

# **UNITED STATES ARMY FINANCIAL MANAGEMENT SCHOOL**



**U.S. ARMY SOLDIER SUPPORT INSTITUTE**

**Student Handout # 2**

**FOR**

**Prepare Accounts Payable  
Vouchers for Payment**

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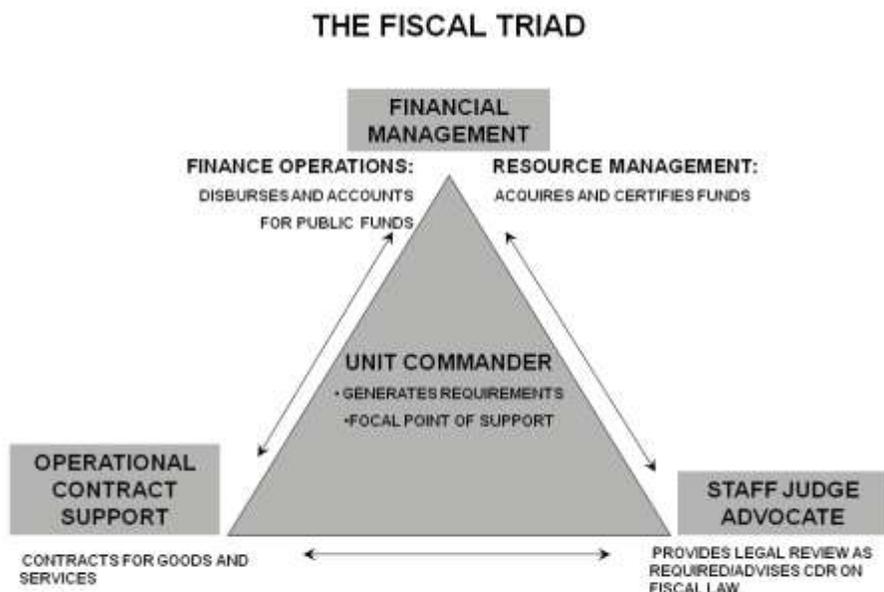
<b>NOTE:</b> All page numbers refer to pages in Handout 2.
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## INTRODUCTION TO VENDOR PAY

1. **REGULATION:** DODFMR 7000.14R, Volume 10, Chapters 1-22 and Appendices A and B; FM 1-06
2. **ORGANIZATION OF COMMERCIAL VENDOR SERVICES SECTION**
  - a. **Peacetime Operations:** Part of the Finance Operations (FO) mission is to provide timely commercial vendor and contractual support payments. Commercial Vendor Services is a section within the Accounting Support and Cost Management area of Finance Operations.
  - b. **Contingency Operations:** The Army will normally perform some level of vendor pay in the theater of operations. Depending on the scope:
    - (1) Finance personnel may provide small purchase vendor support to Paying Agents.
    - (2) Finance personnel may provide cost capturing functions.
    - (3) Finance personnel may perform the full spectrum of vendor pay support.
    - (4) Aligned within the Sustainment Brigade, a Financial Management Support Unit (FMSU) and its Financial Management Detachments (FMDETs) will both have CVS support.

Oversight is critical in preventing improper or illegal commercial vendor payments and ensuring the considerable fiscal resources of the U.S. government are properly applied. All FM Soldiers must understand the roles of the key players involved and their relationships in the proper execution of the procurement process.

Financial Management, contracting and legal counsel (staff judge advocate (SJA) fiscal lawyer) comprise a system (also known as The Fiscal Triad) that fulfills the full spectrum of required fiscal support, from the acquisition and certification of funds, to the legal review of the proposed contracting action, to the contracting for goods and services, and finally to the disbursing and accounting of public funds.



### 3. **COMPONENTS AND FUNCTIONS OF THE CVS BRANCH**

Financial Management functions include:

- making payments on certified vouchers; and
- developing fiscal guidance and ensuring that regulatory guidelines, directives, and procedures are adhered to.

Financial Management components include:

- a. **Control:** Receives and controls all documents, date stamps all documents, and maintains accounts payable documents files.
  - b. **Voucher Technicians/Vendor Service Clerk:** Computes payments, payment due dates, and prepares vouchers for payment.
  - c. **Supervisory**
    - (1) **Lead Voucher Technicians/Lead Vendor Service Clerk:** Examines and audits vouchers and supporting documentation, also requests missing documents.
    - (2) **Chief of CVS/ CVS NCOIC:** Certifies all payments, manages workload, and runs CAPS reports.
4. **MAIN MISSION OF CVS SECTION:** As one of the key FO tasks, the CVS section certifies contract payments (not to be confused with the task of certifying funds), prepares and audits payment vouchers for supplies, equipment, and non-personal services procured by the government, and forwards prepared vouchers to the disbursing section for payment. Reconciles subordinate detachment contract payments and develops/updates proper accounting records (Company Level Bill-Of-Register).
5. **PARTICIPANTS IN THE PROCUREMENT PROCESS OF CVS**
- a. **Requiring Activity:** *This is the unit or activity needing the supplies or services. The requiring activity will initiate a DA 3953, Purchase Request and Commitment (PR&C) document. (See Page 7)*
  - b. **Contracting Office:** The contracting office is responsible for finding the supplies or services. Contracting will award a contract and submit two copies to the DFAS Field Site. It is also the responsibility of contracting to ensure that the contract shows both the paying office and the billing office. Contracting will ensure that the payment terms are spelled out on the contract and that the vendor complies with the terms of the contract.
  - c. **Receiving Activity:** The receiving activity is the unit or activity that first receives the goods or services. Some installations have central receiving activities for particular types of goods. It is the responsibility of the receiving activity to submit a receiving/acceptance report to the DFAS Field Site with 7 calendar days of receipt or acceptance.
  - d. **Vendor:** The vendor is responsible for providing the goods and/or services as specified in the contract. Vendors are required to submit invoices to the billing office once the goods or services have been delivered.
  - e. **Certifying Officer:** The certifying officer is that person in the CVS office who has the authority to certify vouchers for the DFAS Field Site. This is usually the chief of CVS. The certifying officer's signature on the voucher means that it is proper for payment.

- f. **Installation/Activity Commander:** The installation or activity commander will not normally get involved in the daily operations of the CVS office. The commander will establish overall installation policies. These policies will affect the CVS Section and the relationship between vendor pay and other activities of the installation.
  - g. **DFAS Field Site:** The DFAS Field Site and centralized disbursing, work together to ensure that payments are processed and paid in a timely manner.
6. **REQUIRED DOCUMENTS:** Before the procurement process is completed to make a voucher payment, three basic documents are required.
- a. Procurement document - from the contracting office.
  - b. Receiving report - from the receiving activity.
  - c. Invoice - from the vendor.

It is important to keep in mind that there are internal controls set in place to ensure proper use of resources. One of various audit agencies (DODIG) estimates in a report dated May 2008 that, between 2001 and 2006, the Army made \$1.4B in commercial payments that lacked the minimum supporting documentation and information for a valid payment.

The Computerized Accounts Payable System (CAPS) provides most commercial vendor payments. Input can be received electronically through the internet via Wide Area WorkFlow (WAWF) or manually based upon submitted contracts and invoices. CAPS produces vouchers for standard contracts and maintains the bills register for each contract, and interfaces with DDS to facilitate contract payments. It links EFT vendor payments to Deployable Disbursing System (DDS) and subsequently to Federal Reserve Bank (FRB). It also receives from DDS the disbursing information to maintain historical records.

## FLOW AND EXAMINATION OF ACCOUNTS PAYABLE DOCUMENTS

### 1. **Flow of Documents (within Accounts Payable)**

- a. Date stamp documents.
- b. Sort and count documents by category.
- c. Update bills register card.
- d. Match documents with contract folder.
- e. Voucher examiners prepare/complete voucher.
- f. Update bills register card.
- g. Lead voucher examiner - audits payment vouchers.
- h. Request missing documentation.
- i. Supervisor - certifies payment vouchers.
- j. File voucher or send to disbursing.

### 2. **Maintenance of Bills Register Card** (You will find a sample bills register card on page 8).

### 3. **Maintenance of Files**

- a. Central bills register file.
- b. Central contract file.
- c. Document awaiting file.
- d. Ready to disburse file.
- e. \*Reports folder (includes tax files)

\*In September of 2009, DoD FMR, volume 10, chapter 6 was updated so that all Army CVS offices make sure to file Federal information returns or send the CAPS-C tax file to the DFAS Tax Office for Federal information return filing. This chapter also includes all Federal information return reporting requirements.

Student note: Refer to the definitions on pages 4 and 5 (g-j).

### 4. **Contracts** - The three basic procurement documents are:

- a. SF 33, Solicitation, Offer, and Award - used for formal type contracts (page 9).
- b. DD Form 1155 copy 1, Order for Supplies or Services - used for small purchases (page 15).
- c. SF 44, Purchase Order-Invoice-Payment Voucher - expedient method used primarily by deployed troops (page 29).

5. **Receiving Reports**

- a. DD Form 250, Material Inspection and Receiving Report (page 11).
- b. DD Form 1155 copy 8 (page 16).
- c. SF 44 copy (page 29).
- d. Certificate of performance.

6. **Invoice Requirements:**

There is no prescribed government form for invoices, since they are prepared by the vendor. For the invoice to be proper, it must include at a minimum the following information:

- a. Vendor name and address.
- b. Invoice date.
- c. Contract or order number.
- d. Extension information.
  - Description of service/supply
  - Unit price
  - Quantity
  - extended amount
  - Total if more than one item listed

7. **Definition of Terms**

- a. **Contract** - Any type of agreement or order for the procurement of supplies or services including rental and lease agreements.
- b. **Purchase Order** - A document executed by a contracting officer authorizing a vendor to deliver supplies, equipment, and non-personal services.
- c. **Delivery Order** - A document executed by the contracting officer requesting a vendor to deliver supplies, equipment, or services pursuant to basic agreements or indefinite quantity type contracts (open end or call type - blanket purchase agreements).
- d. **Receiving Report** - A certified document listing the quantities of supplies and equipment received from a vendor, in compliance with a particular contract, purchase order, or delivery order. (DD Form 250 or DD Form 1155 copy 8).
- e. **Certificate of Performance** - A written certification executed by a responsible official that the service called for in the contract, purchase order, or delivery order was satisfactorily performed.
- f. **Vendor Invoice** - A request for payment for supplies or equipment delivered, or services rendered to the government.
- g. **Central Contract File** - A centrally located file in which all contracts are maintained by fiscal year.
- h. **Central Bills Register File** - A centrally located file in which bills register cards (DA Form 3900) are maintained.

