

Department of the Army
Headquarters, U.S. Army
Industrial Operations Command
Rock Island, IL 61299-6000

21 MAY 1996

Procurement

CREDIT CARD POLICY

Applicability: This regulation applies to the Headquarters, Industrial Operations Command (HQ, IOC) and all subordinate activities using the International Merchant Purchase Authorization Card (IMPAC). The IMPAC is commonly referred to as a credit card. This policy covers its use.

Decentralized Printing: All IOC installations are authorized to locally reproduce this regulation.

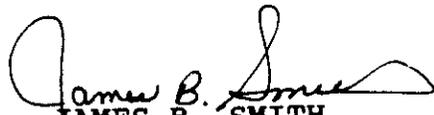
Supplementation: This policy directs development of local procedures to implement the credit card program in an efficient and effective manner. The subordinate activity keeps a copy of their local guidance on file with the HQ, IOC's Acquisition Policy Division (AMSIO-ACA).

Suggested Improvements: The proponent of this regulation is the HQ, IOC Deputy Chief of Staff for Acquisition. This policy is assigned to the Acquisition Policy Division. Users are invited to send comments and suggested improvements to HQ, IOC, ATTN: AMSIO-ACA, Rock Island, IL 61299-6000.

Distribution: Distribution of this regulation is made in accordance with (IAW) requirements submitted by IOC organizations (stocked/issued by Rock Island Arsenal, ATTN: SAI-PSP).

FOR THE COMMANDER:

Official



JAMES B. SMITH

Colonel, GS

Deputy Chief of Staff for
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1. Purpose. This policy provides guidance on IMPAC actions at the HQ, IOC and subordinate installations and activities. It encourages use of the IMPAC card to the maximum extent practicable for customer micro-purchase requirements under \$2,500.
2. Scope. This regulation applies to all IOC organizations having the IMPAC, or who are involved in the process of requirements being satisfied with the IMPAC card.
3. Objective. The IMPAC card is the preferred acquisition method for requirements under \$2,500 unless prohibited by statute or higher level regulations. The program requires reasonable organizational funding, property, and internal controls be in place while allowing prompt, easy use of the card. The program should meet the intent of the National Performance Review to operate under managed risk rather than a risk-free environment.

4. References:

- a. Federal Acquisition Regulation (FAR), Part 8: Required Sources of Supplies and Services.
- b. FAR, Part 9: Contractor Qualifications.
- c. FAR, Par 13: Simplified Acquisition Procedures.
- d. FAR, Part 15: Contracting by Negotiation.
- e. Appropriate Defense Federal Acquisition Regulation Supplements (DFARS) to the above FAR cites.
- f. Appropriate U.S. Army Federal Acquisition Regulation Supplements (AFARS) to the above FAR and DFAR cites.
- g. Army Regulation 710-2, Supply Policy Below the Wholesale Level.
- h. Army Regulation 735-5, Policies and Procedures for Property Accountability.
- i. Defense Finance Accounting Service - Indianapolis Regulation 37-1, Finance and Accounting Policy Implementation, 18 Sep 95.

5. Acronyms/Terms:

- a. APC: Agency Program Coordinator. The APC is an individual at the IMPAC issuing organization that provides liaison with the Rocky Mountain National Bank.

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- b. AFARS: U.S. Army Federal Acquisition Regulation Supplement.
- c. DFARS: Department of Defense Federal Acquisition Regulation Supplement.
- d. DFAS: Defense Finance and Accounting Service.
- e. FAR: Federal Acquisition Regulation.
- f. IMPAC: International Merchant Purchase Authorization Card issued by the Rocky Mountain Bankcard System under contract with the General Services Administration.
- g. IOB: Internal Operating Budget assigned to a function using appropriated funds.

6. Responsibilities:

a. Cardholders:

- (1) Are responsible for ensuring that funds are available for a purchase, that only purchases allowed by law or regulation are made, and that applicable property is reported to the installation property book officer.
- (2) Will not normally make purchases for IOBs outside of their organization since purchases are charged to their IOBs. Exceptions may occur for small offices that group together, or for control of some critical items; e.g., repair or manufacturing tools. This must be coordinated with the appropriate resource office.
- (3) Should coordinate with their approving official on their use of the IMPAC. Both the cardholder and approving official should use the issuing organization's operating procedure or handbook for guidance. Questions or concerns not resolved between/or by the cardholder and approving official should be referred to the APC.
- (4) Must establish and maintain a log of purchases to reconcile the monthly statement and the applicable property book requirements.
- (5) Must monitor and use local credit card procedures and changes provided by the credit card issuing organization.

(6) Must reconcile individual purchases with the monthly Rocky Mountain Bank Card statement, and submit it to the appointed approving official. Coordination with the approving official remains mandatory.

(7) Should contact the procurement office (APC) that issued the card for any questions, concerns, and/or problems on purchases.

b. Approving Officials:

(1) Ensure that the organizational internal control procedures are completed in a timely and efficient manner.

(2) Review and validate credit card monthly statements submitted by the cardholder.

(3) Assist and supervise the cardholder use of the IMPAC.

c. Organizations Using Credit Cards:

(1) Organizations at the HQ, IOC Deputy Chief of Staff level and comparable levels at installations having credit card holders must establish their respective credit card internal controls and safeguards. These controls include ensuring that funds are available before the purchase is made and that notice is made to the property book officer for property book items.

(2) Cardholder organizations will ensure that the cardholder receives the necessary training to obtain and maintain the IMPAC.

d. Procuring Offices:

(1) Develop credit card programs IAW higher level regulations and GSA guidance.

(2) Train credit card users and approving officials.

(3) Issue guidance to users which combines reasonable fiscal and property controls while providing a fast, easy purchase process.

(4) Provide requested information and assistance to credit card users and approving officials.

(5) Maintain information for required higher headquarters reports.

e. Funding Resource Management Offices:

(1) Coordinate with the procuring office and credit card using organization to establish the fund control procedures. This will simplify credit card use and comply with fund propriety and control statutes and regulations. These procedures will ensure funds are available and proper prior to purchase. They will be included in the issuing organization's credit card operating procedures.

(2) Provide assistance and information on available credit card fund status to the IOB manager and/or the credit card user. They will assist the IOB manager and/or credit card user in obtaining funds.

(3) Record the commitment and obligation of funds for the credit card purchase in a timely and efficient manner. They will review monthly reports from the Rocky Mountain Bankcard System to ensure all purchases are recorded and meet financial requirements.

(4) Work within the current support agreement between DFAS and the U.S. Army to ensure payment of credit card bills IAW current statutes and regulations.

f. Property Control Offices:

(1) Provide guidance and develop a process for cardholder's to comply with statutes and higher level regulations on property control of credit card purchases.

(2) Unless prohibited by statute or regulation, property control actions may occur after credit card transactions.

(3) Work with the cardholder to ensure compliance with internal procedures of recording property with the property book officer.

7. Reports: This policy does not add to existing report requirements. Data reported on credit cards will be taken from the appropriate Rocky Mountain Bankcard Report. Data elements regarding micro-purchases will be taken from the appropriate section of the 1057 report. Special reports and data calls may be required as directed by the HQ, IOC Command Group, HQ, AMC, or higher authority.

8. Policy Currency and Improvement: This policy provides the basic guidance on the IMPAC program. Suggestions to clarify and streamline the credit card policy and procedures should be addressed to/with HQ, IOC, ATTN: AMSIO-ACA, Rock Island, IL 61299-6000.