



GPC NEWSLETTER

September 2004



This informational newsletter is prepared and distributed by the 61st Contracting Squadron (61 CONS) for the use and enlightenment of all GPC cardholders and billing officials at organizations serviced by Los Angeles Air Force Base, CA. This information is intended to broaden and refresh your knowledge of the GPC program and its guidance. You are encouraged to maintain these briefs as part of your permanent file. This month's topics include fiscal year end closeout procedures, funding your GPC account, purchasing golf cars and low speed vehicles, web-based training password change, using the GPC, new GPC annual surveillance format, and other pertinent subjects.

Please take time to visit the GPC website! You can obtain vital program information, sample document formats and links to other GPC websites. It is available at:

<http://www.losangeles.af.mil/ABG/cons/gpc/index.html>

Your suggestions for improvements are encouraged.

FISCAL YEAR END CLOSE-OUT PROCEDURES

When GPC funding documents (AF Form 4009) are set up, they are issued with an expiration date of the last day of the fiscal year (September 30, XXXX). This is done to allow continued use of the card with full funding at all times, however, there are some tasks that must be accomplished to allow close-out for the end of the fiscal year.

To facilitate your continued use of your accounts through the end of the fiscal year, our financial counterparts have arranged to automatically MORD your remaining balances to pay for any purchases made during the last few days of the FY. Additionally, US Bank has inserted an additional billing period (#13) to accommodate this year-end activity. All purchases submitted to the bank prior to 25 Sep 04 will appear on the 12th billing cycle (normal Sep cycle) and will be closed out using the same procedures used during all previous months. However, those transactions conducted between 25 Sep and 02 Oct 04 will appear on the 13th billing cycle. Each transaction made during this time period must also be reconciled in CARE and have all the pertinent documentation in file. This is especially important as FMF may require proof as to when the purchase was made and if should be paid off the current year funds set aside on the MORD for this purpose. Keep in mind, if your transactions post after 02 Oct 04, you must

have FY05 funds to cover the purchase(s) made. An SF 1081 (to use FY 04 funds versus FY 05) cannot be processed unless the bill is paid. Cardholders and Billing Officials must ensure that the vendors bill during FY04 to prevent funding problems in FY05.

If you have any questions or comments, please contact Ms Kimberlyn Jones, SMC/FMFL, (310) 363-6070.

FUNDING YOUR GPC ACCOUNT

Now that fiscal year (FY) 2004 is coming to an end (30 Sep 04) and FY 2005 will start (01 Oct 04), organizations will be expecting to receive FY 2005 funding for the new year. Before you begin making purchases on your account, please ensure you have a funded, approved, and certified AF Form 4009. Organizations **CANNOT** and **SHOULD NOT** use their cards until they obtain a certified AF Form 4009. Use of the card without having met this requirement is a violation of AFI 64-117, paragraph 3.2.3. and will result in Unit Commander notification and may result in suspension of the cardholder's and/or approving official's GPC privileges and/or other disciplinary action.

Each billing official is required to forward a copy of your funded, approved, and certified AF Form 4009 to 61 CONS/LGCP prior to using the card. If possible, please submit this copy in a PDF format or send us a copy legible enough to facilitate scanning. The fax number is 363-2463.

Accounts showing activity without providing a copy of the funded, approved, and certified AF Form 4009 to this office will be suspended until the requirement is met. We just cannot allow cardholders to use their cards if there are funding issues! Questions should be addressed to Ms. Kelly Britton at 3-5930, Ms. Jennifer Agcaoili at 3-0623 or Mr. Dalice Va at 3-0285.

USING THE GPC - ENSURE YOU KNOW ITS LIMITATIONS

Just a reminder, as we head into the final stages of FY 04, that the rules for use of the GPC do not change, are not abbreviated or suspended to facilitate year-end spending. No matter what, the use of the GPC is limited to \$2,500 or below for any open market purchases (non GSA or prepriced instrument). Under no circumstances are program participants authorized to spend in excess of \$2,500 when buying commercially.

If you have been granted authority to use the GPC above the \$2,500 limit, you were trained that you may not, in any case, use this authority to purchase anything for any reason on the open market. You may only use this authority to purchase requirements found on prepriced contracting instruments (i.e., GSA, BPAs, etc.). If you have been granted this increased 'prepriced instrument' authority, there are few safeguards to prevent you from exceeding your open market authority, but your good sense, conscientiousness and integrity.

This guidance is also applicable to the use of AFWAY, UNICOR or other programs. Remember, if purchasing on the open market, you shall not exceed \$2,500 or your level of authority, whichever is lower. FY close-out activities or the fact that you have money left to spend do not serve as rationale for exceeding this congressionally mandated threshold. If you are authorized (in writing by 61 CONS/CC) to use the GPC above the \$2,500 limit, you SHALL ONLY use the card when ordering against a prepriced contracting instrument.

Last year, we had a couple of problems in this area. Those who violate these rules are subject to suspension and other forms of administrative sanction. If this is not crystal clear, please take a few minutes to contact Ms. Agcaoili (3-0623) or Ms. Britton (3-5930). A few minutes now might save you hours of heartburn later.