- i. **Document Awaiting File** - Contracts pending the receipt of the remaining documentation required (e.g., receiving report missing). Since the receiving report is needed to make a payment, the contract folder is placed in this suspense file pending receipt of missing documents. This file is maintained in daily numerical sequence (1-31).
- j. **Ready to Disburse File** - A file where contract procurement documents and certified vouchers (check not prepared) are retained pending payment to the vendor. Vouchers are held until the required payment day to avoid making early payments.
- k. **Holdup List** - A listing issued by the DFAS-IN legal office which shows contractors indebted to the United States.
- l. **Federal Acquisition Regulation (FAR)** - A series of volumes which provide direction to contracting officers on what they can buy, who they can buy from, and what type of document (contract) to prepare.
- m. **Defense Federal Acquisition Regulation (DFAR)** - Defense supplement to the FAR. Each department prepares a supplement to cover issues that are specific to the department.
- n. **Discount Period** - A specified length of time an offered discount is available, usually less than 30 days.
- o. **Effective Annual Interest Rate** - A percentage number derived from the Discount Conversion Formula. This percentage is compared with the current Treasury Rate to determine if a discount is cost-effective.
- p. **Electronic Fund Transfer (EFT)** - A system that provides the authority to debit and credit accounts in financial institutions by electronic means rather than source documents (paper). Processing occurs through the Federal Reserve Bank.
- q. **Procurement Instrument Identification Number (PIIN)** - The contract/purchase order number. The PIIN is composed of letters and numbers with specific meanings. (See note # 8).
- r. **SF 1094** - SF 1094 - Standard Form 1094 is a U.S. Tax Exemption Certificate.
- s. **Tax Identification Number (TIN)** - TIN is either an Employee Identification Number (EIN), denoting a corporation/partnership, or Social Security Number (SSN), denoting an individual. Vendors who are required to furnish a TIN, but do not, are subject to federal income tax withholding.

8. **Description of PIIN.**

<u>Position</u>	<u>Description</u>
1-2	– Department of the Army, represented by the two letters “DA”
3-6	– The purchasing officer who issued the contract, represented by two letters and two numbers
7-8	– The fiscal year, in which the contract was issued, represented by the last two digits of that year.
9	Type of procurement represented by a capital letter  A: Blanket Purchase Agreement  B: Invitation for bid  C: Contracts, excluding Indefinite Delivery Types Contracts  D: Delivery Types Contracts (Indefinite)  E: Facilities Contract  F: Delivery orders placed with or through other Government Agencies or Departments  G: Basic Ordering Agreements  H: Agreements, Including Basic Agreements  L: Leasing Agreements  M: Purchase Order-Manual  N: Notice of Intent to Purchase  P: Purchase Order-Automated  Q: Request for Quotation-Manual  R: Request for Proposal  S: Sales Contract  T: Request for Quotation-Automated
10-13	The delivery order number. At the beginning of each fiscal year, each series of PIINs for the same activity starts with the number 0001. If more than 9,999 numbers are needed, alpha-numeric combinations are used, except the letters “O” and “I” are not used.

<b>PURCHASE REQUEST AND COMMITMENT</b> For use of this form, see AR 37-1; the proponent agency is OASA(FM)		1. PURCHASE INSTRUMENT NO. PRC6250		2. REQUISITION NO.		3. DATE 1 SEP **		PAGE 1 OF 1 PAGES			
4. TO: Purchasing and Contracting Officer			5. THRU: Budget Activity, DPW			6. FROM: PBO, DPW, Fort Stewart, GA 31314					
It is requested that the supplies and services enumerated below or on attached list be											
7. PURCHASED FOR Fort Stewart, GA 31314				8. DELIVERED TO BLDG 400, Fort Stewart, GA, 31314				9. NOT LATER THAN (Date) 10 NOV **			
The supplies and services listed below cannot be secured through normal supply channels or other Army supply sources in the immediate vicinity, and their procurement will not violate existing regulations pertaining to local purchases for stock, therefore, local procurement is necessary for the following reason: (Check appropriate box and complete item.)						10. NAME OF PERSON TO CALL FOR ADDITIONAL INFORMATION Dee C. Builder		11. TELEPHONE NUMBER x-4687			
<input checked="" type="checkbox"/> 12. LOCAL PURCHASES AUTHORIZED AS THE NORMAL MEANS OF SUPPLY FOR THE FOREGOING BY AR 611**			13. REQUISITIONING DISCLOSES NONAVAILABILITY OF ITEMS AND LOCAL PURCHASE IS AUTHORIZED BY			<b>FUND CERTIFICATION</b>					
						The supplies and services listed on this request are properly chargeable to the following allotments, the available balances of which are sufficient to cover the cost thereof, and funds have been committed.					
<b>EMERGENCY SITUATION PRECLUDES USE OF REQUISITION CHANNELS FOR SECURING ITEM</b>											
14. ITEM	15. DESCRIPTION OF SUPPLY OR SERVICES	16. QUANTITY	17. UNIT	18. ESTIMATED		19. ACCOUNTING CLASSIFICATION AND AMOUNT 202011D11 A2ABM 131079QPPW 26EB 4321008481 34030 \$135,900.00					
				UNIT PRICE <i>a</i>	TOTAL COST <i>b</i>						
1	Concrete, Ready Mix, Standard	906	cu yd	150.00	\$135,900.00						
						20. TYPED NAME AND TITLE OF CERTIFYING OFFICER Sandra T. Byer CPT,QM,DPW		21. SIGNATURE <i>Sandra T Byer</i>		22. DATE 10 SEP**	
						23. DISCOUNT TERMS					
						24. PURCHASE ORDER NUMBER					
25. THE FOREGOING ITEMS ARE REQUIRED NOT LATER THAN AS INDICATED ABOVE FOR THE FOLLOWING PURPOSE Paving of parking lots						26. DELIVERY REQUIREMENTS ARE MORE THAN 7 DAYS REQUIRED TO INSPECT AND ACCEPT THE REQUESTED GOODS OR SERVICES YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> IF YES, NUMBER OF DAYS REQUIRED					
27. TYPED NAME AND GRADE OF INITIATING OFFICER J.R. Smith, 1LT, QM		28. SIGNATURE <i>J.R. Smith</i>			29. DATE 1 SEP **		34. TYPED NAME AND GRADE OF APPROVING OFFICER OR DESIGNEE Kenneth M. Alexander LTC, IN Commanding		35. SIGNATURE <i>Kenneth M. Alexander</i>		36. DATE 2 SEP **
30. TELEPHONE NUMBER X 8600					33. DATE 1 SEP **						
31. TYPED NAME AND GRADE OF SUPPLY OFFICER Wendy E. Baldino, 1LT, QM		32. SIGNATURE <i>Wendy E. Baldino</i>			33. DATE 1 SEP **						

DA FORM 3953, MAR 91

EDITION OF AUG 76 IS OBSOLETE

USAPPC V1.10

**BILLS REGISTER  
SUPPLIES AND SERVICES  
NONPERSONAL**

Name HARDWARE SUPPLIES R US

Address 3030 CANNADY AVE, PEMBROKE, GA 31321

REGISTER NUMBER	ORDER OR CONTRACT NUMBER	DATE OF INVOICE	DATE RECEIVED	AMOUNT	DISCOUNT OR DEDUCTION	NET AMOUNT INVOICE	RECEIVING REPORT		VOUCHER NUMBER	CHECK			REMARKS
							NUMBER	RECEIVED		DATE	NUMBER	AMOUNT	
377	C-4195	10Oct	13Oct	1500 00	75 00	1425 00	17Oct	18Oct					1st Partial Less 5% Discount
<div style="border: 1px solid black; padding: 5px;">                     INFORMATION FOR THE FIRST COLUMNS, TAKEN FROM THE VENDOR'S INVOICE                 </div>				<div style="border: 1px solid black; padding: 5px;">                     ANY INCREASE OR DECREASE TO THE INVOICE AMOUNT                 </div>	<div style="border: 1px solid black; padding: 5px;">                     AMOUNT BLOCK PLUS OR MINUS DISCOUNT OR DEDUCTION BLOCK                 </div>	<div style="border: 1px solid black; padding: 5px;">                     INCLUDE ACTUAL OR CONSTRUCTIVE ACCEPTANCE WHICHEVER IS EARLIER                 </div>	<div style="border: 1px solid black; padding: 5px;">                     THE DATE ACCOUNTS PAYABLE GETS THE RECEIVING REPORT                 </div>	<div style="border: 1px solid black; padding: 5px;">                     FILLED IN AFTER DISBURSING MAKES THE PAYMENT                 </div>	<div style="border: 1px solid black; padding: 5px;">                     AT A MINIMUM INCLUDE THE PAYMENT NUMBER AND TYPE, AND ANY REASON FOR CHANGES TO THE ORIGINAL AMOUNT OF THE INVOICE                 </div>				
<div style="border: 1px solid black; padding: 5px;"> <b>PURPOSE OF THE BILLS REGISTER CARD</b> <ol style="list-style-type: none"> <li>Shows when all supporting documents necessary to prepare a payment voucher have been received.</li> <li>Cites paid vouchers and check numbers.</li> <li>Shows amount and number of partial or progress payments.</li> <li>Prevents duplicate payments.</li> <li>Source of information for inquiries.</li> </ol> </div>													

<b>SOLICITATION, OFFER AND AWARD</b>		1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 7900)		RATING	PAGE 1 OF 1 PAGES
2. CONTRACT NUMBER DAF101-**-C-4195	3. SOLICITATION NUMBER DAF101-**-B-0025	4. TYPE OF SOLICITATION <input checked="" type="checkbox"/> SEALED BID (IFB) <input type="checkbox"/> NEGOTIATED (RFP)		5. DATE ISSUED 25 AUG **	6. REQUISITION/PURCHASE NUMBER PRC6250
7. ISSUED BY DIRECTOR CONTRACTING AND PROCUREMENT 1/91ST MECH INF, FORT STEWART, GA 31314			8. ADDRESS OFFER TO (If other than Item 7) PROCUREMENT DIVISION BLDG 600, RM 7 FORT STEWART, GA 31314		

NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder".

**SOLICITATION**

9. Sealed offers in original and 7 copies for furnishings the supplies or services in the Schedule will be received at the place specified in Item 8, or if hand carried, in the depository located in BLDG 600 until 2:00 PM local time 2 OCT \*\*  
(Hour) (Date)

CAUTION - LATE Submissions, Modifications, and Withdrawals: See Section L, Provision No. 52.214-7 or 52.215-1. All offers are subject to all terms and conditions contained in this solicitation.

