrective action of certain infractions of procedure and policy in the administration of the DoN's Purchase Card Program.

j. Information Technology Purchase Request (ITPR). ITPR approval amplifies ITPR policy and the approval process. This process is designed to ensure effective and efficient expenditure of funding to acquire IT capabilities, prevent duplicative investments, provide visibility on all Navy IT-related expenditures, and ultimately achieve strategic sourcing on IT procurement. All purchases for IT-related including telephones request will be forwarded to the Information System Department (ISD).

k. Purchase Card Log. The Purchase Card Log manual or automated log on which the purchase cardholder documents screening for mandatory government sources and individual transactions using the purchase card.

l. Reconciliation. Reconciliation is the process by which the CH and AO review their monthly cycle statements and reconcile against available vendor receipts, purchase card logs, and reallocation of the Budget Exchange Rate fluctuation.

m. 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.

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

24 JUL 2014

o. Single Purchase Limit. Single Purchase Limit is the dollar threshold assigned to each CH for a single purchase or payment action. Each CH's delegation of authority letter shall include limits commensurate with anticipated purchase requirements of the CH.

p. Split Purchase. A Split Purchase is the "intentional" breaking down of a known requirement to stay within the micro-purchase threshold or a means of getting around the CH's purchase limit. The requirement is the quantity known at the time of the purchase.

q. Contract Action Reporting (CAR) Reporting. All actions above \$3,000 shall be reported to the Federal Procurement Data System-Next Generation (FPDS-NG) through a CAR.

4. Delegations of Authority

a. HA. For the purposes of this instruction, HA is the military officer in command and in charge of the mission of an activity that has been granted contracting authority and has overall responsibility for the delegation of all the participants in the Purchase Card Program. Prior to establishing a local DoN Purchase Card Program, the HA must obtain a grant or delegation of authority to operate a GCPC Program. The HA must receive initial and refresher training every two years. Documentation of this training will be maintained by the Level V APC.

b. Agency Program Coordinator (APC). The APC is the individual designated by the Commanding Officer (CO) or HA, via a letter of delegation, who shall have overall responsibility for the administration and day-to-day operations of the activity and audit management of the purchase card program.

(1) The Installation Business Manager (IBM/APC) 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.

24 JUL 2014

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

(2) The Level V APC (activity level) or designated Alternate APC is responsible for oversight of the GCPC program for NAVSUPPACT Naples. The day-to-day operations include the following:

(a) Ensure that only personnel who require purchase cards for mission requirements are issued a purchase card.

(b) Ensure AO and CH account profiles are appropriate for local mission. Perform regularly scheduled maintenance on accounts to ensure that the account profile information is current and accurate. Accounts that have not been used more than three times or inactive at least 30 days (one billing cycle) shall be closed.

(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) Appoint AOs and CHs in writing by an appointment/delegation letter.

(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 reference (g), perform monthly transactional reviews, as well as quarterly and semi-annual reviews of every aspect of the program for the periods 20 September to 19 March and 20 March to 19 September. Upon CO concurrence the results of the semi-annual reviews are to be forwarded to the Level IV APC for submission to Level III APC.

(h) Provide quarterly briefings as needed to the CO regarding the status of the program, including the number of

24 JUL 2014

cards, spending patterns, delinquency issues, and instances of fraud, misuse, or abuse.

(i) Keep abreast of latest 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 transactional review under the APCs cognizance and in addition to transactions identified within the Citibank's PAT, such as, questionable purchases, 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 shall not be an AO or purchase CH.

(3) The Commanding Officer (CO) 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

24 JUL 2014

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) Is cognizant of the guidelines in the Purchase Card Desk Guide entitled "CO's Top 10 Purchase Card Management Tips.

c. Approving Official (AO) or designated Alternate. The AO and Certifying Official are synonymous in the DoN Purchase Card program and for the purpose of this Internal Operating Procedure (IOP) will be referred to as an AO. The AO will also be appointed by either the HA or APC, via a letter of appointment (attachment A) and DD Form 577 (attachment E), documenting their responsibilities as an Accountable Official and Certifying Official. The AO is the program's first line of defense against misuse, abuse, and fraud. The AO must receive initial and refresher training as required by reference (b) and paragraph 5 of this instruction. The AO's day-to-day operations include the following:

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

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

(3) Certification of monthly statements. The AO will reconcile purchases within five business days from receipt of the CH signed statement. AO shall review, sign, and date the CH monthly transactions to signify accuracy. In addition, the AO shall electronically certify the CHs statement within the Citibank system.

