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NAVAL FACILITIES ENGINEERING COMMAND
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NAVFACINST 4200.1B
FAC ACQ
6 June 2004

**NAVFAC INSTRUCTION 4200.1B**

From: Commander, Naval Facilities Engineering Command

Subj: GOVERNMENT COMMERCIAL PURCHASE CARD

Ref: (a) DON EBUSOPSOFFINST 4200.1A
(b) COMNAVSUPSYSCOM/COMNAVFACENGCOM joint ltr (NAVSUP SA 97-05 of 3 Jan 1997/NAVFAC 111F/97-13 of 10 Dec 1996), Subj: Delegation of NAVSUP and NAVFAC Procurement Authority for Purchase Card
(c) NAVFACNOTE 4200, Policy Against Use of Government Purchase Card for Procuring Food or Drink, of 9 Jan 04

Encl: (1) NAVFAC Purchase Card Program

1. Purpose: To establish policy and procedures for use of the Government Commercial Purchase Card.

2. Cancellation: NAVFACINST 4200.1A

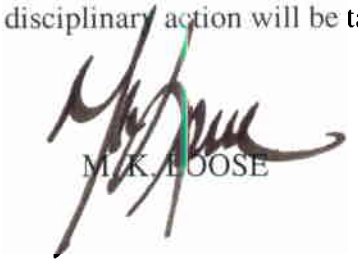
3. Applicability: This directive applies to all personnel and organizations in the Naval Facilities Engineering Command's Purchase Card Program.

4. Background: The Purchase Card Program is intended to provide DON civilians and military employees a fast and convenient method to procure and/or pay for commercial requirements under the mirco-purchase threshold ($2,000 for supplies and services, $2,500 for construction, and $25,000 for cardholders outside the United States under the appropriate conditions).

5. Responsibility: All Government Commercial Purchase Card Program participants will ensure strict compliance with enclosure (1) of this instruction, references (a) through (c), and any related internal operations procedures and policies regarding management of property or restricted purchases.

6. Standards of Conduct: Intentional use of the purchase card for other than official government business will be considered an attempt to commit fraud against the United States Government and may result in immediate cancellation of an individual's card and further disciplinary action.

The cardholders and approving officials will be held personally liable to the government for the amount of any non-government transactions. There is no ratification remedy under the Purchase Card Program. It is DOD policy that each case of improper, fraudulent, abusive, or negligent use of the purchase card by civilian or military personnel will be reported to the supervisor of the responsible individual and appropriate disciplinary action will be taken.

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1. NAVAL FACILITIES ENGINEERING COMMAND (NAVFAC) PURCHASE CARD PROGRAM

a. Program Authority: All NAVFAC activities, except Navy Public Works Center (NPWCs), receive written procurement authority to establish and manage a Government Commercial Purchase Card (GCPC) program from the Head of Contracting Activities (HCAs), NAVFACENGCOM. NPWCs receive the GCPC authority from the HCA, Naval Supply Systems Command (NAVSUP).

b. Program Policy and Authorized Uses: NAVFAC GCPC program personnel shall all adhere to the governing regulations, documents, procedures and other references that establish and manage Activity GCPC programs. Prior to designation as a program participant via a letter of delegation or SF-1402 (Certificate of Appointment, Contracting Officer) all prospective Activity Program Coordinators (APCs), Approving Officials (AOs), and Cardholders (CHs) shall successfully complete mandatory training. The use of the GCPC constitutes the expenditure of appropriated funds and is limited to official U.S. government authorized transactions. A GCPC charge is an action that authorizes the bank to make immediate payment to the vendor. Therefore, every individual associated with the program must ensure that every transaction is an authorized purchase.

Cardholders are authorized to use the GCPC as follows:

(1) Buy and pay for micro-purchase supplies and equipment, non-personal services, and construction requirements up to the established micro-purchase threshold.

(2) Place a task or delivery order (if authorized) on the basic contract, contract ordering agreement, or blanket purchase agreement.

