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## Appendix A: Best Practices

**1.Account Establishment**

a. Only those personnel with a continuing need to use the GPC are appointed as CHs. The BO must advise the Level 4 A/OPC when one or more of the following conditions apply: CH no longer has a continuing need to use the card; CH transfers to other duties or organizations, retires, or leaves Government service. The BO must confirm in writing the actual card assigned to the CH was returned and destroyed. During the annual review of a BO’s account, the BO will advise/recommend to the Level 4 A/OPC whether, based on mission requirements and purchase history, a continuing need for the GPC is justified for each assigned CH.

b. The Level 4 A/OPC reviews and approves the spending limits the RM assigns to the CHs, and forwards to the bank the approved spending limits and merchant codes based on a reasonable estimation of what the CH needs to buy as part of the activity mission and function (RM setup for BOs/CHs in EAS). The spending limits and cycle limits must be set at a level commensurate with historical spending, anticipated requirements, and available funding of the activity or organization. Limits should not be based on unlikely contingencies.

**2.Account Maintenance**

The Level 4 A/OPC is required to update account information (i.e. changes in a CH’s name, address, spending limits). The CH must promptly report lost, stolen, or compromised cards to the Servicing Bank’s , BO, and Level 4 A/OPC. The Servicing Bank must immediately block the account from accepting additional charges.

**3.Use of the GPC for Non-Personal Services**

Recurring services performed at regular intervals having a demand that can be accurately predicted on an annual basis may be purchased with the GPC if they do not exceed $2,500 per fiscal year. Recurring services requirements estimated to exceed $2,500 per fiscal year shall be acquired through the servicing contracting office. Non-recurring services involve one-time, unpredictable, or occasional requirements, and may be purchased with the GPC up to $2,500 whenever a requirement occurs. If any doubt exists as to which category a service falls under, the cardholder shall consult with the local contracting office for a written determination.

**4.Card Security**

CHs must take appropriate precautions comparable to those taken to secure personal checks, credit cards, or cash. CHs must maintain physical security of the card to preclude compromise. The card should never be surrendered unless it is going to be cancelled. Additionally, the account number should not be released to other than the vendor

Appendix A: Best Practices (continued)

processing the transaction. The card is not to be used as a company card (e.g. if the CH is to be away, someone in the office, who is not the authorized CH, borrows the CH card and makes purchases using the card). This is prohibited. Only the CHs can make purchases using their GPC.

**5.AbilityOneProgram**

The AbilityOne Program strives to ensure that its products are priced within the fair market range. Obtaining a commercial product at a lower price than an AbilityOne product is not a valid reason to circumvent the AbilityOne Program mandate. If you feel the AbilityOne product is priced significantly higher than a commercial item, you should contact the AbilityOne Program for guidance. AbilityOne does not offer a general-use, white, 8.5 x 11 or 30% recycled copy paper. AbilityOne’s copy paper is for letterhead application and is archival quality. Since AbilityOne is not a mandatory source for a general-use paper (30% recycled is considered general use), you don’t need a waiver from AbilityOne for the purchase of general-use copy paper and may purchase from AbilityOne Base Supply Centers or another source such as the office supply BPAs on the DOD EMALL Army Corridor.

**6.Property Accountability**

The PBO will acknowledge screening of all purchase requests on the purchase request form and the cardholder will screen the purchase request form for PBO approval prior to making the purchase. The cardholder must provide a copy of the purchase receipt to the PBO within 5 days after receipt In rare situations where scarce human resources and operation readiness dictates, a PBO may be appointed as a CH or BO, but to ensure separation of duties, PBOs that are also BOs or CHs may not purchase items they use requiring property accountability. PBOs or their representatives will ensure property accountability procedures are being followed. .

**7.Contingency Operations**

a. Active Component Units: Units deploying in support of contingency operations should take their locally issued GPCs with them to use while deployed. Prior to deployment, coordinate with the Contracting Activity that has contracting authority in the contingency area to see if there are special requirements for using the GPC while deployed in the Area of Responsibility (AOR), and ensure the cards’ lines of accounting are properly funded. If after coordination with the contracting authority for the deployed area, it is determined the deploying units are not taking their GPCs, these accounts must be temporarily suspended by the A/OPC, upon notification from the BO, during the period of deployment. If GPCs are authorized while deployed, the local RM must make appropriate adjustments to the lines of accounting/EDI flags and routers, and additional information must be entered in the Servicing Bank’s EAS. The BO must notify the

Appendix A: Best Practices (continued)

