



DEPARTMENT OF THE NAVY
COMMANDER MILITARY SEALIFT COMMAND
914 CHARLES MORRIS CT SE
WASHINGTON NAVY YARD DC 20398-5540

REFER TO:

COMSCINST 7042.2C
N8
21 August 2003

COMSC INSTRUCTION 7042.2C

Subj: OFFICIAL REPRESENTATION FUNDS

Ref: (a) SECNAVINST 7042.7J
(b) SECNAVINST 7042.13A

Encl: (1) Listing of DOD Officials Eligible for Official Courtesies
(2) Official Representation Expense Documentation Sheet (MSC 7042/1)
(3) Excerpts from Internal Operating Procedures Official Representation Funds (ORF) Procedures for use of the Government Purchase Card (Revised 4/03)
(4) ORF Purchase Card Log

1. Purpose. To establish guidelines and procedures for the administration of Official Representation Funds (ORF). This instruction is a complete revision and should be read in its entirety.

2. Cancellation. COMSCINST 7042.2B.

3. Background

a. Each fiscal year, Chief of Naval Operations (CNO) requests and receives an annual ORF budget for Military Sealift Command (MSC) from the Secretary of the Navy (SECNAV). MSC obtains an annual allocation, which is funded quarterly. Augments may be received from CNO, if additional justification for policy exceptions is submitted and approved by CNO.

b. MSC has been allocated a minimal number of the Navy ORF credit cards administered by the Assistant for Administration, Office of the Under Secretary of the Navy (AAUSN). Commander, Military Sealift Command (COMSC) designates cardholders. ORF credit cardholders must receive training and certify same to AAUSN prior to actually receiving their ORF cards.

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4. Policy. ORF is to be used only to maintain the standing and prestige of the United States. This includes the hosting of official functions and the presentation of command mementos. The scope of functions, including the size, cost and number of guests invited, should be held to a minimum and commensurate with the occasion.

a. Reimbursable Expenditures. Only expenditures for, or in honor of, the individuals listed below are reimbursable from ORF.

(1) Distinguished citizens, military officers and government officials of foreign countries. The rank, position, function or stature of the individuals must clearly justify use of these funds.

(2) Prominent Federal (non-Department of Defense (DOD)), State and local government officials, such as, but not limited to, members of the cabinet, members and professional staff of Congress, governors, mayors and citizens' committees.

(3) Distinguished and prominent citizens who have made a substantial contribution to the Nation or DOD, or who are recognized leaders in their fields of expertise, and on certain occasions, members of the news media.

(4) Military and civilian personnel associated with the Foreign Warship Visit Information Program on official visits to United States ports or when United States vessels are on official visits to foreign ports.

(5) Those military and civilian officials of DOD listed in enclosure (1) when they are on official visits to field activities. Courtesies shown these officials shall only be in the form of official hosted functions. It shall not be used for expenses that are solely for the personal entertainment of these officials, whether in the Washington, DC, area or the field. Functions in honor of DOD personnel held within the Washington, DC, area or held anywhere in honor of DOD personnel not listed in enclosure (1) will not be funded with ORF.

b. Attendance Ratios. At official hosted functions where ORF is used, unless otherwise limited by this instruction, an appropriate ratio of non-DOD guests to DOD personnel (including spouses) will be observed. This requirement does not apply to those functions honoring the officials listed in enclosure (1). At all other functions, however, when attendance is less than 30 persons, at least 20 percent must be non-DOD guests; at functions of 30 persons or more, at least 50 percent must be non-DOD guests. Additionally, as specific occasions warrant, the AAUSN or CNO, as deemed appropriate, may authorize different ratios.

(1) DOD personnel in excess of the ratios above may attend functions by paying a pro rata share of the total expense. Such attendance shall be recorded as a separate part of the official guest list furnished for the event.

(2) For DOD personnel attending official hosted functions who are receiving per diem or reimbursement for actual expenses while on authorized official travel, an appropriate amount will be collected from each such person to reduce the ORF cost of the function. The amount to be collected at functions where meals are served is the approved proportionate amount allowed for the meal under current per diem rates or the actual cost of the meal, if less. No collections will be required at receptions where only hors d'oeuvres are served or for official courtesies in honor of the DOD officials included in enclosure (1). Vouchers will be annotated to show the number of persons from whom collections were made. These DOD personnel should be included in the total number of DOD attending the function but will not be counted against any required ratio of DOD and non-DOD personnel as long as the amount of per diem collected is at least equivalent to the member's pro rata share of the total expense.