(3) Use as a method of payment against properly issued contract task orders placed on GSA and e-FSC electronic websites and citing the purchase card as a method of payment.

(4) Pay for training using a DD form 1556 (Certificate of Training) valued at or below $25,000.

(5) Pay for government printing requirements from the Defense Automated Printing Service (DAPS) using the DD Form 282 (DOD Printing Requisition/Order) valued at or below $100,000.

c. Program Structure and Responsibilities: The DON GCPC program structure is based on a seven-level reporting hierarchy structure as described in Chapter 2 of reference (a). See attachment A to this enclosure for the NAVFAC Claimancy Purchase Card APC Hierarchy Reporting Structure. The DOD Purchase Card Joint Program Management Office is the Level 1 APC. The DON e-Business Operations Office under NAVSUP is the Level 2 APC. NAVFAC is the Level 3 APC, as designated by the Head

of the Activity (HA). The NAVFAC program hierarchy includes the HA, Supervisors, and Agency Program Coordinator (APC)/Alternate APC for Levels 3-5. The Level 5 is defined as the Approving Official (AO) in the hierarchy structure. The Reviewing Official (RO) is not assigned a level. NAVFAC does not use the Level 7.

(1) The HA at subordinate NAVFAC activities includes all NAVFAC EFD/EFA Commanders/Commanding Officers; Commanding Officers for the Naval Public Works Centers (NPWCs), Naval Facilities Engineering Service Center, and Naval Facilities Expeditionary Logistics Center; Component Directors for Navy Crane Center and Naval Facilities Institute; and the Resident Officers in Charge at NAVFAC field contracts offices. The HA has the overall responsibility for allocating the necessary resources to the program and for ensuring adequate internal and management controls exist for a successful program.

(2) The Supervisors include any person exercising supervisory control over GCPC program personnel. Supervisors identify personnel to be designated by the APC as the Card Holder (CH) or AO within their department/division, provide suggested monetary billing cycle limits to the APCs, notify the APCs of personnel changes, ensure program personnel have sufficient time to carry out their responsibilities under the program, support the CHs and hold them responsible and accountable for their actions when applicable.

(3) The Level 3 APC for NAVFAC is designated in writing by the Commander, NAVFAC, and reports to the NAVFAC Director of Acquisition. The Level 3 APC is responsible for overall operational oversight and management of the program throughout NAVFAC. Level 4 APCs report directly to the Level 3 APC. There is only one designated Level 3 APC and Alternate APC for NAVFAC.

(4) The Level 4 APC is the primary point of contact between the Level 3 APC and the Activity Level 5 APCs and is responsible to the Commanding Officer of the Engineering Field Divisions or the Public Works Field Support Office in San Diego. The Level 4 APC is responsible for the operational oversight and management of Level 5 APCs under their geographical purview. There is only one Level 4 APC and alternate APC at each EFD and PWC.

(5) The Level 5 APC is the Activity level program coordinator. This person performs the day-to-day operational and management functions relative to the GCPC program. Primary responsibilities include program implementation, administration, monitoring, training, and serving as liaison between the bank, bill-paying office, activity program personnel and the Level 4 APCs. There is only one Level 5 APC and alternate APC at each Activity.

(6) The Approving Official (AO) is the Level 6 in the hierarchy. The AO is the first line of defense against fraud, waste, or abuse under the program. Primary responsibilities include surveillance of cardholders within their purview, approving or disapproving purchases subsequent to reconciliation of the cardholder, and certifying

purchase card payments using the bank statements. An AO or alternate AO may have a maximum of seven cardholders under their purview (aggregate) while acting as an AO or alternate AO. The number of AOs and Alternate AOs at an activity will depend on the number of cardholders.

(7) The Reviewing Official (RO) is responsible for pre- and post-payment reviews to confirm if purchase card payments are legal, proper, and correct at the time they were issued, as required by FMR Volume 5, Chapter 33. At the time of this writing, the RO position is held in abeyance until further guidance from DON e-Business.

d. Program Participants' Responsibilities: Each hierarchy level and program participant performs a unique function in the program as follows. Reference (a) provides additional guidance on participant responsibilities.

