

June 2, 2010

From: FLEET & FAMILY READINESS NAVY REGION HAWAII CONTRACTING OFFICE

Subject: NAF PURCHASE CARD STANDARD OPERATING PROCEDURES (SOP)

Ref: (a) NAVY-WIDE OPERATING PROCEDURES FOR USE OF THE PURCHASE CARD FOR CNI NAFI DATED 15 OCT 2008

Encl: (1) Prohibited Purchases
(2) Regulated Purchases
(3) Mandatory Sources and Screening Requirements

Purpose: To establish local procedures for the responsibilities of the Agency Program Coordinator (APC), Approving Official (AO), purchase cardholder (CH) and Accounting Office. This standard operating procedure (SOP) supplements reference (a). The purchase card program provides NAF personnel a convenient and commercially available method to efficiently make purchases. However, purchase card misuse, abuse and statement delinquency will not be tolerated. Appropriate corrective or disciplinary action will be taken for any fraud, misuse or abuse of a purchase card or failure to comply with SOP.

APC Responsibilities.

- (1) Conducts biannual refresher training.
- (2) Takes corrective measures when there is misuse of the purchase card.
Corrective measures may include suspension or cancellation of purchase card. CH spending limit will be reduced to \$1.00 if the AO approved statement with supporting documentation is not received in the Accounting Office within 2 business days following the end of the billing cycle.
- (3) Ensures there is a separation of function between CH and receiver.
- (4) Appoints cardholders and approving officials.
- (5) Conducts monthly reviews, ensures all information is accurate and included in monthly statements and conducts on-line monitoring.
- (6) Provides training requirements, establishes new accounts and makes changes to accounts.
- (7) Maintains files for appointment letters, training documentation and account setup form.

AO Responsibilities.

- (1) Ensures all purchase requests by the CH are funded, legal and charges are accurate.
- (2) Verifies the CH transactions match the CH purchase log or JP Morgan statement and that supporting sales receipts are attached to the monthly invoice.
- (3) Approves transactions in Payment Net on-line system no less than once every 3 business days.
- (4) Ensures that purchase logs or JP Morgan statement are properly completed.
- (5) Resolves any questionable CH purchases.
- (6) Notifies the APC in the event of any suspected unauthorized purchases.
- (7) Notifies the APC whenever a CH's account requires cancellation due to employee(s) duty reassignment, transfer, retirement or termination of employment.
- (8) Ensure standard operating procedures are followed.
- (9) Signs and dates the monthly purchase card statement of each CH and forwards to Accounting Office no later than 2 business days following the end of the billing cycle. Prints name under signature.

CH Responsibilities.

- (1) Completes a purchase request for all charges before making a purchase.
- (2) Screens requirements for regulated/prohibited items. (See enclosures 1 and 2).
- (3) Screens requirements against mandatory sources (see enclosure 3).
- (4) Advises merchant that purchase transaction is for official Government/NAFI purposes and is not subject to state or local tax.
- (5) Ensures the purchase card is only used by the named CH on the purchase card.

- (6) Ensures a receipt signature other than the CH is annotated on the sales receipts to validate receipt of goods or services. All documentation must include legible printed names and signatures on receipts.
- (7) Reconciles transactions at least once every 3 business days within the Payment Net on-line automated system. Billing cycle begins on the first of the month and ends on the last business day of each month.
- (8) Documents all purchases in Payment Net on-line automated system.
 - Records the Cost Center
 - Records G/L Account
 - Enters facility name in Assignment Field
 - Enters purchase description in Transaction Custom Fields of what was purchased; for example copy paper, repair parts etc.
 - Enters detailed purchase description and program name in Transaction Notes
- (9) Turns-in weekly JP Morgan transaction listing with purchase request and attached signed and dated sales receipts.
- (10) Ensures all transactions are properly recorded on Purchase Log or JP Morgan statement prior to submitting to AO.

Note: If the above procedures are not followed by the CH, the monthly purchase card limit will be reduced to \$1.00, not to exceed 14 days. Continue abuse of the purchase card will result in the cancellation of the CH's purchase card.

Accounting Office Responsibilities.

- (1) Receives weekly JP Morgan Transaction List with all documentation (purchase request, receipts signed and dated) attached.
- (2) Reviews purchase requests, receipts, and signatures and ensure proper accounting codes are recorded.
- (3) Notifies CH and AO via email or telephone of any discrepancies.