c. Gifts and Mementos

(1) Gifts or mementos with a command or official theme and costing no more than \$260, or the current amount determined in reference (a), may be presented at official ceremonies or functions. The aggregate cost of gifts presented by any one DOD official to any one authorized guest may not exceed \$260. This monetary limit also applies to gifts presented to foreign nationals requiring any exception to the policy to be approved by Congress. Mementos may be presented to individuals included in paragraph 4a above, except DOD personnel. Command or official theme mementos/gifts include but are not limited to plaques, pens, books, command/ship ball caps and other items with an official logo that cannot be misconstrued as a personal gift. Personal gifts such as sports equipment, T-shirts, golf shirts, flight jackets, uniforms, scarves, ties, alcohol, tobacco, flowers and other items that by their nature are considered personal may not be purchased with ORF funds. In all cases when items are presented within the authority provided by this subparagraph, a complete record must be maintained to include the name of the recipient and the reason for the presentation.

(2) It is DOD policy that payment for materials, which exceed the requirements of a fiscal year in which they were purchased, is not allowed. ORF purchases charged to a particular fiscal year will be restricted to the requirements (bona fide needs) of that fiscal year unless there are extenuating circumstances, e.g., deployment or lead time requirements.

(3) Bulk purchases, such as ball caps, must be authorized as noted in paragraph 5(a) and distribution must be limited to individuals defined in paragraph 4(a). The use of current fiscal year funding to finance bulk purchases or any other acquisitions in future

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fiscal years is prohibited. Additionally, a logbook must be maintained to support all issues. Such records should detail the person and capacity of the person to whom the memento is issued, the date of issuance and the issuer. These records must be maintained for a minimum period of 6 years and 3 months and be made available upon request by Congress, Naval Audit Service and others.

d. Exclusions to ORF Uses. To ensure that ORF will only be used as Congress intended and to ensure the highest order of propriety, obligations or expenditures will not be incurred for:

(1) Materials, services, travel, per diem or entertainment which may properly be charged to other programs or appropriations, such as, but not limited to, the Foreign Military Financing Program, Latin American Cooperation (LATAM COOP) funds (see reference (b)) or regular Navy or Marine Corps operation and maintenance funds.

(2) Expenses in connection with the Guest Cruise Program except for a single hosted social function held in honor of individuals included in paragraphs 4a(1) through 4a(4) of this instruction.

(3) Any form of greeting cards, invitations, place cards, calling cards or other printed matter, including photographs except for foreign VIPs under the Foreign VIP Program.

(4) Any items of a personal nature for guests, such as floral corsages, parking, coat check fees or souvenirs and expenditures that COMSC is normally expected to assume as a personal obligation, such as membership fees, dues, or the cost of personal guests or dependents other than their spouses at official functions.

(5) Expenses for clothing or clothing rental services.

(6) Payments for labor or gratuities to members of the Armed Forces or employees of the Government for services performed in connection with official functions.

(7) Entertainment in connection with recruiting unless it otherwise complies with this instruction.

(8) Expenses in connection with ceremonies for keel layings, launchings, commissionings, recommissionings and decommissionings of naval ships and establishing and disestablishing shore installations, except for those occasions that warrant and are justified in providing official courtesies for official non-DOD guests approved in advance.

(9) Expenses in connection with military or civilian meetings, conferences, seminars, conventions or working groups. However, use of ORF in connection with meetings is allowed for one official hosted function (e.g., dinner/reception/luncheon) for the DOD and non-DOD guests within the prescribed ratios, and for any other hosted events during the time of the meetings (e.g., refreshments, lunches, receptions, etc.) only for non-DOD guests not covered by other funds. This policy applies to hosting individual dignitaries as well.

(10) Expenses in connection with performance awards or change of command and retirement ceremonies for DOD personnel. However, when a change of command reception is intended to provide an opportunity for the incoming commander to meet individuals qualifying under paragraphs 4a(1) through 4a(3) of this instruction, an exception may be requested in advance, to use ORF for the food and refreshments of non-DOD guests.

(11) Expenses in connection with social or entertainment functions hosted by spouses of Department of the Navy (DON) personnel, regardless of the nature of the function, or the official or unofficial status of attendees, except for visits to the United States by foreign officials and their spouses when invited by the Secretary of Defense (SECDEF), the Deputy SECDEF, SECNAV, the Chairman of the Joint Chiefs of Staff (JCS), CNO and Commandant Marine Corps (CMC), and except for official visits by these officials and their spouses to foreign countries.