(1) The APC is the liaison between levels of the credit card hierarchy. The APC ensures guidelines are consistent and current at their level. Responsibilities of the APC/alternate APC:

1. Establish/review/revise Internal Operating Procedures (IOPs).
2. Appoint AOs and CHs using Letters of Appointment.
3. Establish CH single purchase and monthly billing cycle purchase limits using supervisor's input.
4. Maintain account listings of AOs and CHs.
5. Perform semi-annual review of accounts and report results to the appropriate chain of command.
6. Ensure all participants have applicable required training and refresher training every two years.
7. Monitor account activity for misuse and delinquency and take appropriate action when necessary.

(2) The AO shall be the CH's immediate supervisor or may be a higher official in the organization. Responsibilities of the AO:

1. Enforce all internal and external policies and procedures.
2. Ensure all transactions meet legal requirements and proper documentation is available for audit purposes.
3. Ensure proper implementation of dispute procedures when a transaction is questioned.
4. Reconcile, certify, and forward billing statements to the financial department for payment.
5. At no time may an AO have more than seven cardholders under their hierarchy. If the AO is also an alternate AO, the seven-to-one ratio must include all alternate cardholders as well.

(3) The CH is responsible for purchase of goods and services in accordance with all applicable regulations. Responsibilities of the CH:

1. Ensure strict adherence to purchase procedures.
2. Ensure separation of functions.
3. Ensure purchases are within spending limits in accordance with delegation letter.
4. Ensure items purchased are not for personal use.
5. Ensure items purchased are not specifically prohibited by the command or statute (e.g., real estate, transportation, travel, and purchase of food).
6. Ensure purchases are not split into smaller segments to remain under $2,500.
7. Reconcile and certify purchases on the monthly statement and forward to AO in the time provided in their IOPs.

2. STARTING THE PROGRAM

a. Training Requirements: All APCs, AOs, and CHs shall successfully complete mandatory training in DOD and DON policies and procedures, as well as local internal operating procedures. Under no circumstances may a cardholder be delegated authority without having completed DON and DOD required purchase card training.

(1) The initial training requirements mandate that program participants take the appropriate role-based DON e-Business Computer Based Training and the Defense Acquisition University (DAU) Computer Learning Center DOD Government Purchase Card tutorial. Any cardholder appointed via an SF-1402 shall take the DAU CON 237 Simplified Acquisition course. The Purchase Card Desk Guide (found on the DON e-Business website) provides detailed training requirements.

(2) Refresher training is required every two years.

(3) All AOs and cardholders who purchase in excess of $100,000 per fiscal year are required to take local ethics training. See your command counsel for further information.

(4) All participant files must include training certificates indicating satisfactory completion of all training requirements. Forward a copy of training certificates to the immediate APC.

b. Letter of Delegation: The Letter of Delegation should document the explicit purchasing authority for each cardholder and contain required information per reference (a). Cardholder delegation letters may be developed specific to an Activity. Command IOPs shall contain a sample letter for consistency within the organization. Each letter will provide:

(1) Micro purchase authority
(2) Method of payment authority for training and/or purchase orders
(3) Order for mandatory sources at or below $100,000
(4) Type of purchase authority provided (micro-purchase, method of payment, printing services, etc.)
(5) Oral order authority
(6) Single purchase authority
(7) Sources of supply
(8) Billing cycle limits
(9) Transaction types
(10) Merchant Category Code - This code is designated in the bank system and will control what the cardholder may purchase (See 3.e., below).

c. Certificate of Appointment: A Certificate of Appointment, SF-1402, shall be used to delegate:

(1) Authority to use the purchase card up to $25,000 ($2,000 for construction) outside the United States
(2) Authority to place calls against Basic Ordering Agreements up to $100,000 or $5 million for commercial items
(3) Contingency contracting officer's authority
(4) Single purchase authority
(5) Sources of supply
(6) Billing cycle limits
(7) Transaction types
(8) Merchant Category Code - This code is designated in the bank system and controls what the cardholder may purchase (See 3.e. below).