10. FOR INFORMATION CALL:	A. NAME JAMES A. ALEXANDER	B. TELEPHONE (NO COLLECT CALLS)			C. E-MAIL ADDRESS james.a.alexander@us.army.mil
		AREA CODE 803	NUMBER 555	EXT. 6524	

**11. TABLE OF CONTENTS**

(X)	SEC.	DESCRIPTION	PAGE(S)	(X)	SEC.	DESCRIPTION	PAGE(S)
PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES			
X	A	SOLICITATION/CONTRACT FORM	1		I	CONTRACT CLAUSES	2
X	B	SUPPLIES OR SERVICES AND PRICES/COSTS	1-2	PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH.			
X	C	DESCRIPTION/SPECS./WORK STATEMENT	1-2		J	LIST OF ATTACHMENTS	
X	D	PACKAGING AND MARKING		PART IV - REPRESENTATIONS AND INSTRUCTIONS			
X	E	INSPECTION AND ACCEPTANCE	1-2		K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	1-2
X	F	DELIVERIES OR PERFORMANCE	1-2		L	INSTRS., CONDS., AND NOTICES TO OFFERORS	
X	G	CONTRACT ADMINISTRATION DATA	1		M	EVALUATION FACTORS FOR AWARD	
X	H	SPECIAL CONTRACT REQUIREMENTS	1-2				

**OFFER (Must be fully completed by offeror)**

NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16, Minimum Bid Acceptance Period.

12. In compliance with the above, the undersigned agrees, if this offer is accepted within \_\_\_\_\_ calendar days (00 calendar days unless a different period is inserted by the offeror) from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

13. DISCOUNT FOR PROMPT PAYMENT (See Section J, Clause No. 52.232-8)	10 CALENDAR DAYS (%)	20 CALENDAR DAYS (%)	30 CALENDAR DAYS (%)	CALENDAR DAYS(%)
	5			

14. ACKNOWLEDGMENT OF AMENDMENTS (The offeror acknowledges receipt of amendments to the SOLICITATION for offerors and related documents numbered and dated):	AMENDMENT NO.	DATE	AMENDMENT NO.	DATE

15A. NAME AND ADDRESS OF OFFEROR	CODE	FACILITY	15. NAME AND THE TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or print)
HARDWARE SUPPLIES R US 3030 CANNADY AVE. PEMBROKE, GA 31321			BRIAN P. NEGRON PRESIDENT

15B. TELEPHONE NUMBER	15C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE.	17. SIGNATURE	18. OFFER DATE
AREA CODE NUMBER EXT. 555 6231229	<input type="checkbox"/>		20 SEP **

**AWARD (To be completed by Government)**

19. ACCEPTED AS TO ITEMS 0001	20. AMOUNT 135,900.00	21. ACCOUNTING AND APPROPRIATION 202011D11 A2ABM 131079QPPW 26EB 4321008822 S34030
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22. AUTHORITY FOR USING OTHER THAN FULL OPEN COMPETITION: <input checked="" type="checkbox"/> 10 U.S.C. 2304 (c) <input type="checkbox"/> 41 U.S.C. 253 (c)	23. SUBMIT INVOICES TO ADDRESS SHOWN IN (4 copies unless otherwise specified)	ITEM
--	---	------

24. ADMINISTERED BY (If other than Item 7) COMMERCIAL VENDOR SERVICES 16 OCT **	25. PAYMENT WILL BE MADE BY FINANCE OFFICE ATTN: COMMERCIAL VENDOR SERVIC FORT STEWART, GA 31314
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26. NAME OF CONTRACTING OFFICER (Type or print) GARY W. MC COY	27. UNITED STATES OF AMERICA  (Signature of Contracting Officer)	28. AWARD DATE 31 AUG **
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IMPORTANT - Award will be made on this Form, or on Standard Form 26, or by other authorized official written notice.

AUTHORIZED FOR LOCAL REPRODUCTION  
Previous edition is unusable

STANDARD FORM 33 (REV., 9-97)  
Prescribed by GSA - Far (48 CFR) 53.214 (c)

CONTINUATION SHEET

HARWARE SUPPLY R US, 3030 CANNADY AVE. PEMBROKE, GA 31321  
ORDER NUMBER: DAFI01-\*\*-C-4195

ITEM	SUPPLY/SERVICE	QTY	U/I	U/P	AMOUNT
0001	CONCRETE, READY MIX Standard mix,	906	cu yd.	150.00	\$135,900.00

NOTE 1:

DELIVERIES: F.O.B. DESTINATION

SHIP TO:

Director of Public Works  
BLDG. 400  
FORT STEWART, GA 31314

NOTE 2:

PAYMENT TERMS: Payment will be made in partial payments if partial deliveries are made. Each payment will be made upon the receipt of goods and receipt of an invoice. The invoice should contain:

- (1) Remit to address (if other than the address given).
- (2) The contract number.
- (3) Date of invoice.
- (4) Description.
- (5) Terms.
- (6) Extension/Footing.

NOTE 3:

CONTRACT TYPE: This is a fixed price contract. The unit-price will remain as offered.

MATERIAL INSPECTION AND RECEIVING REPORT							Form Approved OMB No. 0704-0248	
<p>The public reporting burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to the Department of Defense, Executive Services and Communications Directorate (0704-0248). Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.</p> <p align="center"><b>PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE ABOVE ORGANIZATION. SEND THIS FORM IN ACCORDANCE WITH THE INSTRUCTIONS CONTAINED IN THE DFARS, APPENDIX F-401.</b></p>								
1. PROCUREMENT INSTRUMENT IDENTIFICATION (CONTRACT) NO. DAF101*.-**.-C-4195			ORDER NO.		6. INVOICE NO./DATE		7. PAGE OF	8. ACCEPTANCE POINT
2. SHIPMENT NO. 72-85		3. DATE SHIPPED 10 OCT **		4. B/L TCN		5. DISCOUNT TERMS 5/10, N/30		
9. PRIME CONTRACTOR CODE HARDWARE SUPPLIES R US 3030 CANNADY AVE PEMBROKE, GA 31321				10. ADMINISTERED BY CODE CONTRACTING AND PROCUREMENT FORT STEWART, GA 31314				
11. SHIPPED FROM (if other than 9) CODE			FOB:		12. PAYMENT WILL BE MADE BY CODE FINANCE OFFICE ATTN: COMMERCIAL VENDOR SERVICES FORT STEWART, GA 31314			
13. SHIPPED TO CODE DPW BLDG 400 FORT STEWART, GA 31314			14. MARKED FOR CODE					
15. ITEM NO.	16. STOCK/PART NO.	DESCRIPTION (Indicate number of shipping containers - type of container - container number.)			17. QUANTITY SHIP/REC'D*	18. UNIT	19. UNIT PRICE	20. AMOUNT
1		CONCRETE READY MIX, STANDARD			10	cu yd	150	1500
<div style="border: 1px solid black; padding: 5px; display: inline-block; background-color: yellow;"> <p>Received in CVS 18 OCT **</p> </div>								
21. CONTRACT QUALITY ASSURANCE					22. RECEIVER'S USE			
a. ORIGIN		b. DESTINATION			Quantities shown in column 17 were received in apparent good condition except as noted.			
<input type="checkbox"/> CQA <input type="checkbox"/> ACCEPTANCE of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or on supporting documents.		<input type="checkbox"/> CQA <input type="checkbox"/> ACCEPTANCE of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or on supporting documents.			10 OCT ** <span style="float: right;">11A14555-1</span> DATE RECEIVED <span style="float: right;">SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE</span> TYPED NAME: DENNIS ROMAN TITLE: PBO, GM 13 MAILING ADDRESS: BLDG 400 FORT STEWART, GA 31314 COMMERCIAL TELEPHONE NUMBER: 555-654-1589			
DATE: SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE:		DATE: 18 OCT ** SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE: Michael Gordon <span style="float: right;">11A14555-1</span>			TYPED NAME: MICHAEL GORDON TITLE: CONTRACTING AGENT MAILING ADDRESS: CONTRACTING AND PROCUREMENT FORT STEWART, GA 31314 COMMERCIAL TELEPHONE NUMBER: 555-654-1588			
TYPED NAME: TITLE: MAILING ADDRESS: COMMERCIAL TELEPHONE NUMBER:		* If quantity received by the Government is the same as quantity shipped, indicate by (X) mark; if different, enter actual quantity received below quantity shipped and encircle.						
23. CONTRACTOR USE ONLY								

**HARDWARE SUPPLIES R US  
3030 CANNADY AVENUE  
PEMBROKE, GEORGIA 31321**

SOLD TO:

**UNITED STATES ARMY  
HQS, 1/91ST MECH INF  
ATTN: ACCOUNTS PAYABLEVENDOR SVCS  
FORT STEWART, GA 31314**

**NUMBER: 377**

**INVOICE 10 Oct \*\*  
DATE:**

**ORDER 12 Sep \*\*  
DATE::**

**ORDER DAFI01-\*\*-C-4195  
NUMBER:**

INVOICE NUMBER  
MUST APPEAR ON ALL  
P.O., PACKING  
SLIPS & PACKAGES  
CUSTOMER NO:

**USA11298**

SHIP TO: DIRECTOR OF PUBLIC WORKS  
BLDG. 400  
FORT STEWART, GA 31314

SALESPERSON: C. Atkins

TERMS: 5/10, N/30

FOB: DESTINATION

DATE SHIPPED: 10 Oct.\*\*

SHIP VIA: Semi Trailer

OTHER:

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
1	Concrete Ready Mix	10	cubic yards	\$150.00	\$1,500.00

**RECEIVED IN CVS  
13 OCT \*\***

**Thank You For Your Order!**

NOTE: All documents are date stamped when received. The vendor's format may vary from this example, however, regardless of the format, the same basic information must be displayed

MERCHANDISE:

\$1,500.00

FREIGHT:

-0-

OTHER:

-0-

TOTAL DUE:

\$1,500.00

Standard Form 1034 Revised October 1987 Department of the Treasury 1 TFM 4-2000 1034-121		<b>PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL</b>				VOUCHER NO.	
U.S. DEPARTMENT, BUREAU, OR ESTABLISHMENT AND LOCATION DEPARTMENT OF THE ARMY CVS CLEARING CELL FORT STEWART, GA 31321			DATE VOUCHER PREPARED 18 OCT **		SCHEDULE NO.		
			CONTRACT NUMBER AND DATE DAFI01-**-C-4195		PAID BY Finance Office Fort Stewart, GA 31314 DSSN: 6348		
PAYEE'S NAME AND ADDRESS  HARDWARE SUPPLIES R US 3030 CANNADY AVE. PEMBROKE, GA 31321			REQUISITION NUMBER AND DATE PRC 6250				DATE INVOICE RECEIVED 13 OCT **
					DISCOUNT TERMS 5/10, N/30		
					PAYEE'S ACCOUNT NUMBER NONE		
					GOVERNMENT B/L NUMBER		
SHIPPED FROM			TO		WEIGHT		
NUMBER AND DATE OF ORDER	DATE OF DELIVERY OR SERVICE	ARTICLES OR SERVICES <i>(Enter description, item number of contract or Federal supply schedule, and other information deemed necessary)</i>			QUAN- TITY	UNIT PRICE COST PER	
						AMOUNT (!)	
377	17 OCT **	PER DETAILED BILL HEREWITH ATTACHED DATED 10 OCT **				\$1,500.00	
		<b>PAYMENT DUE DATE: 20 OCT **</b>					
(Use continuation sheet(s) if necessary)			<b>(Payee must NOT use the space below)</b>		<b>TOTAL</b>		\$1,500.00
PAYMENT: <input type="checkbox"/> PROVISIONAL <input type="checkbox"/> COMPLETE <input checked="" type="checkbox"/> PARTIAL 1st <input type="checkbox"/> FINAL <input type="checkbox"/> PROGRESS <input type="checkbox"/> ADVANCE	APPROVED FOR BY 2 TITLE		EXCHANGE RATE =\$1.00		DIFFERENCES		
							\$-75.00
					Amount verified; correct for		\$1,425.00
					(Signature or initials)		
Pursuant to authority vested in me, I certify that this voucher is correct and proper for payment.							
		JAMES R. RICHARDSON, MAJ, FC			DEFENSE ACCOUNTING OFFICER		
		<i>(Date)</i>			<i>(Authorized Certifying Officer)</i>		
ACCOUNTING CLASSIFICATION							
		202011D11 A2ABM 131079QPPW 26EB 4321006541 S34030			\$1,425.00		
CHECK NUMBER		ON ACCOUNT OF U.S. TREASURY FOR \$1,425.00		CHECK NUMBER		ON (Name of bank)	
CASH		DATE		PAYEE 3			
\$							
1	When stated in foreign currency, insert name of currency.	2	If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign in the space provided, over his official title.	3	When a voucher is receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.	PER	

Previous edition usable

**PRIVACY ACT STATEMENT**  
The information requested on this form is required under the provisions of 31 U.S.C. 82b and 82c, for the purpose of disbursing Federal money. The information requested is to identify the particular creditor and the amounts to be paid. Failure to furnish this information will hinder discharge of the payment obligation.

NSN 7540-00-900-2234  
USAPPC V1.00







**CONSTRUCTION OR US  
129 WEST 22ND STREET  
GLENNVILLE, GA 30427**

SOLD TO:

**UNITED STATES ARMY  
HQS, 1/91ST MECH INF  
ATTN: ACCOUNTS PAYABLE  
FORT STEWART, GA 31314**

**NUMBER: NA**

**INVOICE 29 Dec \*\*  
DATE:**

**ORDER NA  
DATE::**

**ORDER DAFI01-\*\*-M-1589  
NUMBER:**

INVOICE NUMBER  
MUST APPEAR ON ALL  
P.O., PACKING  
SLIPS & PACKAGES  
CUSTOMER NO:

**GOVT-1002C**

CODE	DESCRIPTION	QUANTITY	UNIT PRICE	AMOUNT
RPH	Repair of Hospital Heating and Blower System	1 JOB	\$163.00	\$163.00

Received in DOC  
30 DEC \*\*

RECEIVED IN CVS  
02 JAN \*\*

**Thank You For Your Order!**

TOTAL DUE:

\$163.00

NOTE: All documents are date stamped when received. The vendor's format may vary from this example, however, regardless of the format, the same basic information must be displayed

## PROMPT PAYMENT ACT

1. **CASH MANAGEMENT:** There is only one correct payment due date for each payment. Payments to vendors should be made as close as possible to the payment due dates. Early payments are those payments made 8 or more days prior to the correct payment due date. Payment due dates are determined as follows:
  - a. Use the payment due date specified in the contract.
  - b. If no date is specified in the contract, the payment due date is 30 days after a proper invoice is received in the designated billing office or 30 days after acceptance of the supplies or services, whichever is later.
  - c. If a cost-effective discount is offered, the payment due date is the last date of the discount period.
  - d. If meat or meat-food products are purchased, the payment due date is the 7th day after the date of delivery.
  - e. If dairy products or perishable agricultural commodities are purchased, the payment due date is the 10th day after the date of delivery.
  - f. If combinations of perishable items are purchased, it is referred to as a mixed order. Use the earliest time frame to compute the payment due date.

**Note:** When the payment due date falls on a non-business day, the next business day will be the correct payment due date.

2. The prompt payment act, Public Law 97-177, dated 21 May 1982, can be found at [\*Title 31, United States Code \(USC\) Chapter 39\*](#). It requires that each federal agency, which acquires supplies or services from a business concern, but which does not make payment for each completed delivery by the required payment due date, shall pay an interest penalty. In addition, an interest penalty is payable when an agency takes a discount after expiration of the discount period.
3. An interest penalty will be computed from the day after the correct payment due date through the expected payment date. If an agency takes a discount after the discount period expires, the interest payment will be calculated on the amount of the discount taken, for the period beginning the day after the end of the discount period through the expected date of payment. If an agency fails to notify a business concern of an improper invoice within 7 days after receipt of that invoice (3 days for meat or meat-food products and 5 days for dairy and perishable agricultural commodities), the number of days allowed for payment of the corrected invoice shall be reduced accordingly.

The number of days allowed for payment of the corrected invoice would be reduced by the number of days between the 7th day (3rd for meat and 5th for dairy/perishable agricultural commodities) and the day the business concern was notified. The payment period will resume from the date of receipt of the corrected invoice. Any interest penalty will be based on the adjusted payment due date reflecting the reduced number of days allowable for payment. (Example, if an improper invoice was received on 2 January for a net 30 payment, the vendor must be notified by 9 January. If the vendor is notified on 19 January, the payment due date will be calculated as normal, then backed up by ten days.)

**Note:** Payments are considered to be made on the date of the check or date the electronic funds transfer (EFT) was transmitted. Calculations of interest penalties will be made on the best estimate of that date. If you do not get an expected check payment date, use the current date. Expected check payment date (ECPD) is the date on which disbursing expects to make the payment, based on their receiving the payment voucher on a set date.

4. Interest penalty exclusions: Interest on late payments will not be paid under the following circumstances:
  - a. Payments made solely for financing purposes, except for construction architectural/engineer type payments.
  - b. Non-invoiced advance payments.
  - c. Amounts withheld in accordance with the terms of the contract.
  - d. A dispute with the business concern over the amount of the payment or other issues concerning compliance with the contract terms.
  - e. When the amount of interest is less than \$1.00.
  - f. When making payments to Civilian Health and Medical Program of the Uniformed Services (CHAMPUS).
  
5. Office of Management and Budget (OMB) Interest Penalty: OMB has established an additional penalty to be applied when interest for late payment is due to a vendor, but was not paid. An additional penalty will be assessed against the paying office. The amount of the additional penalty will be 100 percent of the original interest penalty owed, but not less than \$25 and not more than \$5000. Interest will be calculated on the unpaid interest penalty amount. This interest will be compounded every 30 days, until paid or for one year. The OMB penalty amount will accrue, compounded each 30 days until paid or the maximum penalty is reached; the accrual does not automatically stop after one year. This additional penalty will be assessed when the following conditions exist:
  - a. A payment must have been made where interest was due but not paid.
  - b. The vendor must ask for the interest and the OMB penalty in writing, within 40 days of the date of the check or EFT payment.
  - c. The vendor must reference a specific invoice on which he/she believes the interest is due and must attach a copy.

## INTEREST PENALTY FORMULA

### 1. Simple interest

Simple interest is paid on all penalties of 30 days or less.

(DPF **see pg 21**)                      (R)                      (P)  
Daily percentage factor (X) Interest rate (X) Principle = Interest penalty amount

Example: Payment is 16 days late, interest rate is 14.5%, and the principle is \$1800.00.

Interest penalty factor for 16 days late:      .043836 (from page 20)

Times interest rate:                      X .145 (convert percent to decimal)

$$\begin{array}{r} \text{=====} \\ = .0063562 \end{array}$$

Times principle:                      X 1800.00

$$\text{=====}$$

Equals: 11.44116 or \$11.44 amount of interest.

**Note: If the third digit past the decimal is five or higher round up.**

### 2. Compound Interest

Compound interest is calculated on penalties for payments more than 30 days late.

Example: Payment is 35 days late, interest rate is 14.5%, and the principle is \$1800.00.

(DPF) (R) (P)  
.082192 X .145 X 1800.00 = \$21.45 (first 30 days)

\$21.45 is added to the amount of principle, adjusted amount is \$1821.45.

Next period, the interest is computed for 5 days (35 days late minus 30 days already calculated above).

(DPF) (R) (P)  
.013699 X .145 X 1821.45 = \$3.62 (add to the interest penalty for the first 30 days to get total amount of interest penalty)

Interest for first 30 days: \$21.45

Plus interest for last 5: \$3.62

$$\text{=====}$$

Total amount of interest: \$25.07 (add to the original amount of principle to get total amount of payment)

Original amount of principle: \$1800.00

Plus total amount of interest: \$25.07

$$\text{=====}$$

\$1825.07 (amount of payment)

### INTEREST PENALTY FACTORS - NON LEAP YEAR

Daily percentage factors to be used in interest penalty formula:

1 day late	.00274	16 days late	.043836
2 days late	.005479	17 days late	.046575
3 days late	.008219	18 days late	.049315
4 days late	.010959	19 days late	.052055
5 days late	.013699	20 days late	.054795
6 days late	.016438	21 days late	.057534
7 days late	.019178	22 days late	.060274
8 days late	.021918	23 days late	.063014
9 days late	.024658	24 days late	.065753
10 days late	.027397	25 days late	.068493
11 days late	.030137	26 days late	.071233
12 days late	.032877	27 days late	.073973
13 days late	.035616	28 days late	.076712
14 days late	.038356	29 days late	.079452
15 days late	.041096	30 days late	.082192

Note: To compute the number of days a payment is late, subtract the Julian date (**see page 22**) of the payment due date (PDD) from the Julian date of the expected check or EFT payment date (ECPD) date.

Example: Payment was due on 15 July \*\*, however a check will not be printed until 7 August \*\*.