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

(5) Notify the AO/APC any violations in procedures, unauthorized purchase (purchases that would indicate non-compliance, fraud, misuse, and/or abuse) or payments discovered.

24 JUL 2014

(6) Complete a monthly random transactional review via the PAT, of CH transactions.

(7) 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.

d. Cardholder (CH). The CH is designated by the HA, via a letter of delegation (attachment D) and shall be warranted by the CO an SF-1402 when he/she has authority over the micro-purchase threshold limit, documenting their responsibilities as an Accountable Official. The purchase card bears the name/account number of this individual. They are pecuniary liable for erroneous payments resulting from negligent actions. The CH must receive initial and refresher training as required by reference (b) and paragraph 5 of this instruction. Purchase CH should not hold positions within the command where the APC, AO or others can exercise undue influence over his/her actions as purchase CH. The CH day-to-day operations include the following:

(1) Ensure sufficient funds are committed and used for authorized official U.S. Government purchases only. Approval must be obtained from AO and Financial Analyst (FA) prior to entering into any contracts or purchases. This requirement applies regardless of the transaction method or technology used (e.g. e-commerce, point-of-sale device).

(2) The CH will solicit a quote and document the vendor's quote on the purchase order request form.

(3) Screen all requirements for their availability from the mandatory government sources of supply as noted in reference a (under paragraph introduction).

(4) Rotate micro-purchase requirements among qualified suppliers to the maximum extent practicable.

(5) Purchase only mission-essential requirements at fair and reasonable prices from responsible suppliers only if mandatory sources are unavailable.

24 JUL 2014

(6) Ensure a proper separation of function for each purchase card line item or service transacted. A single individual may perform only one of the following functions (at a minimum, a three-way separation of function):

- (a) Initiation of the requirement.
- (b) Award of contract or replacement of order.
- (c) Receipt, inspection, and acceptance of supplies or services.

(7) Maintain either a manual or automated purchase log that documents individual transactions. The purchase card log should be maintained by cycle, not monthly. The log and supporting documentation should provide an audit trail supporting the decision to use the purchase card and any required special approvals that were obtained. At a minimum, the purchase log shall contain the following:

- (a) Date the item or service was ordered.
- (b) The merchant name.
- (c) The dollar amount of the transaction.
- (d) A description of the item or service ordered.
- (e) Date of receipt.
- (f) Name of individual receiving item or service.
- (g) Comments or applicable information regarding the purchase (i.e. paid but not received, credit, cancelled, dispute).

(8) Reconcile the monthly purchase card statement to ensure that all charges are proper and accurate. Reallocate Lines of Accounting for each transaction when required.

(9) Electronically certify and manually sign the monthly purchase card statement, forwarding to the AO with the appropriate supporting documentation and process payments within five working days from when it turns from "INTERIM" to "NEW," to

24 JUL 2014

minimize prompt payment of penalties. Supporting documentation shall include the following at a minimum:

(a) Monthly CH memo statement. Notes should be included on each charge, specifying document number, explanation of charge (i.e. conference attendance, books, credit etc.) and whether the charge is final or partial.

(b) Requisition/purchase order request form (showing funding approval).

(c) Sales receipt showing what was purchased and charged.

(d) Delivery and acceptance information showing what was received and who received it. Signature should be legible (print, date, and sign).

(10) Responsible for safeguarding purchase card information and account number at all times. The full account number shall not be transmitted in an insecure manner, such as by email, unsecured fax and/or stored fax (including digital-sender or similar networked fax server). If the purchase needs to occur using a fax or e-mail, the CH shall contact the vendor or vice versa via telephone. The CH shall ensure:

(a) Entire credit card information may only be transmitted over the counter, over the phone, mail order, or by Internet if it is a secure/encrypted site.

(b) Under any circumstances, credit card number must not be printed on either the department copy or customer copy of any receipts. A new or old receipt should have all but the last four digits blacked out. Credit card number should be blackened out as soon as possible and card expiration date must be masked especially when the vendor uses non-electronic or non-automated teller machine (ATM) swiped card machine.