(12) Expenses in connection with purchasing gifts or mementos presented by spouses of DON personnel, regardless of the official or unofficial status of the recipient of the gift or memento, except for visits to the United States by foreign officials and their spouses when invited by SECDEF, the Deputy SECDEF, SECNAV, the Chairman of JCS, CNO and CMC, and except for official visits by these officials and their spouses to foreign countries.

(13) Expenses for official mementos for spouses of individuals listed in paragraphs 4a(1) through 4a(5). Within the criteria used for ORF gift policy, spouses of foreign or U.S. dignitaries are not considered “distinguished or prominent citizens” merely on the basis of marital status. The spouse is considered a member of the distinguished guest's group, but not the honored guest. However, for purposes of appropriate ratios of non-DOD to DOD attending an official function, the spouse of the individual listed in paragraphs 4a(1) through 4a(4) is included as part of the non-DOD ratio.

(14) Expenses for DOD personnel, or other persons not qualifying under paragraph 4a, in connection with regularly recurring social functions including, but not limited to, military birthday balls, Army-Navy game events and other similar command or DON-sponsored social functions not held in honor of those individuals described in paragraphs 4a(1) through 4a(4).

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(15) Classified projects or intelligence/law enforcement purposes.

(16) Any expense not specifically authorized in this instruction unless advance written approval is granted by SECNAV.

5. Responsibilities

a. HQ Office/Area Commander POCs:

(1) Will request ORF from COMSC (N8) in writing using completed MSC 7042/1 (7-02) "Official Representation Expense Documentation Sheet" (enclosure (2)). The MSC 7042/1 will include the following information:

(a) Summary information for mementos:

- (1) Description of the item
- (2) Recipient of the gift (unless it is a bulk purchase)
- (3) Approximate cost of the item

(b) Summary information for functions:

- (1) Purpose of the official function
- (2) Number of DOD/non-DOD guests
- (3) Approximate cost of the function

(2) Contact their ORF credit cardholder, for approved purchases of \$2,500 and under, who will make the purchase using the ORF purchase card. In order to facilitate this process, the requesting office either contacts the vendor with the ORF credit cardholder's name and phone number, or the asks the credit cardholder to call the vendor directly with the ORF purchase card information. If the vendor will not accept the purchase card for purchases of \$2,500 and under, the HQ Office/Area Commander POC is encouraged to seek an alternate supplier.

(3) Contact the appropriate Contracting Office for approved purchases greater than \$2,500, and request a purchase document using AAUSN's line of accounting. Note: Restrictions on bulk purchases in paragraph 4c(3) must be observed.

(4) Process documentation for purchases payment made with the purchase card:

(a) The purchaser makes purchases and subsequently electronically reconciles and certifies purchases in accordance with enclosure (3).

(b) Within 3 working days of receipt of the statement, the purchaser submits receipts, a signed/reconciled credit card statement, a completed MSC 7042/1 and any other supporting documentation to COMSC (N8) to be consolidated and submitted to the AAUSN.

(5) Process documentation for payment *not* made with the purchase card. The purchaser submits a copy of the invoice, receipts, a completed MSC 7042/1 and any other supporting documentation to COMSC (N8) to be consolidated.

b. COMSC N8 will:

(1) Process ORF requests.

(a) Receive and forward the request to COMSC (N00) for approval via COMSC (N2), COMSC (N00P) and COMSC (N01). Include the completed MSC 7042/1, summary information in paragraph 5a(1) above, and the COMSC Budget Authorization which includes document number, function/description, amount of previous authorization, any increase/or decrease, initial amount authorized and the line of accounting.

(b) Contact HQ Office/Area Commander POC(s) with notification of approval or denial of request by N00.

(2) Gather and submit final documentation to AAUSN including:

(a) Completed MSC 7042/1 (enclosure (2)).

(b) Signed CitiBank's credit card statement, if ORF purchase card was used.

(c) Any additional supporting documentation (i.e., receipts, supporting invoices, attendance list, authorization).

(d) NAVCOMPT 2277 "Voucher for Disbursement and/or Collection" (8-88) as specified in reference (a), except for payments made with the ORF purchase card.

(e) Necessary N00 signature(s).

(3) Make two copies of the package. Retain one copy and forward one with the original to AAUSN.

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c. N00 will:

(1) Review all ORF requests and advise COMSC (N8) of approval or denial.

(2) Sign final documentation packages going to AAUSN.