ECPD: 7 AUG. **	219 (Julian date)
PDD: 15 JUL. **	-196 (Julian date)
	=====
Equals:	23 days late

**JULIAN DATE CALENDAR**  
**(PERPETUAL) NON-LEAP YEAR**

Day	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Day
1	001	<b>032</b>	060	<b>091</b>	121	<b>152</b>	182	<b>213</b>	244	<b>274</b>	305	<b>335</b>	1
2	002	<b>033</b>	061	<b>092</b>	122	<b>153</b>	183	<b>214</b>	245	<b>275</b>	306	<b>336</b>	2
3	003	<b>034</b>	062	<b>093</b>	123	<b>154</b>	184	<b>215</b>	246	<b>276</b>	307	<b>337</b>	3
4	004	<b>035</b>	063	<b>094</b>	124	<b>155</b>	185	<b>216</b>	247	<b>277</b>	308	<b>338</b>	4
5	005	<b>036</b>	064	<b>095</b>	125	<b>156</b>	186	<b>217</b>	248	<b>278</b>	309	<b>339</b>	5
6	006	<b>037</b>	065	<b>096</b>	126	<b>157</b>	187	<b>218</b>	249	<b>279</b>	310	<b>340</b>	6
7	007	<b>038</b>	066	<b>097</b>	127	<b>158</b>	188	<b>219</b>	250	<b>280</b>	311	<b>341</b>	7
8	008	<b>039</b>	067	<b>098</b>	128	<b>159</b>	189	<b>220</b>	251	<b>281</b>	312	<b>342</b>	8
9	009	<b>040</b>	068	<b>099</b>	129	<b>160</b>	190	<b>221</b>	252	<b>282</b>	313	<b>343</b>	9
10	010	<b>041</b>	069	<b>100</b>	130	<b>161</b>	191	<b>222</b>	253	<b>283</b>	314	<b>344</b>	10
11	011	<b>042</b>	070	<b>101</b>	131	<b>162</b>	192	<b>223</b>	254	<b>284</b>	315	<b>345</b>	11
12	012	<b>043</b>	071	<b>102</b>	132	<b>163</b>	193	<b>224</b>	255	<b>285</b>	316	<b>346</b>	12
13	013	<b>044</b>	072	<b>103</b>	133	<b>164</b>	194	<b>225</b>	256	<b>286</b>	317	<b>347</b>	13
14	014	<b>045</b>	073	<b>104</b>	134	<b>165</b>	195	<b>226</b>	257	<b>287</b>	318	<b>348</b>	14
15	015	<b>046</b>	074	<b>105</b>	135	<b>166</b>	196	<b>227</b>	258	<b>288</b>	319	<b>349</b>	15
16	016	<b>047</b>	075	<b>106</b>	136	<b>167</b>	197	<b>228</b>	259	<b>289</b>	320	<b>350</b>	16
17	017	<b>048</b>	076	<b>107</b>	137	<b>168</b>	198	<b>229</b>	260	<b>290</b>	321	<b>351</b>	17
18	018	<b>049</b>	077	<b>108</b>	138	<b>169</b>	199	<b>230</b>	261	<b>291</b>	322	<b>352</b>	18
19	019	<b>050</b>	078	<b>109</b>	139	<b>170</b>	200	<b>231</b>	262	<b>292</b>	323	<b>353</b>	19
20	020	<b>051</b>	079	<b>110</b>	140	<b>171</b>	201	<b>232</b>	263	<b>293</b>	324	<b>354</b>	20
21	021	<b>052</b>	080	<b>111</b>	141	<b>172</b>	202	<b>233</b>	264	<b>294</b>	325	<b>355</b>	21
22	022	<b>053</b>	081	<b>112</b>	142	<b>173</b>	203	<b>234</b>	265	<b>295</b>	326	<b>356</b>	22
23	023	<b>054</b>	082	<b>113</b>	143	<b>174</b>	204	<b>235</b>	266	<b>296</b>	327	<b>357</b>	23
24	024	<b>055</b>	083	<b>114</b>	144	<b>175</b>	205	<b>236</b>	267	<b>297</b>	328	<b>358</b>	24
25	025	<b>056</b>	084	<b>115</b>	145	<b>176</b>	206	<b>237</b>	268	<b>298</b>	329	<b>359</b>	25
26	026	<b>057</b>	085	<b>116</b>	146	<b>177</b>	207	<b>238</b>	269	<b>299</b>	330	<b>360</b>	26
27	027	<b>058</b>	086	<b>117</b>	147	<b>178</b>	208	<b>239</b>	270	<b>300</b>	331	<b>361</b>	27
28	028	<b>059</b>	087	<b>118</b>	148	<b>179</b>	209	<b>240</b>	271	<b>301</b>	332	<b>362</b>	28
29	029		088	<b>119</b>	149	<b>180</b>	210	<b>241</b>	272	<b>302</b>	333	<b>363</b>	29
30	030		089	<b>120</b>	150	<b>181</b>	211	<b>242</b>	273	<b>303</b>	334	<b>364</b>	30
31	031		090		151		212	<b>243</b>		<b>304</b>		<b>365</b>	31

**DISCOUNT CONVERSION FORMULA**

DISCOUNT PERCENTAGE	X	DAYS IN YEAR (360) =	
100% LESS DISCOUNT PERCENTAGE		TIME IN DAYS TO DUE DATE (30) LESS DAYS IN DISCOUNT PERIOD	EFFECTIVE ANNUAL INTEREST RATE

**EXAMPLE:** Discount terms 1% (.01) in 10 days, NET 30 days.  
 Value of funds to the Treasury is 9%.  
 You will always be provided with the value of funds to the Treasury. This represents the percentage that the government will gain if funds were allowed to sit in the Treasury.

.01		360		
1.00 - .01	X	30 - 10		
.01		360		
.99	X	20		
.010101	X	18	=	.181818 or 18% Effective Annual Interest Rate

If the effective annual interest rate is equal to or greater than the value of funds to the Treasury, the discount is cost effective. Based on this example, the offered discount should be taken.

---

**TODAY'S DATE** **PAYMENT DUE DATE WORKSHEET**

#1 **CONTRACT** BILLING OFFICE [ ] TERMS [ ]

#2 **INVOICE**  
 DATED [ ] + [ ] DAYS = [ ] **DISCOUNT PAYMENT DUE DATE (DPDD)**  
 RECEIVED (in billing office) [ ]  
 TERMS [ ]

#3 **RECEIVING REPORT**  
 ROG [ ] + 7 = [ ] C.A.D. [ ]  
 AOG (if given) [ ] EARLIER DATE of OAD or AOG [ ]

**LATER DATE**  
 (of Invoice, ROG'd block or earlier date block)  
 + 30 DAYS = [ ]  
**Payment Due Date (PDD)**

---

**Interest Penalty**

	Julian Date									
ECPD	[ ]	[ ]	DAILY PERCENTAGE FACTOR	[ ] X	INTEREST RATE	[ ] X	PRINCIPLE	[ ] =	INTEREST AMT	[ ]
-PDD	[ ]	[ ]		[ ] X		[ ] X		[ ] =		[ ]
	=	[ ]	DAYS LATE	[ ] X		[ ] X		[ ] =		[ ]
				[ ] X		[ ] X		[ ] =		[ ]
										<b>= TOTAL INTEREST</b>
										[ ]

---

**Discounts**

Step 1: Principle [ ] X Discount % [ ] = Discount Amount [ ]

Step 2: Principle [ ] - Discount Amount [ ] = Cost to Govt [ ]

---

## VOUCHER CERTIFICATION CHECKLIST

### SF 1034 AND DD FORM 1155 AS THE PAYMENT VOUCHER

1. Ensure all documentation is received and complete.
  - a. Contract.
  - b. Receiving report.
  - c. Vendor's invoice.
2. Check contract for:
  - a. Billing office - DD 1155, blk 13; SF 33, blk 23.
  - b. Terms - DD 1155, blk 12; SF 33, blk 13.
  - c. Contract number - DD 1155, blk 1 and 2; SF 33, blk 2.
  - d. Unit price and amount for each line item - DD 1155, blk 22 and 23; SF 33, continuation sheet.
  - e. Total obligation - DD 1155, blk 25; SF 33, blk 20.
  - f. DD 1155, blk 8; SF 33, continuation sheet.
  - g. Quantities - DD 1155, blk 20; SF 33, continuation sheet.
  - h. Vendor's name and address - DD 1155, blk 9; SF 33, blk 15A.
  - i. Signatures - DD 1155, blk 24; SF 33, blk 17 and 27.
3. Compare receiving report with invoice for:
  - a. Quantities accepted versus quantities billed - DD 1155 copy 8, blk 20; DD 250, blk 17.
  - b. Contract number - DD 1155, blk 1 and 2; DD 250, blk 1.
  - c. Date goods received (do not compare).
  - d. Date goods accepted (do not compare).
4. Compare invoice with contract for:
  - a. Terms.
  - b. Contract number.
  - c. Vendor's name and address.
  - d. Unit price and amount for each line item.
  - e. Freight.
  - f. Date invoice received by billing office (date stamp) (do not compare).

## VOUCHER CERTIFICATION CHECKLIST RULES

**Rule 1.** Only pay for goods actually received and accepted (ensure that receiving report quantities agree with the invoice).

**Rule 2.** Never exceed contract unit price, amount, and/or total obligation.

**Rule 3.** Always pay amount stated on invoice when advantageous to the government (unless it is a result of a math error).

**Rule 4.** Only pay for freight when F.O.B. is other than destination.

**Rule 5.** Discounts - Apply discount percentage against invoice amount (after corrections). Ensure discount can be taken. The payment due date for discounts is calculated by adding the number of days in the terms to the date of the invoice.

**Rule 6.** Receipt versus acceptance of goods - Receipt of goods (ROG) refers to when the goods/services are in the possession of the receiving activity (also known as delivery of goods). Receipt of goods is a mandatory date. Acceptance of goods/services (AOG) refers to the inspection or "OK" of the items. Acceptance of goods is determined in two ways. It will be either the actual or constructive acceptance, whichever is earlier.

1. Actual acceptance: This is a specific date provided by the receiving activity (this date is not required).
2. Constructive acceptance: Determined by adding 7 days to the ROG date.

When only one date appears on the receiving report, it is the receipt of goods date.

**Rule 7.** Net payment due date is computed by adding the number of days in the terms to the later of the date of acceptance of goods versus date invoice received in the billing office.

**Rule 8.** Interest - Compute number of days late (ECPD - PDD).

**Rule 9.** Payment Type - Clues.

- **Final** is the last payment.

- (1) Receiving report is marked final.
- (2) All goods called for in the contract have been received and billed for.

- **Partial** is part of the whole payment.

- (1) Receiving report is marked partial.
- (2) All goods have not been received and/or billed for.

**Rule 10.** Check work backwards.

- Assume payment voucher is incorrect.
- Assume bills register card has been incorrectly posted.
- Assume supporting documents are incorrect.