A/OPC in writing if GPCs are authorized while deployed. GPCs OCONUS will be managed to meet program requirements of the issuing agency.

b. Reserve Units and National Guard: Mobilizing reservists may use their GPC once they arrive at the Mobilization (MOB) station. The reserve issued GPC shall no longer be used. The Reserve A/OPC deactivates the mobilized soldier’s GPC account at this point, through temporary closure or termination. The gaining activity in the contingency operation area determines if a soldier requires a GPC. If it is determined that the mobilized reservist requires a GPC, the unit’s command identifies the FORSCOM home station responsible for its issuance. All GPC accounts (CH and BO) for mobilized reservists are managed by the FORSCOM home station installation A/OPC to which the contingency unit is assigned. Cards are to be used in theater for mission essential requirements only. The A/OPC provides a GPC CH worksheet to the CH to assist the CH with contingency purchases.

**8.Prohibited Purchases and Restrictions on GPC Use**

Each CH is authorized to buy necessary supplies and services provided there is adequate funding, the items are purchased at a reasonable price, and are not prohibited.

Appendix C provides general rules regarding prohibited purchases. In most cases, Appendix C allows the CH to determine whether a particular buy is appropriate. This list is not all-inclusive and should be supplemented by ACOM and installation GPC standard operating procedures, as necessary. In addition to the items listed in Appendix C, CHs must obtain pre-purchase approval and documentation addressing the bona fide need for requirements that appear to be outside the normal needs of the requesting organization. CHs must ensure that all purchases are properly documented, and that necessary approvals are obtained prior to making the purchase.

**9.Merchant category Code Blocks and Overrides**

a. The banking community has established a code system to categorize merchants by the goods and services they provide. These MCCs are used within the Servicing Bank’s card processing system to authorize or decline purchase transactions based on controls established for each GPC account.

b.Based on their MCCs, various classes of merchants have been blocked from doing business with the Army through the GPC. These merchants have identified themselves as specializing in certain products or services that are not authorized for official purchases with the GPC. The unauthorized MCCs are:

(1) 4829 – Wire Transfer/Money Orders

(2) 5932 – Antique Shops

(3) 5933 – Pawn Shops

(4) 5937 – Antique Reproductions

Appendix A: Best Practices (continued)

(5) 5944 – Jewelry Stores

(6) 5960 – Direct Marketing Insurance

(7) 6010 – Financial Institutions: Manual Cash Advance

(8) 6011 – Financial Institutions: Automatic Cash Advance

(9) 6012 – Financial Institutions: Merchandise and Services

(10) 6051 – Non-Financial Institutions: Foreign Currency, Money Orders, and Travelers Checks

(11) 6211 – Security Brokers/Dealers

(12) 6760 – Savings Bonds

(13) 7012 – Timeshares

(14) 7273 – Dating and Escort Services

(15) 7995 – Betting, Casino Gaming Chips, and Off-Track Betting

(16) 8651 – Political Organizations

(17) 9211 – Court Costs, Alimony, and Child Support

(18) 9222 – Fines

(19) 9223 – Bail and Bond Payments

(20) 9311 – Tax Payments

(21) 9700 – Automated Referral Service

c. A merchant that has been blocked may still sell items that are authorized for purchase with the GPC. If a CH determines that he or she must make a purchase from a source that has been blocked because of its assigned MCC, the following procedures apply. The request to override a merchant’s blocked MCC must be prepared by the BO of the CH who wants to make the purchase. The request must contain the name and masked account number (show only the last 10 digits of the account number) of the CH, a description of the item(s) to be purchased, the merchant’s exact name and address, the MCC that must be overridden, the estimated dollar amount of the purchase, the estimated date of the purchase, and a description of efforts to locate a source other than the merchant with the blocked MCC. In addition, the request must specify the need for the particular requirement (for example, a special magnifying glass, available only from a jewelry store, needed to examine circuit card wiring). The request is routed through the appropriate Level 4 A/OPC to the Level 3 A/OPC for approval. Approvals are granted on a transaction-by-transaction basis. This process does not allow recurring purchases from a restricted merchant. If the request is approved, the Level 4 A/OPC contacts the Servicing Bank to have the specific transaction approved from the restricted merchant. The CH has five days to make the purchase. At the time of purchase, the CH advises the merchant to call the Servicing Bank’s Customer Service Department and provide the following information:

(2) GPC number, CH name and billing address.

(3) GPC expiration date.

(4) Purchase amount.