6. Action. Policies and responsibilities herein will be adhered to as described.

7. Forms. The Official Representation Expense Documentation Sheet (MSC 7042/1) is available on the MSC Intranet at <http://intranet.msc.navy.mil> and the MSC CD Library. Addressees may obtain the electronic version by forwarding a request to cheryl.m.miller@navy.mil or nancy.barr@navy.mil.

8. Effective Date. This instruction is effective immediately.

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D. A. LOEWER
Vice Commander

Distribution:

COMSCINST 5215.5

List I (Case A, B, C)

SNDL 41B (MSC Area Commanders)

**LISTING OF DOD OFFICIALS
ELIGIBLE FOR OFFICIAL COURTESIES**

OFFICE OF THE SECRETARY OF DEFENSE

Secretary and Deputy Secretary of Defense
Under Secretaries of Defense
Director, Defense Research and Engineering
Assistant Secretaries of Defense
Comptroller of the Department of Defense
General Counsel of the Department of Defense
Inspector General of the Department of Defense
Director, Operational Test and Evaluation
Assistants to the Secretary of Defense

JOINT CHIEFS OF STAFF

Chairman, Joint Chiefs of Staff
Vice Chairman, Joint Staff
Director, Joint Staff
Unified and Specified Commanders
Deputy Commander, U.S. European Command

MILITARY DEPARTMENTS

Secretaries, Under Secretaries, and Assistant Secretaries of the Military Departments
Chiefs and Vice Chiefs of Staff of the Army and Air Force
Chief and Vice Chief of Naval Operations
Commandant and Assistant Commandant of the Marine Corps

DEFENSE AGENCIES

Directors, Defense Agencies

**PRESIDENT, UNIFORMED SERVICES UNIVERSITY OF THE HEALTH
SCIENCES**

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OFFICIAL REPRESENTATION EXPENSE DOCUMENTATION SHEET

1. DATE OF FUNCTION/EXPENSE:		2. TYPE OF FUNCTION/EXPENSE:	
3a. LOCATION HELD:	3b. TOTAL ORF COST:	4. NAME AND TITLE OF DOD HOST: (MILITARY OR CIVILIAN)	
5. NAME & TITLE OF SENIOR DOD OFFICIAL ATTENDING: (MILITARY & CIVILIAN)		6. TOTAL NUMBER OF DOD IN ATTENDANCE: (MILITARY, CIVILIAN & SPOUSE)	
7. NAME OF NON-DOD GROUP BEING ENTERTAINED/OR OTHER PURPOSE, AS APPLIES:			
8. NAMES AND TITLES OF <u>FIVE OF THE MOST DISTINGUISHED OR PROMINENT FOREIGN OR OTHER NON DOD OFFICIAL/CITIZENS</u> IN ATTENDANCE.			
9a. TOTAL NON-DOD INVITED:	9b. TOTAL NON-DOD ATTENDING:	10. TOTAL ATTENDING: (DOD & NON-DOD)	
11. IF PREPURCHASED MEMENTOS WERE PRESENTED TO NON-DOD OFFICIALS STATE THE FOLLOWING:		 NUMBER PRESENTED: TOTAL COSTS: DATE PURCHASED:	
12. WAS THE GOVERNMENT COMMERCIAL PURCHASE CARD (GCPC) USED FOR THE MEMENTO/SERVICE? IF YES, COMPLETE THE FOLLOWING:			
a. DESCRIPTION OF ITEM/SERVICE:			
b. DATE ITEM/SERVICE RECEIVED:		c. TRANSACTION COST:	
d. MERCHANT NAME:		e. REQUESTED/PURCHASED BY:	
f. RECEIVER'S SIGNATURE:			
13. APPROVED BY: (NAME, TITLE, & SIGNATURE OF AUTHORIZATION HOLDER)			

MSC 7042/1 (REV 7-02)

Enclosure (2)

INTERNAL OPERATING PROCEDURES

OFFICIAL REPRESENTATION FUNDS (ORF)

PROCEDURES FOR USE OF THE GOVERNMENT PURCHASE CARD

(Revised 4/03)

INTERNAL OPERATING PROCEDURES

OFFICIAL REPRESENTATION FUNDS (ORF) PROCEDURES FOR USE OF THE GOVERNMENT PURCHASE CARD

I. INTRODUCTION

The use of the Government Purchase Card (CitiBank Mastercard) has been successful when purchasing ORF mementos/gifts or services. This alternate method of small purchases (\$2,500 and under) is used in lieu of the NAVCOMPT 2277, Voucher for Disbursement and/or Collection, when requesting reimbursements for purchases. The 2277 will continue to be used only for those situations when the government Purchase Card is not accepted; i.e., SECNAV or CNO mess, overseas establishments, etc. Without exception, the purchase card may only be used for authorized U.S. Government purchases. Under no circumstances will the purchase card be used for cash advances.