(11) The CH shall not allow anyone to use his/her card or account number for any purpose. A CH who permits his/her GCPC or GCPC account number to be used by another person shall have his/her card withdrawn and shall be subject to disciplinary action. Credit cards will be kept under lock and key when not in use. This action will assist in assuring the GCPC is not accidentally used for personal transactions.

24 JUL 2014

(12) Ensure reportable actions for purchases greater than \$3,000 are to be completed on a Contract Action Report (CAR) through Federal Procurement Data System-Next Generation (FPDS-NG) website. Note: These functions are performed by CHs authorized by Certification of Appointment (SF-1402).

e. Financial Manager (FM). An individual from comptroller department who liaisons with the APC and CH to ensure the correct lines of accounting and funds are committed to satisfy the requirements. The FM ensures all exception output from Financial Management System (FMS) bulk funding with the actual expenditures recorded in the official financial system Standard Accounting Reporting System (STARS) files are corrected and the APC is informed of any corrections required to the CitiDirect website.

f. Local Contracting Office. The local contracting office provides advice interpreting acquisition and contracting policy governing the use of the purchase card, particularly when using the GCPC as a method of payment.

5. Training Requirements. Prior to designation as a program participant via a letter of delegation, all program participants, HA, APCs, AOs and CHs, must successfully complete initial training on the purchase card program as well as refresher training every two years. A copy of all training certificates will be maintained by the Level V APC for the duration the participant/employee serves in the capacity and for three years beyond. Listed below is the required training for all prospective participants:

a. The DoN Consolidated Card Program Management Division (CCPMD) training (HA, APC, AO, and CH) for their perspective roles at the following website:
http://www.navsup.navy.mil/ccpmd/purchase_card/training.
Refresher training is required every other year.

b. The Certifying Officer Legislation Foundations Training designed for AO, Assistant AO (AAO), and Certifying Officer to identify the legislation, regulation, and references that pertain to COL. It also defines payment certification and identifies personnel involved in the certification process (either manual or electronic) while explaining their roles.
<https://dfas4dod.dfas.mil/training/Courses/COLBasics/index.html>

24 JUL 2014

c. The Defense Acquisition University (DAU) Computer Learning Center (CLC) DoD Government Purchase Card Tutorial (CLG001) required for APC, AO, and CH. No refresher required once initial training is submitted.

d. Annual ethics training (APC, AO, and CH). This training is required annually via the DoN website at:
<https://donogc.navy.mil/ethics>.

e. Local Internal Operating Procedures (IOP) training (APC, AO, and CH). The Level V APC will provide training and ensure certificates are issued once training is completed. Refresher training is required every other year.

f. In addition, CH's and AO's who are expected to spend/certify over \$150,000 per year shall file an OGE Form 450 every year. Due to their confidential nature, the OGE Form 450's are retained by the COMNAVREGEURAFSWA general Counsel. However, the APC shall request a yearly statement from the General Counsel certifying filing of OGE Form 450's for required personnel and maintain it on file available for external inspection teams (i.e. Procurement Performance Management Assessment Program, Inspector General etc.)

6. Standards of Conduct. Employees of NAVSUPPACT Naples staff hold a public trust, their conduct must meet the highest ethical standards. All CHs will use the GCPC only to purchase supplies or services within the guidance of this program and should be aware that making false statements on purchase card records may subject them to disciplinary action. GCPC misuse, abuse, fraud and payment delinquency will not be tolerated.

a. The AO and/or CH shall be subject to administrative disciplinary action pertaining to the code for improper, fraudulent, abusive, negligent, or unauthorized use. It is DoD policy that for each case of improper, fraudulent, abusive, or negligent use of the GCPC (by civilian or military personnel) the supervisor of the individual will be informed in a timely manner so that appropriate corrective, disciplinary, or adverse action may be taken. This includes any use at establishments or for purposes that are inconsistent with the official business of DoN or with applicable regulations.

b. Civilian personnel penalty guidelines shall address offenses with respect to Government GCPCs and shall detail that

24 JUL 2014

the penalty of termination from the GCPC account as determined by the deciding official. The servicing Human Resources Office (HRO) should assist the supervisor in taking disciplinary action with the selection of the charge and appropriate penalty based on the Navy's past practice, collective bargaining agreements and negotiated discipline policies if applicable, regulatory guidance, applicable case law. In taking corrective or disciplinary action against civilian personnel, supervisors shall use authoritative guidance.

c. Military personnel who misuse, abuse, or commit fraud with the purchase card shall be subject to actions available in reference (h), including counseling, reprimand, nonjudicial punishment (Article 15, Uniform Code of Military justice), 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.