d. Single Purchase Limits: The single purchase limit is the maximum dollar amount allowed for each transaction. Single purchase limits are:

(1) $2,500 for supplies/services and printing
(2) $2,000 for construction
(3) $25,000 for training

e. Billing Cycle Limits: The Billing Cycle Limit is the maximum total dollar amount that can be purchased within a monthly billing cycle. This limit may be assigned in $100 increments up to $9,999,900. The AOs should have sufficient billing cycle limits to overlap one cycle (aggregate CHs monthly limits x 2).

f. Accommodation Checks: Accommodation checks are used if the vendor does not accept the purchase card. They should be used only after the CH has made every attempt to use the purchase card. Each check is assessed a 1.25% service charge on the total purchase. The maximum amount is $2,500 ($10,000 overseas in support of contingencies if declared by the Secretary of Defense). When checks are written for $600 or more to

the same vendor or accumulate to $600 or more with the same vendor in any calendar year, the payment must be reported by December 31 on an IRS Form 1099 – Miscellaneous for Payments. Activities may only appoint one accommodation check cashier to sign and issue checks for the command. If the check cashier is also a purchase cardholder, the two accounts must be maintained separately. Checks must be stored in a safe or locking cabinet. More information may be found at the DON e-Business website under PCPN #FY-04-17.

3. SPECIAL REQUIREMENTS AND PURCHASE CARD USE RESTRICTIONS

a. Waivers: Requests to deviate from DON regulations or this implementing directive must be submitted in writing through the Activity chain of command to the Level 3 APC at NAVFAC. The Level 3 APC will coordinate approval if required. All written requests must clearly describe the rationale for proposed change and any derived benefits.

b. Government Contractor Employees: Under no circumstances shall Activities appoint government contractor employees as cardholders or approving officials.

c. Mandatory Screening of Statutory Sources. Cardholders must screen all requirements for availability from the mandatory sources of supply before effecting a card transaction. Cardholders are required to document in each transaction log the results of the screening process. Note that Naval Supply Systems Command letter dated 28 Aug 03 states that there is no longer the requirement to purchase products and services from Federal Prison Industries schedules that are at or below the $2,500 threshold.

d. Vendor Rotation: Vendor rotation provides equitable distribution of orders among qualified vendors in accordance with Federal Acquisition Regulations 13.106. Consideration must also be given to supporting local small and small disadvantaged businesses. It is the responsibility of the CHs, AOs, and APCs to ensure that vendor rotation is achieved to the maximum extent practicable.

e. Merchant Category Codes (MCC): The four-digit codes are assigned while setting up a cardholder account in CitiDirect. MCC code assignments must be made relative to mission needs. The MCC codes control what a cardholder may purchase. "NAVY EXE" is the MCC for Navy Excluded (liquor stores, jewelry stores, etc.) and should always be the first selected. All MCCs may be found on the CitiDirect setup/maintenance screen.

f. Documentation: APCs shall establish an organized filing system to ensure APC program documentation is maintained in an orderly fashion so as to facilitate internal and external reviews. All program personnel should conform to a filing system consistent across the Activity. Use of a purchase card log either automated or manual is mandatory for all NAVFAC cardholders. The log must be a running log of all purchases, by month, and shall be maintained aside from any individual transaction log. A NAVFAC standardized log will be forthcoming.

g. Pecuniary Liability: NAVFAC is not liable for any unauthorized use of the CitiBank MasterCard. Unauthorized use includes the use of a purchase card by any person other than the cardholder whose name appears on the purchase card and can mean use of a purchase card by a Contracting Officer who exceeds his/her delegation of authority. The CH will be held accountable for the total dollar amount of unauthorized purchases in connection with misuse or negligence. CHs who make unauthorized purchases or use the card carelessly may be subject to disciplinary actions. AOs have pecuniary liability for erroneous payments resulting from their negligent actions.

h. Prohibited and Special Attention Items: Enclosure (2) of reference (a) provides a list of prohibited and special attention items as they relate to purchase card buys and should be reviewed periodically. Of particular note:

(1) Business cards may not be purchased by the purchase card unless purchased through JWOD. Stock paper may be purchased as long as the cards are printed on existing local software.