(5) Advise that this transaction has been coordinated through the Army Level 4 A/OPC.

Appendix A: Best Practices (continued)

**10.Monitoring and Surveillance**

a. Monitoring and surveillance of the GPC program are shared responsibilities. All stakeholders in the program, including RMs, PBOs, and local audit and oversight organizations, have a part in ensuring that the GPC is used in the proper manner and only authorized and necessary official purchases are made. The Servicing Bank’s EAS gives all A/OPCs and RMs the capability to electronically review CH transaction details on a daily basis. This tool must be used to maintain the highest level of visibility over this program.

b. Level 4 A/OPCs annually inspects 100% of Billing Officials and a representative, randomly selected sample of transactions of each BO account. Hands-on reviews are preferred, but alternative methods are allowable. The Level 4 A/OPCs reviews the selected transactions to verify that the BOs and CHs are following correct procedures and processes. The Level 4 A/OPCs are encouraged to include participation from representatives of the local Resource Management Office as well as other local oversight organizations in their surveillance programs. At a minimum, these reviews must address compliance with formal GPC purchase and payment procedures, appropriateness of spending limits, span of control, and property accountability. Review guidelines and checklists are provided in Appendix D. The A/OPC will utilize the surveillance tools in the Servicing Bank’s EAS.

c. The A/OPC performs an annual review of the ongoing need for existing cards and makes a determination to cancel or allow unused cards to remain open. Cards with no activity for more than 6 months should be cancelled or the continued need documented. An annual review of credit limits on each CH account must be performed and credit limits adjusted based on an analysis of individual CH expected usage or past spending patterns.

**11.Metrics and Reporting**

There are many reports available through the Servicing Bank’s EAS to assist all A/OPCs in the management and oversight of the GPC program. In addition to reviewing these reports, A/OPCs at all levels collect and maintain certain metrics to assess the performance of their program. These include the following:

(1) Metrics listed in OMB Circular A-123 Appendix B Chapter 5.3

(2) Army Level 2 A/OPC reporting requirements listed in Appendix G.

(3) Span of control ratios for accounts listed under the A/OPC and BO.

(4) Data mining reports available through the Servicing Bank’s EAS which focus on purchase card activity for indications of potentially fraudulent, improper, or questionable purchases.

(5) The number and dollar amount of transactions.

Appendix A: Best Practices (continued)

(6) GPC centralized training database – monitor adherence to GPC program training requirements.

(7) Annually assess relevancy and appropriateness of GPC training.

(8) Financial Controls – at a minimum every 6 months monitor and assess single and monthly purchase limits.

(9) File Retention – annually review A/OPC files for up-to-date delegation letters for BOs and CHs, corrective action plans, documentation for application for cards and approvals, account maintenance, ethics certification, required training certifications, and results of annual reviews.

(10) Succession Planning – at a minimum annually assess available resources/workforce to ensure continuity of needed skills and abilities at a grade level commensurate with responsibilities to perform and fulfill GPC duties and responsibilities.

(11) The reporting for purchases for special operations or contingency operations (such as Hurricane Katrina). American Recovery and Reinvestment Act (ARRA) funding may also be used with the GPC. The CH must keep track of ARRA funding purchases through choosing the selection in the drop-down list in EAS.

(12) A/OPC Matrix of internal control weaknesses resulting from the annual reviews of the BOs and CHs.

**12.Payment Delinquency Monitoring.**

a. A/OPC's and Financial Managers can view in Access Online which accounts have not been approved before U.S. Bank takes suspension action. By using the Managing Account Approval Status Report, you can see which accounts are still outstanding for any cycle. This report can be found in the Reports listing under – “Financial Management Reports”. Additionally, a faster method would be to scan the Managing Account List screen in Transaction Management for the cycle in question. Another report you can access is the “Past Due Report” by going through “Access Online Reporting-Program Management-Past Due”. Please ensure all A/OPCs and RMs take advantage of the Servicing Bank’s reporting capabilities to assist them in identifying and resolving delinquent accounts.

b. The Army goal is to pay all accounts on time. Level 4 A/OPCs who have a history of more than 5 percent of BO accounts delinquent during four or more billing cycles in the reporting period must report, on a semi-annual basis to their Level 3 A/OPCs, what corrective actions they have taken to improve payments. Delinquencies as a percentage of the outstanding balance due also should be tracked. The Army may not have more than 0.75 percent of its total receivables at the bank over 60 days past due. The Army maintains a zero tolerance for any percentage of receivables over 180 days past due.