**Rule 11. Attention to detail.**

## STANDARD FORM 44

1. Purpose. We use small purchase procedures to simplify procurement methods and to reduce administrative costs. The contracting officer selects the best method to purchase the various supplies and required services.
2. Use. We use the SF 44 for local purchases while a unit or activity is away from home station. We also use SF 44s in contingency environments.
3. Description. The SF 44 is primarily designed for over the counter purchases. It can be used as a purchase order, receiving report, vendor invoice, and payment voucher.
4. Authorized use. The SF 44 is authorized for use only when no other small purchase method is considered more suitable and when all of the following conditions are met:
  - a. The transaction does not exceed \$2500.
  - b. The supplies or services are immediately available.
  - c. There is only one delivery and one payment.
5. Receipt for Cash Payments. When we make a payment in cash, the vendor acknowledges receiving the cash by signing the form in the seller's name block. The vendor must also put the date and "paid in cash" on the form.
6. Distribution of Copies. The SF 44 is a 6-part carbon interleaved form. The DFAS Field Site will distribute the copies as follows:
  - a. Use copy 1, seller's invoice, as the payment voucher in non-automated offices. Forward this copy through accounting channels to DFAS-IN.
  - b. Give copy 2, seller's copy of the order, to the seller with the payment.
  - c. Retain copy 3, receiving and acceptance report, accounting copy, for the DFAS Site records. If copy 1 cannot be used as the receiving report, we will use this copy.
  - d. Keep copy 4, memorandum copy, in the SF 44 book; unless the contracting officer specifies otherwise.
  - e. Furnish copy 5, additional copy, to the DFAS Field Site for fiscal accounting purposes and dispose IAW current accounting regulations. Use this copy to enter Standard Army Financial Systems (STANFINS) transactions.
  - f. Use Copy 6, additional copy for the records, as required.
7. Disposition of the SF 44. Parts of the SF 44 and their relationship to the payment process.
  - a. PURCHASE ORDER: The top part of the SF 44 is the purchase order portion and is broken down as follows:
    - (1) DATE OF ORDER: The date we prepare the order.
    - (2) ORDER NO: The contracting office gives the contract number to the ordering officer.
    - (3) PAYEE: The vendor's name and address appear in this block.

- (4) FURNISH SUPPLIES OR SERVICES TO: This is the ship to address.
- (5) SUPPLIES OR SERVICES, QUANTITY, UNIT PRICE, and AMOUNT: Contains information on the order of goods or services.
- (6) PAYOR: This block identifies the billing office.
- (7) TOTAL: This is the sum of the amount column.
- (8) DISCOUNT TERMS: List any specific payment terms here.
- (9) DATE INVOICE RECEIVED: Include the date the billing office receives the invoice.
- (10) ORDERED BY: The signature and title of the ordering officer will go in this block.
- (11) PURPOSE AND ACCOUNTING DATA: This block contains the accounting classification.

NOTE: The "Payment Due Date" and the "dollar amount next to the accounting classification" are not purchase order information, but they are payment voucher information. The rest of the information located in the Purchase Order portion of the SF 44 CANNOT be changed by accounts payable personnel.

- b. PURCHASER: If this section is filled in with a signature and date, we can use this copy of the SF 44 as the receiving report. If not, you need copy 3 of the SF 44 with the "PURCHASER" section filled in. The date in this section is the date of delivery or the receipt of goods (ROG). There is no constructive acceptance with SF 44s.
- c. SELLER: If the vendor signs and dates this portion of the SF 44, we can use this copy as the invoice. If it is not filled in, we need a separate vendor invoice. The date in this section is the vendor's date of the invoice.
- d. PAYMENT VOUCHER: This portion is found at the bottom of copy 1 of the SF 44 and includes the following information:
  - (1) DIFFERENCES: Include any changes to the original amount of the SF 44.
  - (2) AMOUNT VERIFIED CORRECT FOR: This will be the correct amount of the payment.
  - (3) Type the certifying officer's signature block and title to the left of the "DIFFERENCES" block. Also, include the dollar amount of the payment.
- e. PAYMENT DUE DATE: Determine the payment due dates on SF 44s differently depending on what you are purchasing and what documentation you have. The very first step in preparing an SF 44 for payment is to LOOK at WHAT you are buying.
  - (1) If a cost-effective discount is offered, calculate the payment due date by adding the number of days in the discount terms to the date of the invoice. Apply discount percentage against gross amount.
  - (2) If no discount is offered or cannot be taken, compute the net payment due date by adding the number of days (terms) to the date of delivery or the date a **separate invoice** is received in the billing office, whichever is later.

- (3) NET 30 Payment Due Dates: To determine a Net 30 payment due date, you must consider the type of documentation you have in front of you.
- (4) Compare the ROG with the date the billing office receives the invoice; take the later date plus 30 days.
- (5) When payment is late, calculate the number of days late, calculate interest penalty amount, and add the interest amount to the gross amount.
- (6) With **no separate invoice** (SELLER portion is signed and dated); use the date provided in the Seller portion of the SF 44.
- (7) Payment due dates when purchasing perishable products on the SF 44 are as follows:
  - (a) Meat or meat food products: Receipt of Goods plus 7 days.
  - (b) Dairy products or perishable agricultural commodities: Receipt of goods date plus 10 days.
  - (c) SF 1034 (Public Voucher for Purchases and Services Other Than Personal). Accounts payable personnel prepare an SF 1034 with the SF 44 attached as a sub-voucher. This is done when there is more than one invoice from the same vendor and they are ready for payment. The contract number of each SF 44 must appear on the SF 1034.

**U. S. GOVERNMENT  
PURCHASE ORDER-INVOICE-VOUCHER**

<b>DATE OF ORDER</b> 7 APR **	<b>ORDER NO.</b> 127-167		
<b>PRINT NAME AND ADDRESS OF SELLER (Number, Street, City, and State)*</b> <div style="display: flex; justify-content: space-between;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-size: small;">PAYEE</div> <div> <b>Johnson Office Supply</b>                      1245 Lee Road                      Richmond Hill, GA 31324                 </div> </div>			
<b>FURNISH SUPPLIES OR SERVICES TO ( Name and address)</b> <b>HQS, 1/91ST MECH INF</b> <b>ATTN: S1, ADJ</b> <b>FORT STEWART, GA 31314</b>			
<b>SUPPLIES OR SERVICES</b>	<b>QUANTITY</b>	<b>UNIT PRICE</b>	<b>AMOUNT</b>
Paper, 11 x 14	5 pk	3.50	17.50
Ribbons, Panasonic	10 ea.	5.00	50.00
//////RECEIVED IN OPLOC//////			
//////ACCOUNTS PAYABLE//////			
//////////15 APR **//////////			
<b>PAYMENT DUE DATE: 10 MAY **</b>			
<b>AGENCY NAME AND BILLING ADDRESS*</b>		<b>TOTAL</b>	<b>\$67.50</b>
<b>OPERATING LOCATION</b>		<b>DISCOUNT TERMS</b>	<b>NET % 30 DAYS</b>
<b>ATTN: ACCOUNTS PAYABLE</b>		<b>DATE INVOICE</b>	<b>RECEIVED</b>
<b>FORT STEWART, GA 31314</b>			
<b>ORDERED BY ( Signature and title)</b> <i>R.P. Frazier</i> MAJ, IN			
<b>PURPOSE AND ACCOUNTING DATA</b> 202011D11 A2ABM 131079QPPW 25CZ 4321008159 34030 \$67.50			
<b>PURCHASER - To sign below for</b>			
<b>RECEIVED BY</b> <i>B. Davis</i>		<b>DATE</b> 10 APR **	
<b>TITLE</b> CPT, AG ADJUTANT			
<b>SELLER - Please read instructions on Copy 2</b>			
<input type="checkbox"/> <b>PAYMENTS RECEIVED</b>	<input checked="" type="checkbox"/> <b>PAYMENT REQUESTED</b> \$67.50		
<b>NO FURTHER INVOICE NEED BE SUBMITTED</b>			
<b>SELLER</b>		<b>DATE</b>	
BY: <i>Jack Lennon</i> J LENNON		10 APR **	
<small>SIGNATURE</small>			
I certify that this account is correct and proper for payment in the amount of		<b>DIFFERENCES</b>	
-\$67.50-			
<i>James R. Richardson</i> <small>JAMES R. RICHARDSON, LTC, FC, OPLOC (Authorized certifying officer)</small>		<b>AMOUNT VERIFIED:</b>	
		<b>CORRECT FOR</b> \$67.50	
		BY: <i>HAB</i>	
<b>PAID BY</b> CASH	<b>DATE PAID</b>	<b>VOUCHER NO.</b>	
OR _____			

PURCHASE ORDER

RECEIVING REPORT

INVOICE

PAYMENT VOUCHER

DATE OF DELIVERY

DATE OF INVOICE

\* PLEASE INCLUDE ZIP CODE 1. SELLER'S INVOICE STANDARD FORM 44a (Rev. 10-83) PRESCRIBED BY GSA FAR (48CFR) 53.213(c)

## GOVERNMENT PURCHASE CARD (GPC) PROCEDURES

### TOPICS, BACKGROUND, PURPOSE

#### 1. **BACKGROUND:**

In 1991, the U.S. Army Audit Agency conducted a time and motion study in the use of purchase cards versus a purchase order. They determined that on an average, using the card was \$92 less expensive per transaction than using a purchase order. Local activities and commands were wasting time and money acquiring small purchase items using the DA Form 3953 (Purchase Request and Commitment) which took longer and cost more.

The General Services Administration (GSA) provides, at the request of Federal ordering agencies, Government-wide commercial credit cards and associated services for civilian and military government employees to make purchases under the small purchase threshold for official government use. Through task orders issued on the General Services Administration (GSA) master contract, the Department uses third party card-issuing banks (Citibank, JP Morgan Chase and U.S. Bank) to support the purchase card program. The card-issuing banks provide a commercial purchase and payment service that replaces the paper-based, time-consuming purchase order process, thereby eliminating procurement lead time, providing transaction cost savings, reducing procurement office workload, and facilitating payment.

#### 2. **PURPOSE:**

We use the Government Purchase Card (GPC) for the acquisition of supplies and services under the authority of the Federal Acquisition Regulation (subpart 13.2). The card:

- a. Is intended to supplement and simplify established small purchase procedures.
- b. Can be used as a payment method under existing contracts or other contracting vehicles (e.g., Blanket Purchase Agreements (BPAs) and Purchase Orders).
- c. Is designed to minimize costs, reduce administrative burdens, and reduce procurement lead time.
- d. Replaces imprest funds.