(2) Light refreshments or food or drink may not be purchased under any circumstance using NAVFAC purchase cards per reference (c). This restriction applies to both direct and indirect purchases of food or drink, i.e., food or drink may not be included in the cost of a room rental, instructor fee, etc., if the room rental, instructor fee etc., is paid with the purchase card. No appropriated funds may be used to purchase food.

(3) Annual Recurring Requirements: Recurring requirements such as cell phones, facsimile machines, pool cleaning, etc., must be placed under a contract if the value is greater than $2,500 during a one-year period. Continuing requirements by purchase card payment in lieu of contract will be considered a split purchase. If the requirement is predictable and you can anticipate the specific need, e.g., monthly cell phone usage and the estimate for one year is greater than $2,500, a contract must be established with the vendor. As a note, NEXTEL, AT&T, etc., are under contract through GSA and task orders may be placed against them. Established contract information shall be copied so that each month the payment is made the file documents that the services are under contract. Monthly review of the cell phones must ensure that the cell phone is being used in accordance with DOD established policy for use. GAO has found against activities that do not audit the numbers called from the cell phones to ensure that no personal calls are made, and, if so, that the employee reimburses the government for those calls. This is especially important when the employee consistently goes over the authorized minutes per month, thus causing additional and higher charges. Commands should determine who will be responsible for this review.

(4) Training requirements shall be placed on a DD-1556. Training may not be paid for in advance, but may be paid on the first day of the training. Registration fees may be paid in advance with a GCPC.

(5) Payment in advance of services is never allowable.

i. Disciplinary Actions: In April 2003 OSD issued a memorandum regarding mandatory disciplinary actions within the purchase card program. Chapter 5 of reference (a) provides policy on mandatory disciplinary actions for misuse, abuse, or payment delinquency. The guidance shall be followed explicitly and reported as required. Reporting is included in the Semi-Annual Review elements and shall be reviewed to ensure reference (a) is followed immediately upon identification of the infraction.

j. Use of the Bank's Purchase Card Automated System (i.e., CitiBank's CitiDirect or OPTI "W" Feature) is mandatory for all NAVFAC GCPC accounts. The bank's electronic access system shall be used to open, administer, perform surveillance, and, when authorized by this Command, to process payments electronically. Navy Public Works Centers (NPWCs) will use MAXIMO as the common platform to perform purchase card workload management functions.

4. INTERNAL OPERATING PROCEDURES

The Corporate Business Management System (BMS) is available at http://navfacilitator.navy.mil. The BMS documents common procedures for the purchase card program under NAVFAC. Command variations may be placed in folders within the corporate level. DON/DOD/NAVFAC policy on the purchase card program may be found at this site and will serve as the common platform for NAVFAC. Below provides an overview of the internal processes of a purchase card transaction.

a. Purchase Request: Each transaction must have a written request for the requirement. Sufficient funding should be provided with the request or obtained prior to ordering the services or supplies. Document numbers should be visible on the purchase request with the applicable appropriation cite or job order number. The requestor's name must be legible on the request. The cardholder shall screen the purchase request to determine that the requirement is not a prohibited item and is mission essential only. Under no circumstance may the CH proceed with a purchase that is unauthorized or for which no funding has been provided. If the requestor persists, matters shall be reported to the AO, APC, and FM.

b. Prior to Order: Each purchase shall be screened against the statutory sources of supply or services as noted in Chapter 6 of reference (a). Each purchase shall be reviewed to ensure vendor rotation is considered.

c. Purchase Log: When an order is placed, the following information must be noted on the running purchase log and maintained in the purchase card file:

(1) Merchant's name and point of contact
(2) Date the item or service was ordered
(3) Date of expected delivery and actual date of receipt
(4) A description of the item or service ordered
(5) Total price of supplies or services
(6) Check off of mandatory sources