7. Unauthorized uses/Restrictions on the Purchase Card.

Unauthorized purchases or negligence may constitute misuse, fraud, or negligence. The CH who make unauthorized purchases or who use the card in an inappropriate manner may be financially liable to NAVSUPPACT Naples. CHs are subject to disciplinary action for unauthorized or negligent use. 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.

a. References (f) and (g) provides a comprehensive listing of the most common prohibited and special attention items related to purchase card buys including, but not limited to:

(1) Split purchases. No CH may fragment/split purchases that exceeds their delegated purchase limit as a means to use the purchase card.

(2) Cash advances (not permitted under any circumstances).

24 JUL 2014

(3) Rental or lease of land, buildings, or long-term rentals (one-month).

(4) Fuel or oil for DoN-owned aircraft, vessels, and vehicles, unless specifically authorized by reference (b).

(5) Rental or lease of commercial or GSA Vehicles (without drivers). CH are not authorized to use their purchase cards to rent/lease commercial or GSA vehicles including boats, vessels, helicopters, etc. due to contractual requirements.

(6) Gift Checks, Rebates or Incentives. Under no circumstances will the CH accept gift cards/checks, vendor rebates, or other purchase incentives that can be converted to personal use. If received, these items must be turned over to the A/OPC for destruction and disposal.

(7) Expenses associated with official travel including transportation, lodging, or meals.

8. Reconciliation and Certification

a. At the end of each monthly billing cycle, the CH shall reconcile the transactions appearing on their online statement. Each transaction must be matched with records to verify accuracy. CitiBank notes will be annotated with each transaction containing corresponding document numbers and payment status (partial or final). The CH must print and sign the statement and complete reconciliation within five working days of the end of the billing cycle. Online statements shall then be submitted to the AO along with supporting documentations for each transaction.

b. If the CH cannot review their online statement within five working days of billing cycle end, the AO is responsible for reviewing and certifying the CHs online statement. The AO shall review the CH's statements online ensuring all transactions are proper, and the AO shall meet with the CHs upon their return to properly reconcile the statement.

c. The AO is responsible for certifying CHs monthly statements and releasing the monthly invoice for payment within ten days of end of billing cycle. The AO will review each transaction made by the CHs to ensure they were appropriate and the charges accurate. Sign and date the printout of the monthly CH statement. Electronically submit the monthly invoice for

24 JUL 2014

payment. Additionally, the AO will complete the monthly transactional review in the PAT within 15 days of the cycle close date.

d. The Level V APC will conduct or oversee/manage the monthly transactional reviews within the PAT. Any Level V APC review not completed within 30 days of the set due date will have the account suspended by the Level IV APC.

9. Missing Documentation. If for some reason the CH does not have documentation of the transaction to send with the statement, he/she must attach an explanation that includes a description of the item, date of transaction, merchant's name, and why there is no supporting documentation.

10. Record Retention. Financial records such as monthly invoices and statements must be retained for six years and three months. APCs, AOs, and CHs must maintain purchase-related records, such as purchase card logs and requisitions, for a minimum of three years. All documentation must be available for review by the APC, AO or FLSCI 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.

11. Billing Errors and Disputes

a. Questionable Items. If a CH receives a statement that lists an unrecognized transaction, the CH (or the AO) must notify the Dispute Office at Citibank and complete the Citibank Government Cardholder Dispute Form. This may include circumstances where the CH did not make the transaction, the amount of the transaction is incorrect, or the quality of service is an issue. Citibank will credit the transaction until the dispute is resolved. In addition, a copy of the form must be attached to the CHs monthly statement and sent to the APC.

b. Defective Items. If items purchased with the card are found to be defective, the CH has the responsibility to obtain a replacement or correction of the item as soon as possible. If