PURCHASING GOLF CARS AND LOW SPEED VEHICLES

Golf cars (not golf carts) are small utility conveyances that are incapable of exceeding 20 mph. They are only subject to state and local requirements regarding safety equipment for use on military installation public roads. Low Speed Vehicles (LSV) are any four-wheeled conveyance with a top speed greater than 20 mph, but less than 25 mph. LSVs are classified as motor vehicles and must meet specific Federal Motor Vehicle Safety Standards (49 CFR 571.500) to operate primarily on military installation public roads. LSVs must be equipped with specified headlamps, stop lamps, turn signal lamps, reflex reflectors, parking brakes, rear view mirrors, windshields, seat belts, and vehicle identification numbers.

Golf cars and LSVs will be purchased IAW AFMAN 23-110, USAF Supply Manual and AFI 91-207, Air Force Traffic Safety Program. Purchase requests will be processed through Base Supply. Purchase requests will be coordinated through Base Ground Safety. Utility carts purchased for use on Air Force installations will meet all safety requirements. Golf car and LSV purchase requests will be coordinated through Base Transportation Office. (Reference AFI 24-301, paragraph 6.28). Failure to comply is a violation of AFI 64-117, paragraph 4.3.5.3.1.

WEB-BASED TRAINING PASSWORD CHANGE

The password for C.A.R.E. Web-based training has changed. Effective Friday, Oct 01, 2004, the password changed to “**examine**” and affects all users. The Web-based training ID is not affected by this change and remains “usbank”. The C.A.R.E. Web-based training site at <https://wbt.care.usbank.com> or by selecting the E-Services tab located on the main page of C.A.R.E.

“SPLITTING” REQUIREMENTS

Cardholders are prohibited from making repeat buys of the same item to avoid the \$2500 limitation for purchasing and the \$25,000 limitation for ordering using the purchase card. In addition, no order for the same vendor may exceed the single purchase limit of \$2500 even if the individual items comprising the purchase have unit prices that are less than \$2500.

The purchase card was implemented to avoid the need for warehousing items and requisitioning items through the Supply system. This “just-in-time” buying philosophy allows organizations the flexibility to buy items when they need them. However, there is no basis in regulation or law to permit cardholders to repetitively purchase an item when the cardholder knows or *should have known* of additional requirements for the same item that would result in an aggregate purchase greater than \$2500. There is a distinction between buying supplies and services based on one’s own needs known at the time and buying for one’s organization based on the known organizational requirement or forecast. The following two examples illustrate the distinction:

Example 1: On a Monday, a cardholder buys one \$2400 widget because that is his known requirement. The next day, he learns that someone in his organization needs another identical widget. **As long as he made an honest effort to consolidate his organization’s requirements when he made the first buy, he has not split the requirement.** He does not have an obligation to know other organizations’ requirements.

Example 2 A cardholder normally holds all requests for widgets until the end of the day/week/month so he will only have to make one buy. There is a steady, recurring requirement for this widget. After realizing that his request has exceeded \$2500, he decides to buy part of his requirement one day and the remainder the next. That is splitting a requirement because it was known or *should have been known* that the requirement exceeded \$2500. In cases such as these, a Blanket Purchase Agreement or other Indefinite Delivery Indefinite Quantity ordering contract should be initiated by the contracting office. The key component is the knowledge of the requirement the cardholder possessed at the time of purchase.

This is not meant to be a definitive answer that may be applied to every situation but rather a guideline that delineates the major concerns. Business advice should be their official functions. Recruiting and liaison personnel, as described in AFI 65-601, para 4.36.1 are authorized to sought from the Operational Contracting Division to decide the best strategy for obtaining repetitive buy items and services. If you think your circumstances may be perceived reviewers as splitting a requirement, contact your Agency/Organization Program Coordinator for guidance. The Purchase log should be documented to explain any purchase that may have the appearance of a split requirement.

NEW GPC ANNUAL SURVEILLANCE FORMAT

We are moving to a new format for GPC Annual Surveillance. Rather than having the billing officials conduct annual surveillance on their cardholders in December of each year, we have decided to require that you conduct your annual surveillance on your cardholder before we arrive to do our annual surveillance on the billing official. When you (Billing Official) are scheduled for annual surveillance, please use the checklist and perform surveillance on 100% of your cardholders before we arrive. You must also complete a Billing Official Annual Review of Cardholder Account Surveillance Report. Please give us, the GPC team, a call if you need the checklist.

TRACKING YOUR FUNDS

It is the Billing Official's responsibility to maintain a running balance of their funds. IAW AFI 64-117 paragraph 4.3.4.1.1 states: 4.3.4.1.1. "The approving official is responsible for providing GPC dollar limits to the A/OPC for all of their cardholders and to ensure that established limits are not exceeded." This includes the funds committed on the AF Form 4009. Based on the number of accounts that have been suspended over the past few months for insufficient funds violations, I am stressing the importance of the Billing Officials coordinating with SMC/FM Accounting Liaison Office, to ensure your records agree.