#### 3. **OVERSIGHT:**

The Office of the Under Secretary of Defense for Acquisition, Technology and Logistics (OUSD(AT&L)) is responsible for oversight of the purchase card program. The Purchase Card Program Management Office (PCPMO) reports to the Director of Defense Procurement and Acquisition Policy in OUSD (AT&L) and is responsible for policy formulation, procedural guidance, and operational oversight of the purchase card program administered by DoD Components. Agency/Organization Program Coordinators (A/OPC) serve as the Agency's functional representative and have oversight to manage and ensure the integrity of the purchase card program.

The regulation that describes command, supervisory, and personal responsibilities within the Department of Defense (DoD) for financial management of the government purchase card program can be found at DODFMR 7000.14-R, Volume 10, Chapter 23.

#### 4. **USE:**

We use the GPC for all government purchases (over-the-counter and telephone orders) once a bona-

vide need is identified. The cardholder screens the sources in order to satisfy the purchase requirements and reasonable price that meets all legal and regulatory requirements. All purchased items must be immediately available. For telephone purchases, all purchased items must be delivered within 30 days or within the billing period. (Guidelines for use are described in the DoD Government Charge Card Guidebook)

5. **DESCRIPTION:**

The GPC is primarily designed for over-the-counter purchases. It can be used in lieu of a purchase order. The card is designed to simplify purchases of supplies and services equal to or less than \$2500 (\$2000 for construction). The card is designed like a personal credit card. It uses standard procurement rules, as described in the Federal Acquisition Regulation.

5. **DEFINITIONS OF KEY TERMS:**

- a. Agency Program Coordinator (APC). The individual at the installation or activity designated by the ordering agency/organization that have oversight to manage and ensure the integrity for the purchase card program. At most installations/activities, the APC is assigned to the Directorate of Contracting (DOC).
- b. Account Set-Up Information. Specific information required by the contractor for each cardholder and approving official so that active accounts can be established for each.
- c. Accountable Officer. The individual at the installation supply support activity (ISSA) through which all supply requests are normally submitted, unless the required item is on a list of items that has been pre-approved for local purchase. The accountable officer normally determines the source of supply and initiates appropriate purchase action.
- d. Administrative Office. The office with direct overall responsibility for the government purchase card program. On most installations, this is the installation DOC. The DOC will appoint approving officials, cardholders, and program coordinators.
- e. Approving Official. The individual (normally, in the cardholder's chain of command, the supervisor) within a directorate or activity who will certify the cardholder's monthly "Statement of Account" (SOA) and will ensure that the payments are for authorized purchases, made IAW regulatory and statutory guidance. The approving official must certify his/her own monthly statement, which is a composite report of activity of all cardholders. Finally, the approving official is responsible for certifying the monthly invoice and forwarding it to DFAS or the appropriate operating location (DFAS Site) for payment. This individual will be the cardholder's immediate supervisor or higher level official. A cardholder cannot be his/her own approving official. The DOC may delegate other duties as required by the installation. The approving official is not the same person as the accountable officer in the supply channel (i.e., Property Book Officer).
- f. Authorization. The process accomplished by the vendor at the point of sale to electronically verify that a purchase is being made within the established cardholder limits.
- g. Cardholder. The individual to whom a card is issued and procurement authority is delegated. The purchase will bear the cardholder's name and can be used only by that individual to make official government purchases. A cardholder's responsibilities are detailed in the DoD Purchase Card Guidebook.
- h. DFAS Field Site. The designated payment office. DFAS Field Site pays invoices after certification by the cardholder's approving official.

- i. Delegation of Authority. Issued by the DOC to trained individuals, establishing them as authorized cardholders. This delegation of authority will specify spending and usage limitations unique to that cardholder, and must be maintained in the file of each cardholder. Individuals delegated contracting authorities are procurement officials, as defined under the Office of Federal Procurement Policy Act, section 27. They must receive training in the use of the purchase card and contracting ethics. If annual purchases exceed \$20,000, a Procurement Integrity Certification is required for each cardholder to whom this applies, under the Federal Acquisition Regulation, section 3.104-12.
- j. Dispute. A disagreement between the cardholder and their issuing bank regarding items appearing on the cardholder's monthly SOA will have to be addressed with their agency's issuing bank (Citibank, JP Morgan Chase or U.S. Bank)
- k. Disputes Official. An individual in the DOC who will coordinate, process and monitor all disputed purchases, credit, billing errors, etc., after efforts by the cardholder and approving official have been unsuccessful.
- l. Program Coordinator. The individual appointed by the DOC who serves as a liaison among cardholders, the installation, card issuing banks and General Services Administration (GSA).
- m. Property Book Officer (PBO). The individual responsible for monitoring purchases of non-expendable items and ensuring that inventory accountability is performed. Some installations accomplish this by having the cardholder provide the PBO with a copy of their Statement of Account (SOA) or the purchasing logs, with accountable items highlighted. Cardholders are responsible for coordinating the delivery and approval of non-expendable items with the PBO.
- n. SOA. A monthly listing of all charges made by the cardholder and billed by card issuing bank.
- o. Tax Exemption. Purchase card transactions are exempt from state and local taxes, IAW state and local laws. The phrase "U.S. Government Tax Exempt" will be embossed on the front of each GPC purchase card. The cardholder must ensure the vendor does not charge taxes, since taxes are not valid disputes and cannot be removed if charged.

6. **KEY PERSONNEL AND THEIR RESPONSIBILITIES:**

- a. Designation. Commander/directors or their designees will nominate individuals within their organizations to serve as approving official(s) and cardholder(s).
- b. DOC. The DOC has overall responsibility for oversight of the GPC program and resolves problems. The DOC will also:
  - (1) Designate an individual within the DOC to act as the APC to monitor/manage the program and resolve problems as they arise.
  - (2) Issue delegations of authority to cardholders and appoint approving officials.
  - (3) Ensure that prospective approving officials and cardholders receive appropriate training and orientation covering use of the purchase card prior to being delegated authority under the program.
  - (4) Establish cardholder and approving official accounts after personnel have completed required training.
- c. Purchase Card Program Coordinator. The activity purchase card coordinator (i.e., Director of Resource Management (DRM) at the activity or installation level) functions as the primary liaison among cardholders, the installations, card issuing banks and GSA. He/she will:

- (1) Serve as the representative on technical matters for the installation programs.
  - (2) Provide and certify training for the purchase card program.
  - (3) Serve as disputes official, if designated by the DOC.
- d. Cardholders. Cardholders hold a public trust and must meet the highest ethical standards. Cardholders will:
- (1) Ensure that the card is used **FOR OFFICIAL GOVERNMENT USE ONLY**. The card was designed showing the Great Seal of the United States and the words "United States of America" imprinted on it to avoid being mistaken for a personal credit card.
  - (2) Safeguard the purchase card and account number at all times. The card is embossed with the cardholder's name and is designed so that it cannot be confused with personal credit cards. **CARDHOLDERS SHALL NOT ALLOW ANYONE TO USE THEIR CARD OR ACCOUNT NUMBER, INCLUDING APPROVING OFFICIALS, SUPERVISORS, OR COMMANDERS IN THE CARDHOLDERS' CHAIN OF COMMAND.** Failure to safeguard the purchase card and account number will result in the card being canceled and the authority taken from the cardholder.
  - (3) ensure proper documentation of the following elements prior to making any purchases:
    - (a) Brief, written description of the required item or service.
    - (b) Funding Availability. Funds must be made available prior to making any purchase. The DRM or the unit budget analyst will be responsible for providing the funding for all the micro-purchases. It is the cardholder's responsibility to ensure funding is available and certified prior to making any purchases.
    - (c) Ensure local purchase authority has been provided by the responsible owner (e.g., Director of Logistics (DOL), Director of Information Management (DOIM), Director of Public Works (DPW), etc.).
    - (d) If purchasing a property book (non-expendable) or hand receipt (durable) item, ensure that procedures regarding real property accountability, established by the installation DOL, are followed.
    - (e) Check mandatory sources of supply prior to initiating purchases.
- e. Approving Officials: Approving officials, like cardholders, must also meet the highest ethical standards. Approving officials will:
- (1) Ensure that completed SOAs are properly received from all cardholders. It is the approving official's responsibility to contact the cardholder to obtain SOAs if they are not provided on time. The approving official will also add up all the SOAs that are under the direction of his/her authority and certify that it is correct and ready for payment.
  - (2) Review each cardholder's SOA and supporting documents to ensure that local purchase authority was received from the process owner prior to purchase, and that it was made IAW applicable regulations.
  - (3) Approve and certify for payment all undisputed amounts by signing the SOA and the invoice. Return the supporting documentation (sales receipts, delivery tickets, etc.) to the cardholder, who is responsible for maintaining these documents for audit purposes. Within 15 days of

receipt of the SOA by the cardholder (or if the date of receipt is unclear, within 15 days of the date on the SOA), submit the approved original SOAs to DFAS or the appropriate DFAS Field Site, with copies to the DRM and the DOC.

- (4) Together with the unit/activity resource manager, establish cardholder spending limits based on office need. Coordinate with the commander/director and the budget certifying official.
  - (5) Coordinate and process disputed purchases, credits and billing errors.
- f. DFAS Field Site. As the designated payment office, DFAS Field Site will:
- (1) Receive monthly SOAs and invoices after verification and certification by approving officials.
  - (2) Make proper payment to card issuing bank in accordance with the Prompt Payment Act (PPA).
  - (3) Notify the approving official and purchase card program coordinator when receipt of an SOA is delinquent.

## 7. **IMPLEMENTATION AND TRAINING PROCEDURES:**

- a. TRAINING REQUIREMENTS. Prospective cardholders and approving officials must complete appropriate training on the use of the purchase card. The DOC will determine the extent and duration. This training will be developed by the DOC and will include information about federal, defense, and Army regulations, policies and procedures pertaining to micro purchases and simplified acquisitions, and government ethics training.
- b. UNIT IMPLEMENTATION. The cardholder's organization will ensure internal Standard Operating Procedures (SOPs) include:
  - (1) Funding, including procedures to commit funds prior to purchase and to record obligations after purchases are made.
  - (2) Packaging and marking delivery procedures to ensure easy identification of items received.
  - (3) Designation of personnel responsible for certifying receipt and acceptance of items ordered.
  - (4) Ensure that a copy of the delivery ticket is provided to the cardholder no later than one day following the receipt of the item(s) when deliveries are made to a Central Receiving Point (CRP). This delivery ticket will be delivered along with the SOA to the appropriate paying office. This delivery is the acceptance of goods (AOG).
  - (5) Procedures to ensure SOAs are verified, certified, and forwarded to DFAS Site IAW established timeliness standards, during times of absence of cardholders and approving officials.
- c. DOLLAR LIMITS. Any changes to the following limits must be requested by the approving official or the DRM. The approving official must complete the GPC Cardholder Account Update form and forward it, along with a supporting memorandum, through the appropriate budget office, to the GPC program coordinator.
  - (1) Single Purchase Limit.
    - (a) This is the amount the cardholder can obligate per transaction, per vendor, and will be authorized by the DOC in the cardholder's delegation of authority. This amount will be

determined by the approving official in coordination with the commander/director and budget certifying official and will normally be limited to the micro purchase threshold (\$2,500) for outside-DOC cardholders.