24 JUL 2014

the merchant refuses to replace or correct the faulty item, then the purchase of the item will be considered in dispute. Items in dispute are handled in the same manner as billing errors.

c. Credit Balances occur due to duplicate certifications and over-payments due to manual certification, erroneous postings by the bank, or credits that post after the account has been closed. CHs are responsible for reconciliation of their monthly statement using procedures found within the CH desk guide at; http://www.navsup.navy.mil/ccpmd/purchase_card/desk_guides. APCs need to ensure that when credit balances are outstanding, the credits are applied to the same LOA within the same fiscal year before requesting a refund check from the bank. APCs will need to contact the Client Account Specialist (CAS) at Citibank to transfer credit balances between accounts."

12. 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) Card number.
- (2) Cardholder's complete name.
- (3) Date and location of the loss.
- (4) If stolen, date reported to police.
- (5) Date and time Citibank was notified.
- (6) Any purchase(s) made on the day the card was lost or Stolen.
- (7) Any other pertinent information.

c. Card Replacement. Citibank will mail a replacement card within one business day of the reported loss or theft. A card

24 JUL 2014

that is subsequently found by the cardholder, after being reported lost or stolen, will be cut in half and given to his/her AO or the APC. The APC will notify Citibank that the card has been destroyed.

(1) CH. Upon departure of a CH, the CH must surrender the card to the APC. The APC shall ensure that the CH account is suspended at least 30 days (one billing cycle) prior to the projected date of loss. Once the APC has that the CH account is suspended at least 30 days (one billing verified all transactions and payments have cleared for the account, the APC will close the account. Under no circumstances will the account remain open past the official detachment date.

(2) AO or APC. Once an AO/APC is due to transfer, retire, or a new AO/APC is assigned, the Level V or IV APC must be notified. Requests to remove the old AO or APC and add a new AO or APC will be forwarded to the Level V or IV APC.

13. Internal Review of the Local Program

a. Monthly Level V APC Reviews. The Level V APC shall conduct or oversee/manage the monthly transactional reviews. The review(s) shall include all of the purchase card transactions within the previous month for all card accounts under the APC's cognizance (100 percent transaction review). Results shall be reported to the CO on a monthly basis.

b. The review shall target the following critical elements

(1) Suspicious vendors

(2) Split purchases

(3) Equitable distribution of business on stand-alone purchases.

(4) Exceeding the micro-purchase threshold and any delegated authority.

(5) Suspected fraudulent or potential misuse/abuse transactions.

c. This process, at a minimum, should consist of reviewing each CH statement with supporting documentation. This should include reviews of the following:

24 JUL 2014

(1) CH Log

(2) Integrity of purchase request (signatures for approval of purchase, quantity matches, etc.)

(3) Receipt, inspection, and acceptance procedure

(4) Proper separation of function being performed

(5) Verification that the AO has reviewed the CH purchases.

d. The Level V APC shall also conduct or oversee/manage the monthly transactional reviews within the PAT. The review shall include all the purchase card transactions identified within the PAT as well as completing the monthly review and submitting to the Level IV APC. Any Level V review not completed within 30 days of the set due date will have the account suspended by the Level IV APC.

e. Semi-Annual Level V APC Reviews. Semi-annual reviews shall consist of two reviews: 1) an evaluation of internal procedures and management controls and 2) a transactional review. The Level V APC shall submit the reviews, as well as applicable reports, to the HA for review and signature, ensuring concurrence with all the disciplinary actions taken on any noted findings on the semi-annual review. A copy of the report(s) shall be provided to the Level IV APC. The reporting periods for the semi-annual reviews shall encompass the billing cycles of 20 March - 19 September and 20 September - 19 March.

f. End of Fiscal Year Procedures. In order to minimize the end of fiscal year impact, the Comptroller Department will establish the cut-off date for Fiscal Year (FY) and will take control of remaining FY OPTAR funds. This cut-off date will ensure control of FY end funds. CHs must ensure that all transactions have been processed and purchased prior to close of business on the established cut-off date.

