



DEPARTMENT OF THE NAVY
UNITED STATES NAVAL ACADEMY
121 BLAKE ROAD
ANNAPOLIS, MARYLAND 21402-1300

USNAINST 4200.1
4/DepFinance
JUL 27 2009

USNA INSTRUCTION 4200.1

From: Superintendent

Subj: ACCOUNTABILITY FOR PROPER USE OF GOVERNMENT PURCHASE CARD

- Ref: (a) NAVSUPINST 4200.99, Department of the Navy (DoN) Policies and Procedures for the Operation and Management of the Government-Wide Commercial Purchase Card Program
(b) NAVSUPINST 4200.82D Procurement Performance Management Assessment Program (PPMAP) of the Navy Field Contracting System
(c) USNA Internal Operating Procedures
(d) OMB Circular No. A-123, Appendix B
(e) USNAINST 12750.4D, Disciplinary Actions
(f) USD (P&R) Memo of 10 Jun 03, Disciplinary Guidelines for Misuse of Government Charge Cards by Military Personnel
(g) Uniform Code of Military Justice

- Encl: (1) USNA Purchase Card Process Chart of Corrective Actions
(2) USNA Purchase Card Corrective Action Memo Format

1. Purpose. To provide policy and procedures for administrative and disciplinary actions in the Government Purchase Card Program (GPCP).

2. Background

a. The Agency Program Coordinator (APC) for the Naval Academy GPCP reports to the Comptroller Department and will exercise general administration of the GPCP in accordance with DoD and DoN policies and procedures.

b. References (a) through (c) provide written policies and procedures for the Purchase Card Program including administrative requirements and internal controls. They can be found on the Comptroller's website at <http://intranet.usna.edu/Comptroller/card.htm>.

c. References (a) and (b) require the submission of a semi-annual report for period ending March and September. The submission reports all instances of charge card waste, fraud, and abuse and requires specific information on questionable transaction e.g., personal use, split transactions, failure to use mandatory sources, etc. including the CH name and corrective action taken.

d. The Fleet Industrial Supply Center (FISC), PPMAP Team conducts an onsite audit review of the execution of our Purchase Card Program procurement authority every 18 months. Reviews include management support and control, transactional documentation, and internal management control. Results of these reviews are either acceptable or unacceptable based on the number of deficiencies identified. An unacceptable rating will result in the suspension of our program for a minimum of three days. During the suspension period, FISC will conduct a stand-down with all participants i.e., APC, Approving Official (AO), Cardholder (CH), etc. to provide training and assist in developing a corrective action Plan of Action and Milestones.

3. Scope. This instruction applies to all military and civilian personnel assigned to the U.S. Naval Academy.

4. Policy

a. Misuse, abuse, fraud, and payment delinquency will not be tolerated. The purchase card is for official government business and for no other purpose. DoN policy states improper, fraudulent, abusive or negligent use of the purchase card is prohibited.

b. Strict compliance with the administrative requirements for the execution of the Purchase Card Program and the maintenance and retention of purchase card records is required. The program office is not manned to conduct mandatory reviews of transactions and follow up on missing document, certification packages, etc. It is critical to the success of the program that all documentation be available and included with the purchase order from the initial order, through receipt and acceptance.

c. Per reference (d), Personnel Establishing Requirement's (PER) e.g., faculty, staff, etc. will be held to the same standards as AO's and CH's, and shall be held personally accountable for actions that circumvent purchase card policy.

d. AO's and their alternates will comply with all GPCP requirements or risk the loss of purchase authority for all cardholders under their hierarchy (responsibility). An alternate AO will not avoid suspension of CH accounts.

e. The APC will take corrective action as appropriate. A schedule of Purchase Card offenses and recommended corrective actions is provided as enclosure (1). Military and civilian personnel will be subject to the same corrective actions.

f. Supervisors will be notified of any corrective action taken. They will review the offense to determine if disciplinary/adverse action is required. References (e) through (g) provide guidance for civilian and military personnel.

g. All suspected fraud will be reported immediately to the Naval Criminal Investigative Service (NCIS) and Command Evaluation. Suspected misuse and abuse should be reported to the APC (x31614), Command Evaluation (x31632), or the Navy Hotline (202-433-6743, DSN 288-6743, or toll free 800-522-3451).

h. Restitution for some GPCP offenses, i.e. unauthorized commitment, fraud, personal use, erroneous payments, etc. will be made by the responsible party/parties. Restitution will be made payable to the U.S. Treasury via the Comptroller.

i. Execution of purchase card responsibilities shall be considered in the assessment of the performance of all purchase card program participants. Performance assessments shall address execution of purchase card duties commensurate with the level of responsibility assigned.

5. Action

a. PER's will not request CH's to make a purchase violating regulations.

b. CH's will comply with all GPCP requirements or risk the loss of their purchase card authority.

c. Authorizing Officials will ensure that the purchase is necessary to meet minimum mission requirements and that sufficient funds are committed by the financial manager and are available to meet the requirement of the purchase card action.

d. AO's will ensure all purchases made by the CH's within their cognizance were appropriate and the charges accurate. They must resolve all questionable purchases with the CH and notify the APC immediately of any suspected misuse, abuse or fraud. The AO bears pecuniary liability for processing payments for unauthorized charges.