(7) Date of receipt
(8) Name of individual receiving item or service
(9) Paid but not received in pay and confirm situation
(10) Credit received
(11) Disputed

Automated logs may be used by an activity to document the individual file; however, the running purchase log will be maintained and used by the cardholder to document all purchases through a monthly billing cycle.

d. Transportation Terms. The following are common transportation terms the cardholder will encounter:

(1) Free on Board (FOB) Destination: FOB destination means the vendor pays the cost of transportation and includes it in the cost of the item. Cardholders should attempt to obtain FOB destination shipment terms.

(2) FOB Origin: FOB origin means that the contractor bills for shipping and adds a separate line item. These terms should not be accepted; however, in cases where the cardholders must accept such terms, the transportation charges will be paid from the procurement line of accounting.

e. Receipt and Acceptance/Pay and Confirm Procedures: It is the cardholder's responsibility to verify receipt of all transactions. Where the purchase cardholder is billed but does not receive the supplies or services at the time of receipt of the official invoice (Pay and Confirm Procedures), the cardholder must fully certify the invoice. To do so, the cardholder must confirm with the vendor that the supplies or services have been shipped and that receipt will occur within the next billing cycle. If the supplies or services are not received within the next billing cycle, the cardholder must dispute the item using the established dispute procedures. In addition, the cardholder must also certify that the quantity and quality of the items furnished are in accordance with the agreement with the vendor. If receipt documentation is not available, the cardholder must contact the person responsible for receipt to obtain verification that the items were received. The purchase card log must be annotated to indicate that proper receipt and acceptance have been accomplished. Each Activity shall provide in their Internal Operating Procedures the acceptable level of inventory control of the purchased items. For example, books shall be catalogued in the official Activity library or inventoried to ensure that they remain in government possession. Electronic equipment or peripheral equipment purchases shall be inventoried in accordance with local procedure. Files must clearly document that the inventory has occurred.

f. Purchase Card Used as a Method of Payment: The purchase card may be used for payment with an awarded contractual vehicle placed by the contracting officer in accordance with Navy and DOD policy. Contractual vehicles may include DD282 DOD Printing Requisitions, DD1155 Purchase Orders, Blanket Purchase Agreement orders, delivery orders against Federal Supply Schedules, Basic Ordering Agreements, orders

under Indefinite Delivery Type Contracts, and oral orders under Letters of Agreements. The dollar amount will range from $2,501 to $100,000 per transaction.

g. Electronic Orders Against Established Contracts: The DON e-Business has approved the use of the NAVFAC e-FSC electronic site (http://www.emall.dla.mil), similar to the use of the GSA schedules. Cardholders may order from e-FSC using the purchase card as a method of payment. Cardholders must have been delegated appropriate authority to order up to $100,000 on the website prior to ordering. Delegation is provided after all appropriate required training has been completed.

h. Missing Documentation: An attempt will be made to recover or receive a copy of any missing documentation. Should a document not be available, then a memorandum to file or similar document will be generated to explain the missing documents.

i. Reconciliation of Accounts: All accounts will be reconciled within 60 days of original bank statement. This allows for disputed actions to be reconciled as well. Use of the bank's purchase card automated system (i.e., CitiBank's CitiDirect or OPTI "W" Feature) is mandatory for all NAVFAC GCPC accounts.

(1) Cardholders: At the end of each monthly billing cycle (22nd of the month), the cardholder will receive the statement from the bank. CHs should access CitiDirect and obtain their current monthly statement prior to the 22nd to begin reconciliation. Doing so will provide the CH a head start in reconciling their monthly statement and will allow the AO to certify the invoice in less than the required 5 days. Upon cardholder reconciliation of the statement, the statement will be forwarded to the AO or designated alternate. If the CH cannot review the statement upon receipt, the AO is responsible for reviewing and certifying the statement. The AO shall meet with the CH upon his/her return and review the statement. Leave or absence of program personnel is not an excuse for late payment!