14. Other Local Procedures

a. Mandatory Screening. Per reference (g), screening requirements of government sources of supply are mandatory. Screen all requirements for their availability from the mandatory Government sources of supply as noted in reference (g)

24 JUL 2014

b. 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 DoD exchanges or other Non-Appropriated Fund Instrumentalities are considered commercial sources, therefore, the requirement to rotate business competition still applies.

c. Prohibited Purchase Review. The CH will review attachment F to ensure that a requested item or service is not prohibited by referring to the "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 (g), the CH shall obtain the appropriate approval.

d. Single Purchase Limit and "Split Purchase" Review. As defined in paragraph (p) of this IOP (see 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 local Contracting Office can process a requisition for purchase. Whenever a purchase is made in foreign currency, the CH must ensure that the daily exchange rate in dollars does not exceed the single purchase limit. The CH will verify the daily rate at www.onlineconversion.com/finance.htm and print out the daily currency conversion to document the purchase file. AOs will ensure that requirements are not split between two or more CHs to avoid the single purchase limit.

e. 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.

f. 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,

24 JUL 2014

check hard copy catalog prices, or ask for oral or written quotes from at least three vendors.

g. Competition Review. Distribution of business is reviewed in the NAVSUP FLCSI Naples Review every eighteen (18) months 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 (series) apply to all purchases using the GCPC. Documentation of any necessary competition shall be documented and maintained in the Purchase File.

h. Funding Review and Obligation of Funds. Prior to making a purchase the CH will ensure that sufficient funding is available from the appropriate Operational Target (OPTAR), the Financial Analyst will sign the Purchase Request when funding is available. 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.

(1) 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:

(a) 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.

(b) Three competitive bids are required.

24 JUL 2014

(c) Use of the "Fair and Reasonable Price Determination" form reference (f) is mandatory. See attachment I.

(2) 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.

(a) Ordering, 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.

(b) Tax Exemption. 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 H, 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.

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

24 JUL 2014

j. 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.

k. 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 charge, 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.

l. 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 (b), the purchase card is to be used for items that are readily available, not for backorders.

m. 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.

24 JUL 2014

n. 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 CH's responsibility to file and follow up on all disputes submitted to the Bank.

o. Accounting and Reconciliation Procedures for Purchase Card Accounts.

(1) CH Procedures. NAVSUPPACT Naples CHs shall reconcile the transactions appearing on his/her monthly statement at the end of each billing cycle. 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 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) 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. 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 sixty (60) days delinquent.

(3) Absence of CH or AO. If the CH has a planned

24 JUL 2014

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, however, the AO is responsible for completing his/her review upon return.

p. 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:

(1) 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:

(2) 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.

(3) 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. 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 Transportation

24 JUL 2014

Control Number (same as the requisition document number), by mail, or by email to the CH. The following shipping information is required for the applicable shipment method:

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

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

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.

3. Merchant's name and address.

(c) 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.

3. Merchant's name and address.

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

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

24 JUL 2014

MARK FOR: (INSERT DEPARTMENT NAME AND CODE)

LOCAL PHONE NUMBER:

NO PERSONAL NAMES ALLOWED

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 Code (TAC). The TAC utilized for purchase card procured material through DTS is NFCU, a Navy Service-Wide Transportation First Destination TAC. The use of TAC NFCU 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. Merchant's name and address.

5. 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
1860 LEUTZ BLVD, SOUTH ANNEX
BLDG SDA 216
NORFOLK VA 23511-5000

Example: N6258823030100XXX/820/TP2/777/N62588

(e) 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.

24 JUL 2014

2. Date of order.

3. Date of delivery or shipment.

4. Itemized list of supplies furnished, including quantities.

5. MARK FOR address, including UIC, Department's FPO address and code for which the material is being acquired.

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

q. Receipt Procedures. As previously stated, a minimum two-way separation of ordering and receiving functions will be maintained. The individual designated to receive the material shall inspect the material to ensure that is it the material that was ordered, it is in the proper quantity, and it is in good condition upon receipt. The receiver shall provide legible signatures and date receipt/acceptance document to the cardholder. The CH shall file the document in the purchase file. The AO shall verify the invoice and initial it.

Note: CH/buyer should not be the receiver or material.

24 JUL 2014

4200
N8

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

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

Ref: (a) Federal Acquisition Regulation
(b) Defense Federal Acquisition Regulation (DFAR) 201.6
(c) Financial Management Regulation, Volume 5, Chapter 33
(d) NAVSUPINST 4200.99B
(e) Internal Operating Procedures

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

1. You are hereby appointed as an Approving Official (AO) and Certifying Official for the Government-wide Purchase Card Program at for Department (name). You are directed to familiarize yourself with references (a) through (e) and all applicable instructions in the performance of your duties and responsibilities.