- (b) A single transaction may include multiple items, but the total amount of the transaction, to include all incidental charges (e.g., transportation charges), shall not exceed the cardholder's single purchase limit. Purchases shall not be split in order to stay within the single purchase limit.
- (2) Monthly Cardholder Limit. This is a budgetary limit established by the approving official, in coordination with the budget certifying official. This limit is used for fund control purposes.
    - (a) The total cumulative dollar value of all purchases during a single billing cycle may not exceed the established monthly limit, which is identified in the cardholder's delegation of authority.
    - (b) The approving official must be notified by card issuing bank when 95 percent of the cardholder's total monthly limit has been reached. The approving official must notify, in writing, the activity GPC program coordinator if a higher monthly limit becomes necessary, for instance, at fiscal year-end.
  - (3) Monthly Approving Official Limit. This is the total of all monthly spending limits of cardholders under an individual approving official. Card issuing banks will provide notice when a cardholder reaches 80 percent of the approving official's monthly authorization.
- d. AUTHORIZED USE.
- (1) A government purchase card, which is issued with the cardholder's name embossed on the front, shall be used only by that individual. **NO OTHER PERSON IS AUTHORIZED TO USE THE CARD, INCLUDING OFFICIALS, SUPERVISORS, OR COMMANDERS IN THE CARDHOLDER'S CHAIN OF COMMAND.**
  - (2) Authorization is automatically done by the vendor for all purchases at the point-of-sale. The card issuing bank authorization system checks each individual cardholder's single purchase limit, monthly limit, and the type of vendor being utilized before the transaction is approved.
- e. UNAUTHORIZED USE. Absolute restrictions on use of the GPC are imposed by GSA and are:
- (1) Cash advances (includes money orders).
  - (2) Long-term rental or lease of land or buildings.
  - (3) Telecommunication (telephone) services (e.g., DSN, DISN, dedicated voice, and data circuits).
- f. ADDITIONAL UNAUTHORIZED USES:
- (1) Visa phone.
  - (2) Wire transfer, money orders.
  - (3) Direct marking insurance services.
  - (4) Financial institutions: manual cash advances.
  - (5) Non financial institutions: foreign currency, money orders, traveler's checks.

- (6) Security brokers/dealers.
  - (7) Overpayments.
  - (8) Savings bonds.
  - (9) Timeshares.
  - (10) Betting, casinos, gaming chips, off-track betting.
  - (11) Political organizations.
  - (12) Religious organizations.
  - (13) Court costs.
  - (14) Fines.
  - (15) Bail and bond payments.
  - (16) Tax payments.
  - (17) Postage stamps.
  - (18) Government loan payments.
  - (19) Automated referral service.
- g. CONTROLLED PURCHASES. The GPC cannot be used to obtain the following items without specific approval from the supply system Integrated Material Manager (IMM). The installation DOL will obtain these approvals for the customer regardless of method of payment:
- (1) Weapons system related items.
  - (2) Handguns, firearms, and other sensitive items.
  - (3) Hazardous materials, such as, chemicals, ammunition, and explosives.
- h. CONDITIONAL USE. Items or services not identified as restricted or controlled above may be potential candidates for acquisition after local authority has been provided by the process owner (e.g., DOIM, DOL, DPW, etc.). Some examples of items or services that might be obtained via purchase card are:
- (1) Short term government leases (not for TDY use).
  - (2) Items normally available in the DoD wholesale supply system, but delays in delivery and/or cost factors will jeopardize satisfactory completion of mission requirements (process owner DOL).
  - (3) Travel-related expenses.
    - (a) Purchase of airline, bus, boat, train or other travel related tickets (process owner DOL).
    - (b) Purchase of meals, lodging or other authorized subsistence expenses (process owner DOL).

NOTE: There are other types of credit cards (e.g., the government American Express (AMEX) card) intended for travel purposes. Although the GPC is not intended to pay travel-related expenses, it can be used for travel purposes when specifically authorized under the vendors activity type code; when the mandatory GSA travel and subsistence card (currently, the AMEX) is not accepted; or when the traveler has specific written permission from his/her supervisor/approving official.

- (4) Purchase of gasoline or oil for vehicles except: aircraft, vessels, and department-owned vehicles (process owner DOL).
- (5) Repair of GSA-leased vehicles (process owner DOL).
- (6) Mission essential personal clothing or footwear (e.g., safety shoes, safety glasses, etc.).
- (7) Printing or copying services (process owner DOIM). No pre-approval is required when obtaining printing from Director of Army Programs (DAPS).
- (8) Construction (not to exceed \$2,000), alteration, or repair of real property (process owner DEH/DPW).
- (9) Short term rental or lease of land or buildings (e.g., deploying unit needing office space for a month).
- (10) Janitorial, yard and maintenance services less than \$2,500, if these services are not available under an existing Base Operating Information System (BASOPS) service contract (process owner DEH/DPW).
- (11) ADP and telecommunications supplies, software, equipment, and repair (process owner DOIM).
- (12) Payment of telecommunications (telephone) services under an existing intergovernmental or installation service contract (process owner DOIM).
- (13) Audiovisual aids or equipment (process owner Army Training Support Center (ATSC) or Post Audio Visual).
- (14) Unit guidons, flags, battle streamers, or unit coins if approved by the Institute of Heraldry.
- (15) Supply Support Activity (SSA) Authorized Stockage List (ASL) stocked items, if out of stock or established delivery date will not meet immediate requirements (process owner Director of Logistics, DOL).
- (16) Personalized or promotional items (e.g., commander's coins) approved for purchase with appropriated funds (process owner commander).
- (17) Non-expendable/durable property (process owner DOL).

i. GPC BILLING FLOW.

- (1) After a cardholder makes a purchase, this information is forwarded to the vendor's bank for processing.
- (2) The vendor should receive payment for transactions within 48 hours.

- (3) The vendor's bank then transmits all sales information to the appropriate base network, which distributes the information to the appropriate card issuer (in this case Citibank, JP Morgan Chase or U.S. Bank).
- (4) Card issuing bank receives this information electronically and posts the transaction to the appropriate account number.
- (5) A cardholder's SOA is then generated on the agency's cycle date and sent to the cardholder's account address, listing the transactions made within that billing cycle.
- (6) All transactions (charge or credit) on the SOA are automatically transferred to the approving official's account on a daily basis.
- (7) The sum of the transactions on each approving official's account is forwarded to the invoice report. The total of the invoice is the amount due to card issuing bank.
- (8) Upon receipt of the electronically sent invoices, accounts payable will maintain the report until unit(s) or activities deliver the certified approving official's statement. The resource management office will verify the cardholders' statement of accounts to the business Account Summary.
- (9) The billing office (DFAS Field Site) will process the electronically sent invoice for payment. The invoice will be date stamped upon receipt in the control section of accounts payable. The payment due date will be 30 days from the date stamp. The voucher examiner will then compare the approving official's packet of information and process the payment for disbursement IAW Prompt Payment Act Circular 1-125.

j. BILLING OFFICE RESPONSIBILITIES.

- (1) General Responsibilities. The GPC Financial Summary is the only valid invoice under the card issuing bank contract. It is sent automatically and electronically to the billing office once a month. The billing office is the servicing DFAS Field Site.
- (2) Receipt of the Invoice. When the invoice is electronically received by the billing office, it should be DATE STAMPED. According to Prompt Payment Act Circular A-12, the payment must be dated no more than 30 days from the date stamp. If the invoice is not stamped, it must be paid 30 days from the date of the invoice.
- (3) Reconciliation. The billing office should receive a packet of information from each approving official which includes backup documentation for each transaction. Cardholder can access the issuing bank's Electronic Access System to frequently review transactions and do a monthly reconciliation. If cardholder notices any questioned items, they can initiate in a timely manner a dispute form with the card issuing bank.
- (4) Payment Method. When the certified invoices are complete and ready for voucher preparation, the voucher examiner will prepare an SF 1034 payment voucher and prepare the payment due date by adding 30 days from the billing office's receipt of the invoice. The paying office does not have an additional 30 days from the date they receive the information. Electronic Funds Transfer (EFT), using the Automated Clearing House, is the only method card issuing banks will accept as payment
- (5) Follow Up. The billing office will receive the Late Payment Notice (LPN), which is generated 45 days after the invoice was created. This will tell you when an invoice has been identified as being late within that cycle period.

k. REPORTS RELATED TO PAYMENT (produced by card issuing banks).

- (1) Account Activity Report –This report shows all active accounts and spending for each account during a billing cycle. It provides details on each transaction, including transaction date, transaction type, merchant name, and dollar amount. It is particularly useful for identifying suspicious merchants, unusually high spending patterns, excessive convenience check usage, and untimely purchases.
- (2) Declined Authorizations Report – The declined authorization report will identify cardholders who have attempted to use a card to buy an item for which they are not authorized, that exceeds their single-purchase limits, that exceeds their monthly purchase limit, or from a merchant that falls under a blocked Merchant Category Code (MCC).
- (3) Disputes Report – The disputes report identifies date, merchant, reason code, dollar amount, and status of each dispute filed by a cardholder. Approving officials and A/OPC's should track and follow up on disputes to determine their outcomes. Cardholders should attempt to resolve disputes directly with merchants prior to filing a disputes report. If a merchant is consistently appearing on the disputes report, the A/OPC should determine whether the merchant may have billing issues, quality issues, or is attempting to commit fraud by submitting false transactions.
- (4) Unusual Spending Activity Report – The banks offer various reports identifying transactions that may warrant further review.
- (5) Lost/Stolen Card Report –The lost/stolen card report identifies cards that are reported lost or stolen. This may either be an indicator that the cardholder needs to secure his/her card or that the cardholder is attempting to disguise misuse or fraudulent activity by denying the charges.
- (6) Master File – The master file should be reviewed periodically to eliminate cardholders who are no longer employed in the agency, correct addresses, and verify whether card limits and authorization controls are appropriate.
- (7) Ad Hoc Reports - Your bank may offer an ad hoc reporting tool that enables you to create customized reports with the data elements you specify.