(2) Approving Officials: As the certifying official, the AO is responsible for timely certification for the monthly statement within 5 days of receipt. The AO will notify the APC of any situation that will prevent certification of the statement. The AO is responsible for ensuring all purchases made by the CH are appropriate and the charges are accurate. All questionable purchases must be resolved with the cardholder and/or vendor. If transactions are not legal, proper, and correct, a decision must be made as to the liability associated with them. If the transactions are for invalid or improper purchases, the AO must resolve with the CH. All efforts will be made to return the items for credit. If the items cannot be returned, the APC will be promptly notified and the file documented accordingly.

(3) If it is determined that the CH was negligent, appropriate administrative or disciplinary action will be taken in accordance with the disciplinary guidelines in reference (a). This action must be immediate and documented.

(4) Follow-up is critical. For example, if the CH has been counseled for split purchases, monthly follow-up is mandatory to ensure that the finding is not repeated. All instances of findings must be reported on the semi-annual reviews.

(5) The AO must date stamp each billing account statement upon receipt. The payment office uses this date to start a 30-day prompt payment cycle. If the statement is not date stamped, the date on the invoice will be used to start the prompt payment 30-day timeframe.

j. Disputes: All CHs have the right and responsibility to process disputes when they have been unable to resolve any issue with the merchant, such as receiving credit for returned items, excessive charges, invalid charges, etc. Cardholders should attempt to resolve all discrepancies or billing errors with the local merchant first. If this fails, notify the bank via phone and prepare a dispute form if required. An email message should be sent to the APC. A CitiBank Cardholder Dispute Form may be found on the CitiBank website.

(1) Disputable charges include duplicate billing, non-receipt of merchandise, canceled merchandise or services, invoice amount discrepancies, and a case in which the transaction was paid by other means. These disputes must be handled between the cardholder and the bank (with notification to the APC).

(2) Non-receipt of Merchandise: If the charges are not authorized or items have not been shipped, the cardholder must dispute the charges by preparing the CitiBank Dispute Form. All charges must be disputed within 60 days of the receipt of the invoice on which the charge appeared. If the bank requests additional information in order to properly adjudicate the dispute, the CH is obligated to comply with the request. Failure to comply will result in the loss of disputing rights and cause a delinquency to appear on the delinquency report. The bank will suspend the disputed charge from the outstanding balance that is due, issue a provisional credit, and acknowledge initiation of the dispute to the cardholder. In addition, a copy of the CitiBank Dispute Form must be attached to the cardholder's monthly statement and sent to the appropriate billing office.

(3) Unauthorized, Erroneous, Altered, Duplicate Charges (invalid charges): The cardholder shall dispute such charges immediately following the above procedures

k. Delinquency Standards and Policies: Delinquent accounts are defined as any account in which the payment is 30 or 60 days late. The DON standard for delinquencies stipulates that activities may not have more than 2 percent of their total receivables with the bank over 30 days past due and three-quarters of one percent over 60 days. Should NAVFAC's accounts as a whole go over the 2 percent limit at any given time, the DON e-Business Office will notify the Commander, NAVFAC, for resolution. DOD Policy requires the bank to suspend any billing account that goes over 60 days delinquent. The accounts may be identified any time through a listing with delinquent balances at www.don-ebusiness.navsup.navy.mil, Purchase Card page, under "What's New" for the cycle report.

(1) In addition to the Delinquency Report that may be found on the website the A & M Report (Auto and Manual Invoices) is provided by the DON e-Business on a regular basis and forwarded through your chain of command from the APC Level 3. This report provides explicit information on the invoices that have been suspended by DFAS.

(2) A statement may not be paid by DFAS if a line of accounting error has occurred or the customer has not placed the line of accounting in the STARS One Pay. If this is systemic, the CH should not purchase the requirements for the customer until the funding has been appropriately processed through the financial management system. A DD-2276 does not automatically mean that the line of accounting has been placed in the appropriate system for DFAS to pay.

l. Lost or Stolen Cards: If the card is lost or stolen, immediately notify the CitiBank Card Services by phone. These phones are manned 24 hours per day, 7 days a week.