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 review. 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 OFFICIAL

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 AO, you are also the Certifying Official 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).

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

I. M. SAILOR

24 JUL 2014

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 OFFICIAL

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

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

1. You are hereby appointed as an Approving Official (AO) and Certifying Official for the Government-wide Purchase Card Program at for Department (name). You are directed to familiarize yourself with references (a) through (e) and all applicable instructions in the performance of your duties and responsibilities.

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 review. 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 OFFICIAL

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 AO, you are also the Certifying Official 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 or General Accounting Office.

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).

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

I. M. SAILOR
APC

B-2

Enclosure (1)

24 JUL 2014

4200
N8

MEMORANDUM

From: Department Head, 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.

I. M. SAILOR
LCDR USN

24 JUL 2014

4200
N8

MEMORANDUM

From: Commanding Officer, 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 1.6
(b) Defense Federal Acquisition Regulation (DFAR) 201.6
(c) NAVSUPINST 4200.99B

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

1. Per references (a) through (c), you are hereby appointed as a Contracting Official for the United States of America, limited to the use of the Government Commercial Purchase Card. The specific limits of your authority are established below. You are reminded that you are personally accountable for strict adherence to Department of Navy 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 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 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;

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

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

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

24 JUL 2014

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

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 IOP. 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 and Approving Official. 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.

F. M. SAILOR

APPOINTMENT/TERMINATION RECORD - AUTHORIZED SIGNATURE

(Read Privacy Act Statement and Instructions before completing form.)

PRIVACY ACT STATEMENT

AUTHORITY: E.O. 9397, 31 U.S.C. Sections 3325, 3528, DoDFMR, 7000.14-R, Vol. 5.

PRINCIPAL PURPOSE(S): To maintain a record of certifying and accountable officers' appointments, and termination of those appointments. The information will also be used for identification purposes associated with certification of documents and/or liability of public records and funds.

ROUTINE USE(S): The information on this form may be disclosed as generally permitted under 5 U.S.C Section 552a(b) of the Privacy Act of 1974, as amended. It may also be disclosed outside of the Department of Defense (DoD) to the the Federal Reserve banks to verify authority of the accountable individual to issue Treasury checks. In addition, other Federal, State and local government agencies, which have identified a need to know, may obtain this information for the purpose(s) identified in the DoD Blanket Routine Uses published in the Federal Register.

DISCLOSURE: Voluntary; however, failure to provide the requested information may preclude appointment.

SECTION I - FROM: APPOINTING AUTHORITY

1. NAME <i>(First, Middle Initial, Last)</i>		2. TITLE	3. DOD COMPONENT/ORGANIZATION
4. DATE <i>(YYYYMMDD)</i>	5. SIGNATURE		

SECTION II - TO: APPOINTEE

6. NAME <i>(First, Middle Initial, Last)</i>		7. SSN	8. TITLE
9. DOD COMPONENT/ORGANIZATION		10. ADDRESS <i>(Include ZIP Code)</i>	
11. TELEPHONE NUMBER <i>(Include Area Code)</i>		12. EFFECTIVE DATE OF APPOINTMENT <i>(YYYYMMDD)</i>	
13. POSITION TO WHICH APPOINTED <i>(X as applicable (one only))</i>			
<input type="checkbox"/> DISBURSING OFFICER	<input type="checkbox"/> DEPUTY DISBURSING OFFICER	<input type="checkbox"/> DISBURSING AGENT	
<input type="checkbox"/> PAYING AGENT	<input type="checkbox"/> CASHIER	<input type="checkbox"/> COLLECTION AGENT	
<input type="checkbox"/> CHANGE FUND CUSTODIAN	<input type="checkbox"/> IMPREST FUND CASHIER	<input type="checkbox"/> CERTIFYING OFFICER	
<input type="checkbox"/> DEPARTMENTAL ACCOUNTABLE OFFICIAL			

14. YOU ARE HEREBY APPOINTED TO SERVE IN THE CAPACITY IDENTIFIED IN ITEM 13. YOUR RESPONSIBILITIES INCLUDE:

15. YOU ARE ADVISED TO REVIEW AND ADHERE TO THE FOLLOWING REGULATION(S) NEEDED TO ADEQUATELY PERFORM THE DUTIES TO WHICH YOU HAVE BEEN ASSIGNED:

SECTION III - ACKNOWLEDGEMENT OF APPOINTMENT

I acknowledge and accept the position and responsibilities defined above. I understand that I am strictly liable to the United States for all public funds under my control. I have been counseled on my pecuniary liability and have been given written operating instructions. I certify that my official signature is shown in item 17 below.