In addition, if you receive credits from vendors for returned items, you must ensure the money is available in commitment status in Looking Glass / BQ. If the credit appears in the same billing cycle that the charge was made, no need to make any adjustments. However if the charge is made in one month and the credit is reflected in a future month, the Billing Official must notify Finance to adjust their funding in Looking Glass / BQ. Failure to do so may result "Insufficient Funding", at a minimum, a 30-day suspension of the Billing Official's account.

SOURCE ROTATION & COMPETITION

AFI 64-117 requires cardholder personnel to solicit suppliers other than the previous vendor before placing repeat orders. A special effort should be made to solicit small and small disadvantaged businesses as a source for supplies and services, whenever practicable. When determining the number of sources to solicit, consider the following:

- Nature of the item or service to be purchased and whether it is highly competitive; Information from recent purchases of the same or similar items or services;
- Urgency of the purchase;
- Dollar value of the purchase; and
- Past experience concerning dealer prices.

Purchases under \$2,500 may be made without competition; however, the cardholder must consider the prices to be reasonable. The preferred method for determining prices as being fair and reasonable is by comparing prices offered by other vendors for the same or similar item or service.

Though there is currently no requirement to document that you consider the price fair and reasonable, it is assumed that you have made such a determination by the act of making the purchase. One more time...if you make a purchase, it is assumed, by virtue of you presenting your card or card number to the vendor, that you have performed the necessary mental processes required to deem the price as "fair and reasonable".

If a vendor furnishes a standing price quotation or catalog prices on a recurring basis, you are not required to obtain competition on each individual purchase. You should, however, periodically confirm that the price is still current and reasonable.

ADDITIONAL GUIDANCE

AFI 65-601 V1

- Appliances and Furnishings for Work Break Areas (Para.4.40)
- Approving Honoraria and Speaking Fees (Para.4.9)
- Awards and Gifts (Para.4.29)
- Bottled Drinking Water (Para.4.45)
- Business Cards (Para.4.36.1.1. and AFI 64-117, Para.2.2.14)
- Change of Command Ceremonies (Para.4.27.2)
- Entertainment (food, drink, music, etc) (Para.4.28)
- Ethnic and Holiday Observances (Para.4.26)
- Graduations (Para.4.27.3)
- Issue of Enlisted Grade Insignia (Para.10.55.4 & 10.55.5)
- Membership in Professional / Civic Organizations (Para.4.44 and 4.44.1)

- Microwaves/Refrigerators (Para.4.40)
- Plaques (Para.4.29.2)
- Print for Invitations/Programs for Military/Civilian Retirement (Para.4.54.3 & OSD (DA&M) 28 Aug 98 policy Memorandum)
- Refreshments at Award Ceremonies (Para.4.31)
- Registration Fees for Meetings and Conferences (Para.4.42)
- Special Uniforms (i.e., desert BDUs, Flight Suits) (Para.10.55.7 & AFMAN 23-110 V2, Sec 23C)
- Squadron Coins (Para.4.29.2)
- Traditional Ceremonies (does not include retirement) (Para.4.27)
- US Flag for Military Retirees (Para.4.54)

AFI 64-117

- Training Req for DD Fm 1556 (Para. 2.11.2 and AFI 36-401)

**PURCHASE CARD TRAINING
INITIAL / REFRESHER**

GPC Initial Training is REQUIRED for those Billing Officials, Alternate Billing Officials, Cardholders, and Convenience Check Writers who have not previously completed formal training in small purchases/contracts. Prior to attending the GPC Initial Training class, each person MUST complete the DoD Government Purchase Card Tutorial at <http://clc.dau.mil>. Attendees MUST bring a copy of their Certificate of Completion (online training certificate) to the class. **If they do not have the Certificate of Completion, they will not be allowed to attend the GPC classroom training.** Please contact the GPC Team for instructions to access the online training module.

Annual GPC Refresher Training (3 hours) is MANDATORY for all program participants, billing officials (alternates included) and cardholders. Failure to attend this training within **30** days of your due date will result in temporary suspension until this requirement is satisfied. If the billing official account is suspended, all cards managed there under will be rendered useless.

The next GPC Initial training session is scheduled for 06 Oct 04 from 0800 to 1200 in Bldg 219, Room 1080.

The next GPC Refresher training session is scheduled for 13 Oct 04 from 0900 to 1200 in Bldg. 219, Room 1080.

There is no need to RSVP. Seating and attendance is on a first-come, first-serve basis. For further information, contact Kelly Britton (3-5930) or Jennifer Agcaoili (3-0623).

In essence, you must attend refresher training within 12 months of your last training session... whenever that

was!! Attending either the Initial or Refresher training will satisfy the annual refresher training requirement.

The upcoming training schedule is included for your convenience and planning. All training is held in Bldg 219, Rm 1080 unless otherwise stated below.

Initial	Refresher
Time: 0800-1200	Time: 0900-1200
06 Oct 04	13 Oct 04
03 Nov 04	10 Nov 04
01 Dec 04	08 Dec 04

NOTES

As always, questions, comments and/or suggestions should be submitted to our GPC dedicated e-mail address at 61cons.gpc@losangeles.af.mil. Take good care of yourselves!!

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