DEPARTMENT OF THE AIR FORCE
WASHINGTON, DC

18 Mar 03

OFFICE OF THE ASSISTANT SECRETARY

Contract Policy Memo 03-C-05

MEMORANDUM FOR ALMAJCOM/FOA/DRU (CONTRACTING)

FROM: 1060 Air Force Pentagon
Washington, DC 20330-1060

SUBJECT: GAO Purchase Card Audit Recommendations

The GAO Final Report on the Government Purchase Card (GPC) was issued December 2002. In this audit the GAO made a number of recommendations regarding the Air Force GPC Program. In an effort to address the concerns identified by the GAO, I am directing the attached changes be made in the management and administration of the GPC Program. These changes are effective immediately.

Additional changes will be made to AFI 64-117, *Air Force Government-wide Purchase Card Program,* to incorporate other GAO recommendations. These changes will be coordinated with all affected activities prior to issuance.

Maureen M. Clay

MAUREEN M. CLAY, Col, USAF
Associate Deputy Assistant
Secretary (Contracting)
Assistant Secretary (Acquisition)

Attachment:
GPC Program Changes

GPC Program Changes

1. The number of purchase cards issued is to be minimized. Only those with an ongoing need should be issued cards. Accounts that have not been used in the last 6 months should be terminated unless a written justification is submitted and approved by the MAJCOM GPC Coordinators.

2. The Installation Purchase Card Program Managers shall review purchase card use and eliminate unneeded purchase card accounts.

3. The Installation Purchase Card Program Managers shall review, in conjunction with Financial Services Offices, all purchase cardholders with multiple accounts and eliminate those accounts existing solely to facilitate line item accounting within an appropriation.

4. The Installation Purchase Card Program Managers shall review the number of cardholders who report to an approving official and make the changes necessary so that approving officials do not have responsibility for reviewing more cardholder accounts than allowed by AF and DoD policies (i.e., cardholder to approving official ratio of no more than 7:1).

5. The Installation Purchase Card Program Managers shall review (in consultation with approving officials) existing credit and monthly spending limits against current spending patterns and determine if cardholder spending authority can be reduced in the interest of minimizing the federal government's financial exposure.

6. The Installation Purchase Card Program Managers shall suspend alternate cardholder and approving official accounts when primary cardholders and billing officials are available.

7. In addition to the Defense Acquisition University training already mandated for cardholders, approving officials, and financial services officers, the Installation Purchase Card Program Managers are required to take the A/OPC training developed by GSA. This training is available at http://apps.fss.gsa.gov/webtraining/trainingdocs/aopctraining/index.cfm. MAJCOM GPC coordinators are to verify that this training has been completed.

8. The Installation Purchase Card Program Managers shall track and monitor corrective actions on purchase cards and annual surveillance findings and provide periodic status reports to their installation Contracting Director.

9. The use of the review checklist in the GPC Surveillance Guide is now mandatory. The GPC Surveillance Guide is available at http://www.safaq.hq.af.mil/contracting/toolkit/impac/procedures.html

10. Reports on annual surveillance results shall include an assessment of unit's program control including at a minimum, the ratio of cardholders to employees, ratio of approving officials to cardholder accounts, ratio of monthly credits limits to actual spending, and number of cardholders and approving officials requiring training.

11. Directors of Contracting shall assess the adequacy of manning devoted to the purchase card program, especially for oversight activities, at each management level by 30 April 2003 and shall work to provide resources where needed.

12. Contracting Officers are encouraged to consider the benefits of central purchasing and receiving and acceptance of computer equipment by installation Information Technology units in order to facilitate recording computer equipment in accountable property records at the time it is received.

13. The Installation Purchase Card Program Managers shall cancel the convenience check privileges of all cardholders who have misused convenience checks more than once.

14. The Installation Purchase Card Program Managers shall remind all cardholders and billing officials that they are "accountable officials" in accordance with Attachment 2, paragraph 1.b. of AFI 64-117, and as such, may be pecuniarily liable for erroneous payments (See DoD Financial Management Regulation, Volume 5, Chapter 33, August 1998, page 33-1) and may be required to reimburse the government for any unauthorized or erroneous purchase card transaction that was not disputed within the 60 day grace period. In addition, all "benefiting individuals" who have requested personal items to be purchased for their use may also be required to reimburse the government for such purchases.

15. The Installation Purchase Card Program Managers will review approving official accounts in C.A.R.E. quarterly to ensure that no cardholder is acting as approving official for his/her own account. Accounts should be reviewed, at a minimum, at least once every six months.