Inside CONUS: 1-800-790-7206
Outside of CONUS: Call collect at 904-954-7850

Written notification shall be provided to the AO within one workday after discovering the card missing and the APC within two working days.

A new card will be mailed within one business day of the reported lost or theft. The old account number will have to be reconciled until all charges have been processed.

m. Closing Cardholder/Approving Official Accounts: Upon separation from NAVFAC, the cardholder must surrender the card to his/her AO or APC at least 30 days prior to separation. The APC shall notify CitiBank Services to cancel the account.

n. Purchase Card Program Reviews: All reviews are discussed in detail in Chapter 4 of reference (a). Such reviews include a monthly Level 5 APC review, Semi-Annual Level 5 APC review, and Semi-Annual Level 3 APC Major Claimant Review and Report.

o. Ad Hoc Reporting: It is critical that every member of the purchase card program use the CitiBank Ad Hoc reporting tools to monitor the program. The majority of metrics below are developed from those reports:

(1) Number and dollar amount of transactions
(2) Number of open Cardholder accounts assigned to an Approving Official
(3) Ratio of Approving Officials to cardholders for the Activity/Command
(4) Average number of transactions per Approving Official
(5) Number of accounts with no activity within past month
(6) Number of card accounts canceled (closed) within past month
(7) Number of card accounts activated (new accounts)
(8) Average number of transactions per Approving Official
(9) Average number of transactions per Cardholder

(10) Ratio of cycle credit limits to average monthly spending
(11) Number of delinquent (over 30 days past due) Approving Official accounts
(12) Percentage of delinquent accounts for the Activity
(13) Number of Approving Official accounts suspended during the month.
(14) Average delinquency standard for the month (use DON standard)
(15) Number and dollar amount of disputes processed for the month
(16) Number and dollar amount of disputes resolved during the month
(17) Number of questionable transactions by category, including dollar value
(18) Number of instances informal/formal actions levied for misuse/abuse
(19) Number of cases sent to investigative authorities on suspected fraud
(20) Number of accommodation checks issued (including description/dollar value)

5. EXTERNAL REVIEWS

HCA Purchase Card Program Oversight: Consistent with reference (b), the NAVSUP-NAVFAC Letter of Delegation, HCA program oversight of NAVFAC activities will be performed as follows:

a. NAVSUP FISC PMR/PMAP units will review all NPWCs and will use NAVSUPINST 4200.85B as their review guide. Reviews will occur on an annual basis. NAVSUP instructions and guidance may be found at:

http://nll1.navsup.navy.mil/com.cfm.

b. NAVFAC Performance Management Assessment Program (PMAP) teams will review all other NAVFAC Activities and PWCs and will use the NAVFAC PMAP Guide to perform reviews. PMAP reviews will occur every 3 years.

c. NAVFAC Inspector General (IG) unit will review NAVFAC Activities and will use their IG guide to perform reviews. IG reviews will occur one year after an Activity change of command.

d. Other external reviews may be performed by GAO, DOD, or DON with little or no advance notice. NAVFAC Activities will immediately notify the Level 3 APC of any external reviews that are to occur at the Activity.

6. BEST PRACTICES

a. The success of NAVFAC's GCPC program depends, in part, on developing and maintaining an operating environment of discipline, structure, and open communication. NAVFAC Activities can greatly benefit from lessons learned that are shared through our APC communication network. Consequently, Level 5 APCs are highly encouraged to submit to the Level 4 APCs best practices employed at the Activity that generated efficiencies within Activity programs. Level 4 APCs will present proposed best practices for discussion or consideration to the Level 3 APC.

b. Best practices will be incorporated in the NAVFAC Corporate BMS process for the GCPC program when determined beneficial for Command-wide use. The Level 3 APC will submit to the DON Level 2 APC for consideration any NAVFAC best practice that is identified as beneficial for DON-wide use.