16. PRINTED NAME <i>(First, Middle Initial, Last)</i>	17. SIGNATURE
---	---------------

SECTION IV - TERMINATION OF APPOINTMENT

The appointment of the individual named above is hereby revoked.		18. DATE <i>(YYYYMMDD)</i>	19. APPOINTEE INITIALS
20. NAME OF APPOINTING AUTHORITY	21. TITLE	22. SIGNATURE	

**INSTRUCTIONS FOR COMPLETING
 APPOINTMENT/TERMINATION RECORD - AUTHORIZED SIGNATURE**

This form may be used to:

1. Appoint disbursing officers and their agents, e.g., deputy disbursing officers, disbursing agents, paying agents, cashiers, change fund custodians, and collection agents.
2. Appoint certifying officers. Certifying officers are those individuals, military or civilian, designated to attest to the correctness of statements, facts, accounts, and amounts appearing on a voucher for payment.
3. Appoint accountable officials. Accountable officials are those individuals, military or civilian, who are designated in writing and are not otherwise accountable under applicable law, who provide source information, data or service to a certifying or disbursing officer in support of the payment process.
4. Appoint other individuals for which an appointing authority considers this form appropriate; see item 13.

SECTION I.

1. Enter the name of the commander/appointing authority.
2. Enter the commander/appointing authority's title.
3. Enter the commander/appointing authority's DoD component/organization location.
4. Enter the date the form is completed.
5. The commander/appointing authority must place his or her legal signature in the block provided. **Enter a digital signature in this item ONLY after completion of items 6 through 16, as this signature will "lock" those items.**

SECTION II.

6. Enter the appointee's name.
7. Enter the appointee's social security number. The full social security number is required for pecuniary liability determination purposes.
8. Enter the appointee's title.
9. - 11. Enter the name, complete address, and telephone number of the DoD component/organization activity to which appointed.
12. Enter the date the appointment is to be effective.
13. Mark X in the appropriate box indicating the purpose for the appointment. For "other", specify the type of appointment.
14. The appointing authority should identify the types of payments affected, but need only be specific as he or she considers necessary. Include any other pertinent information (e.g., system involved).
15. List all regulations the appointee must review and follow in order to adequately fulfill the requirements of the appointment.

SECTION III.

16. - 17. The appointee prints his or her name and enters his or her legal signature in the spaces provided.

SECTION IV.

Completing this section terminates the original appointment as of the effective date. If partial authority is to be retained, complete a new DD Form 577.

18. Enter the date the termination is effective.
19. The appointee will initial in the space provided acknowledging revocation of the appointment.
20. - 22. The appointing authority must place his or her name, title and legal signature in the spaces provided.

24 JUL 2014

LETTER I.V.A. TAX EXEMPTION FORM

(This is an unofficial, courtesy translation made by the APC)

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

Naples, Italy _____

To the Management of the Company:

Subject: REQUEST FOR TAX EXEMPTION

Please be advised that Article 72 of Presidential Decree 633 of 26/10/1972 foresees for the exemption from the Government of the United States of America for the payment of VAT (I.V.A.) rates on goods and services made to American Commands in Italy.

Therefore, the purchases that will be made today at your Company are exempt from paying the tax rate (I.V.A.) and will be paid by credit card (MasterCard) property of the United States of America issued to:

Mr. / Ms. _____

Employed at U.S. Naval Support Activity, Naples, Italy. The Tax Identification Number for this Command is the following:

80156020630

We would like to Thank you for your kind cooperation

U.S. Navy, Naples, Italy

24 JUL 2014

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 JUL 2014

FAIR AND REASONABLE PRICE DETERMINATION

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

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:

24 JUL 2014

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

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 _____