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e. Supervisors of CHs, AOs, and PER's will ensure compliance with all GPCP requirements and work with the APC as required. They will:

(1) Ensure Purchase card program participants can perform their duties without undue pressure, coercion or reprisal.

(2) Take disciplinary actions against Purchase Card Program participants when warranted. Misuse, abuse or potential fraud may be subject to disciplinary action up to and including removal from the Federal Service. Consult with HRD or Officer Personnel as appropriate when considering disciplinary action.

(3) Complete enclosure (2) when notified by APC of purchase card offense/infraction. The report shall be completed and returned to the APC by date requested.

f. The APC will:

(1) Take corrective action when a purchase card offense/infraction is determined. A copy of all corrective actions taken will be sent to the first level Supervisor, Cost Center Head, and Deputy for Finance. A Corrective Action Report, enclosure (2), will be forwarded to the 1st Level Supervisor for action/completion.

(2) The APC will notify the first level Supervisor of any PER that requests CH's make a purchase violating regulations. A Corrective Action Report, enclosure (2), will be forwarded to the 1st Level Supervisor for action/completion with a copy to the Cost Center Head and Deputy for Finance.

(3) The APC shall maintain a file(s) containing information related to any corrective action(s) or disciplinary action(s) taken.

(4) The APC will only consider reinstatement of account after receipt of enclosure (2) from Supervisor.

6. Implementation. Addressees will immediately implement the guidance contained within this instruction, which will remain in effect until it is superseded or cancelled.

/S/
J. L. FOWLER

Distribution:
All Non-Mids (electronically)

USNA Purchase Card Chart of Corrective Actions

	RANGE OF ACTIONS 1st OFFENSE	2nd OFFENSE	RANGE OF ACTIONS 3rd OFFENSE
Personnel Establishing Requirements (PER) directs an erroneous purchase to be made by a CH or directs a CH to purchase items or services that are subsequently determined to be improper.	PER will reimburse the government and be subject to disciplinary action. Corrective Action Report to Supervisor.	N/A	N/A
Purchase exceeds minimum need to support DON mission	APC memo, up to 7 days card suspension. Monetary liability for erroneous payments. Corrective Action Report to Supervisor.	APC memo, suspension of card 8-14 days. Monetary liability for erroneous payments. Corrective Action Report to Supervisor.	APC memo, suspension of card for 15-30 days, removal from program. Monetary liability for erroneous payments. Corrective Action Report to Supervisor.
Purchase of prohibited items			
Purchase of items for personal use			
Unauthorized Commitment			
Unauthorized use of purchase card			
Purchase that exceeds authorized limits			
Failure to use mandatory sources			
Improper separation of function			
Requirements that were split to circumvent the micro-purchase threshold			
Failure to rotate vendors			
AOs not reporting abuse and misuse of credit cards. Certification of erroneous payments.	APC memo, up to 7 days card suspension. Corrective Action Report to Supervisor.	APC memo, suspension of card 8-14 days. Corrective Action Report to Supervisor.	APC memo, suspension of card for 15-30 days, removal from program. Corrective Action Report to Supervisor.
AOs not completing PAT report in Citibank and forwarding to APC by mandatory due date.			
CH Non-compliance with NAVSUPINST 4200.99 or USNA IOP administrative procedures.			
AO Non-compliance with NAVSUPINST 4200.99 or USNA IOP administrative procedures			
Potentially Fraudulent use of Purchase Card	APC immediate suspension of cardholder account; notify NCIS of suspected fraud; turn over to Command Evaluation.	N/A	N/A
Findings of Fraud - NCIS finding that transaction is fraudulent.	Account will be cancelled by APC and cardholder required to reimburse the Government.	N/A	N/A
Failure to complete mandatory refresher training by due date.	APC Immediate suspension of account. Corrective Action Memo to Supervisor.	N/A	N/A
Failure to complete OGE 450 (if required) by due date.			

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Date

MEMORANDUM

From: Purchase Card Agency Program Coordinator (APC)
To: Supervisor (printed name)

Subj: USNA PURCHASE CARD CORRECTIVE ACTION REPORT

Ref: (a) USNAINST 4200.1

1. Per reference (a), the below information is provided for your Corrective/Disciplinary action.

Employee Name:

Date of Offense:

Offense:

APC administrative action taken:

Corrective Action History:

2. The below report must be signed and returned to the APC within 10 working days. If account has been suspended by the APC, the suspension will remain in effect until the endorsement has been received.

APC signature

cc: Cost Center Head
Deputy for Finance

FIRST ENDORSEMENT

Date

From: Supervisor (printed name)
To: Purchase Card Agency Program Coordinator (APC)

1. The following Corrective/Disciplinary Action has been taken.

Corrective/Disciplinary Action taken:

Date of Corrective/Disciplinary Action:

Brief statement of the basis for action taken (mandatory):

Supervisor signature