II. PURCHASE REQUEST PROCESS

Prior to using the Government Purchase Card for ORF purchases, approval must be obtained. All purchases must comply with SECNAVINST 7042.7J (Guidelines for Use of Official Representation Funds) and these implementing procedures.

III. SCREENING/DOCUMENTATION REQUIREMENTS

In general, all cardholders (CHs) must screen all requirements for their availability from JWOD (Javits-Wagner-O'Day), FPI/UNICOR (Federal Prison Industries), DAPS (Document Automation & Production Service), NIB/NISH (National Institute for the Blind/National Institute for the Severely Handicapped). These mandatory sources provide office supplies, furniture, industrial items, janitorial or grounds maintenance, medical/surgical items, printing services, etc. Due to the nature of the ORF Program, items or services from these sources would not usually be appropriate. However, the ORF cardholder must acknowledge that these merchants are mandatory sources and must be documented on a manual or automated log. Enclosure (4) is a sample of the minimum information required in a log and shall be maintained at your desk. When periodic reviews are conducted, you should provide the log sheets as requested.

IV. RECEIPT INSPECTION AND ACCEPTANCE OF SUPPLIES AND SERVICES

A. Separation of Function. In order to protect the integrity of the procurement process, there must be, at a minimum, a two-way separation of functions for all purchase card transactions. This is defined as one person making the purchase with the purchase card and a separate person receiving, inspecting and accepting the purchase.

- In cases where the cardholder is picking up the material at the vendor's location, the end user or other designated receiving personnel shall sign and date for final receipt.
- In the event the purchase cardholder is the end user, the purchase cardholder may sign the contractor/store receipt. However, the purchase cardholder must obtain the dated co-signature of another Government employee within the command. Note: Full signatures are required; initials are not acceptable.

B. Official Representation Expense Documentation Sheet (modified). To comply with above requirement, enclosure (2) will be used to document all ORF expenses (whether the purchase card is used or not used). This document shall be submitted with the approved memorandum request, the monthly CitiBank statement (hardcopy) or the Voucher for Disbursement and/or Collection (NAVCOMPT 2277) when requesting reimbursement of purchases.

V. SOLICITATION AND AWARD PROCEDURES

A. Solicitation Procedures. ORF Cardholders are authorized to use the purchase card either over-the counter, over-the phone, or via the internet. Quotations of price and delivery for mission requirements shall be obtained from contractors and documented in the manual or automated log.

B. Award Procedures. ORF Cardholders shall only award purchase card orders to responsible contractors who offer fair and reasonable prices. In addition, all purchase card awards shall be documented in the manual or automated log.

VI. RECONCILIATION, VERIFICATION AND CERTIFICATION

A. Within 5 business days of the end of each billing cycle (21st of the month), CitiBank will provide an electronic version of the statement on CitiDirect (CitiBank's web-based electronic delivery system) and mail a Memo Statement to the Cardholder, the Agency Program Coordinator for ORF (APC-ORF) and Approving Official (AO). These statements will reflect transactions that posted during the billing cycle. Upon receipt of this statement (electronic and hardcopy), the following must be accomplished:

1. Cardholder

(a) Electronic Version

- View the statement and verify that the posted charges are authorized and correct.

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- If necessary, reallocate funds to the appropriate line of accounting.
- Certify all purchases and forward to the AO for approval and payment within 5 working days after the billing cycle ends (21st of the month).

(b) Hardcopy

- Attach original or copies of documentation to the statement; i.e., the bankcard charge slip, sales draft, vendor invoice or cash register receipt and the request for approval memorandum (approval to use ORF must be requested prior to making any purchases of items or services).
- If you have returned a purchased item and received a “credit voucher,” the voucher should be attached to the statement.
- If you are charged for an item incorrectly, provide a complete explanation of the error on the statement and action taken to correct it. It is the cardholder’s responsibility to first attempt resolution with the merchant. If the matter remains in dispute, a Cardholder Dispute form must be prepared and forwarded through the AO and CitiBank.
- Sign the statement and forward it to the AO within 3 WORKING DAYS of receipt. It is vital this be done on a timely basis.

2. Approving Official (AO)

(a) Electronic Version

- View the statement after the cardholder has certified all transactions.
- Certify that all purchases are authorized and correct.
- Submit certification to CitiBank/DFAS for payment within 5 working days of receipt.

(b) Hardcopy

- Review and verify all documentation/receipts are attached along with the ORF pre-approval memorandum.

B. The AO must resolve all questionable purchases with the cardholder. If the cardholder cannot provide sufficient explanations for the purchases, the AO must ensure that a credit voucher proving the item in question was returned for credit, or a personal check for the full amount of the purchase is obtained from the cardholder, and instructions for the improper use of the credit card are followed.

C. In the event that an unauthorized purchase is detected, the AO will notify the appropriate personnel to begin an investigation into the alleged unauthorized purchase. The AO must notify the APC-ORF that the transaction was unauthorized so that an accounts receivable may be established. If the transaction is determined unauthorized, the cardholder will be held accountable and will be indebted to the Department of the Navy.

VII. MAINTENANCE AND RETENTION OF PURCHASE CARD RECORDS

A. The APC-ORF has established individual files for each AO and cardholder. The file will be retained for the duration the member serves in this capacity and for 3 years beyond.

B. The APC or AO shall maintain all cardholder statements for 6 years, 3 months.

VIII. RESTRICTED PURCHASES

A. The purchase card may not be used for:

- ✓ Unofficial ORF expenses as outlined in SECNAVINST 7042.7J, Guidelines for Use of ORF;
- ✓ Long-term rental or lease of land or buildings;
- ✓ Travel or travel-related expenses;
- ✓ Cash advances;
- ✓ Sales, rental and lease of vehicles and classified requirements;
- ✓ Purchase of material, standard or non-standard, procured for installation in operational weapons systems, without written consent from the Integrated Material Manager; and
- ✓ Weapons systems related parts including safety/safety of flight and configuration control.

B. A comprehensive list of prohibited and special attention items are contained in EBUSOPSOFFINST 4200.1, The Department of the Navy Policies and Procedures for the Operation and Management of the Government Commercial Purchase Card Program.

IX. PROCEDURES FOR RESOLVING SUSPECTED FRAUD, ABUSE, OR MISUSE OF THE PURCHASE CARD

A. The cardholder will be held pecuniary liable to the Government for any amount of any transaction not made for official Government use. Under 18 U.S.C. 287, misuse of the purchase card could result in a fine of not more than \$10,000 or imprisonment for not more than 5 years or both. Military members that misuse the purchase card are subject to court martial under 10 U.S.C. 932, UCMJ Article 132. A cardholder who

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makes unauthorized purchases or who uses the card in an inappropriate manner may be liable to the Government for the total amount of the unauthorized purchases made in connection with misuse or negligence.

B. If fraud, misuse and/or abuse are suspected, it should be reported immediately to the APC-ORF who will take appropriate action and report to the UNSECNAV APC. Disciplinary actions could range from informal actions; i.e., written or verbal counseling detailing the concern and directing corrective action and greater oversight, to account suspension or cancellation, to official letters of reprimand, to demotion, removal or potential criminal prosecution.

X. CLOSURE OF CARDHOLDER ACCOUNTS UPON TRANSFER, RETIREMENT OR TERMINATION OF EMPLOYMENT

A. The cardholder's account for any expected personnel loss will be suspended at least 30 days (one billing cycle) prior to the projected date of transfer, retirement or termination, to the extent practicable.

B. When the AO has verified that all transactions and payments have cleared for the account, the APC-ORF will close the account. Under no circumstances shall an account remain open past the official detachment date of the cardholder.

C. The APC-ORF shall ensure that any cardholder account that has not been used in the previous 6 months or is being used on average less than 3 times in 6 months is closed.

XI. NOTEWORTHY EXCEPTIONS AND ISSUES OF CONCERN

A. Split Requirements. Cardholders shall not split requirements that exceed the micro-purchase threshold to avoid competition requirements or break down requirements to circumvent single purchase limits. Splitting requirements in that manner is a prohibited use of the purchase card and may be violating statutory requirements for small business participation, competition, Service Contract Act (SCA) or Davis Bacon Act requirements.

B. Cash Refunds. Under no circumstances will the cardholder accept a cash refund for non-receipt of, returned or damaged items initially purchased using a government purchase card. The cardholder shall only accept credit to the account.

C. Gift Checks, Rebates or Incentives. Under no circumstances will the cardholder retain gift checks, vendor rebates or other purchase incentives that can be converted to personal use. If received, these items must be turned over to the U.S. Treasury.

