



DEPARTMENT OF THE AIR FORCE  
HEADQUARTERS AIR FORCE SERVICES AGENCY

JUN 14 2007


NAF Contracting Policy Memo 07-C-03

MEMORANDUM FOR: AIR FORCE SERVICES COMMANDERS  
AND NAF PURCHASE CARD INSTALLATION PROGRAM  
COORDINATORS (IPC)

FROM: HQ AFSVA/SVC  
10100 Reunion PL, Ste 304  
San Antonio TX 78216-4168

SUBJECT: Purchase Card Program Oversight

1. This memorandum provides policy for the program oversight of the NAF Purchase Card (P-Card) within Air Force Services. The IPC will perform an annual review of the NAF P-Card Program. This review is required to ensure sufficient records are being maintained to support NAF P-Card purchases and to deter card misuse. The IPC shall use the attached checklist to complete the annual review. Copies of the annual review will be forwarded to the Services squadron commander or division chief, cardholder, cardholder's supervisor/approving official, and a copy shall be retained in the IPC files.
2. IPCs are also responsible for obtaining and maintaining written certification of their Cardholders and Approving Officials initial and/or refresher training, showing they understand the instructions and procedures provided as guidance and are cognizant of the consequences of inappropriate actions. Use attachment 2 to certify training. Copies of the certification will be provided to the cardholder and IPC will retain a copy in their files.
3. The NAFFA will perform a review of the NAF P-Card Program as part of its responsibilities in AFI 65-107, Nonappropriated Funds Financial Management Oversight Responsibilities.
4. This memo is in effect until changes are incorporated into AFMAN 64-302, Nonappropriated Fund (NAF) Contracting Procedures and AFI 34-275, Air Force Nonappropriated Fund (NAF) Government Purchase Card Program. If you have any questions, please contact my POC, Ms. Barbara Stewart, HQ AFSVA/SVCKB, DSN 487-6931.

  
WILLIAM A. FORAN, YC-03, DAF  
Director, NAF Purchasing

2 Attachments:

1. NAF Purchase Card Annual Review Checklist
2. Certification of Training

cc:

Ms. Betsy Matich, SAF/AQCP  
SAF/FMCEB

**Review of Cardholder Files:**

1. Is the cardholder in possession of his/her purchase card? AFI 34-275, Para 5.3.
2. Are copies of receipts for items requiring NAF AO/Base Liaison processing (prepaid purchases and property items) annotated with the appropriate GLAC, if applicable, and forwarded to the NAF AO/Base Liaison the next business day after receipt of merchandise? AFI 34-275, Para 5.3.6.
3. Do cardholders reconcile their receipts against transactions in PaymentNet? AFI 34-275, Para, 5.3.18.
4. Do cardholders retain copies of all purchase documents/receipts with their "Statement of Account Report"? Para, 5.3.6.
5. Are transactions reviewed in PaymentNet within 4 days of posting to PaymentNet? Para, 5.3.18.
6. Do receipts reflect any prohibited purchases? AFI 34-275, Para 3.3 and Para, 5.3.1.
7. Are all NAF fixed assets, bulk expendable items and high-value supplies approved as a NAF budget item? AFI 34-275, Para 3.2.12.
8. In CONUS, only, is state or local tax charged on purchases? AFI 34-275, Para 5.3.4.
9. Do cardholders attempt to resolve disputes with the vendor and document in Transaction Notes? AFI 34-275, Para 5.3.18.1.
10. Do cardholders formally dispute within PaymentNet items that are not resolved within the 60 days?
11. Does the cardholder maintain an outstanding receipts folder or list that reflects all purchases and credit transactions that have not processed through PaymentNet prior to the end of the month?

## **NAF PURCHASE CARD PROGRAM ANNUAL REVIEW CHECKLIST**

### **Review of Program Coordinator (IPC) Files:**

1. Was each approving official (AO) issued a written letter of appointment signed by the IPC and a warranted contracting officer if the IPC is not warranted? Original is stored with the IPC and a copy for the AO. AFI 34-275, Para 4.1.
2. Was each cardholder issued a delegation of purchase authority signed by the IPC and a warranted contracting officer if the IPC is not warranted, fully describing types of purchases authorized and dollar limitations? Original is stored with the IPC and a copy for the AO. AFI 34-275, Para 4.2.
3. Are cardholder single purchase limits no greater than \$5,000? SVC policy letter dated 8 Nov 2006. (See exception below)
4. Do cardholder account setup include specific Merchant Category Codes (MCC) rather than "999" which allows purchases from all merchant types? Cardholders shall not be permanently assigned MCC code "999". AFI 34-275, Para 4.7.
5. Does the IPC retain a current listing of all AOs and cardholders along with supporting documents (e.g., training records, surveillance records, etc.)? AFI 34-275, Para 5.1.3, 5.1.4 and 5.2.2.
6. Have all cardholders and AOs received training at least annually on how to use the NAF purchase card as evidenced by a certificate of training retained by the IPC? AFI 34-275, Para 5.8.1.
7. Does the IPC randomly survey newly appointed cardholders after the first 3 months to ensure they are using the NAF purchase cards appropriately? AFI 34-275, Para 5.1.5.
8. If a cardholder violates the NAF purchase card program procedures, has the IPC taken appropriate action to preclude reoccurrence? AFI 34-275, Para 5.1.2.

**Review of Approving Officials Files:**

1. Are all AOs supervisors or higher level officials to the cardholders assigned to them? AFI 34-275, Para 5.2.
2. Are alternate AOs designated to approve cardholder transactions if the AO is on leave or TDY? AFI 34-275, Para 5.2.4.
3. Does the AO approve each cardholder purchases within 4 days of posting in PaymentNet ensuring all items purchased by the cardholder were authorized to support the activity's needs, reconciled and comply with AFI 34-275? AFI 34-275, Para 5.2.4.
4. Do AOs notify the IPC in a timely manner to close accounts of cardholders who have retired, separated, or who no longer have cardholder responsibilities? AFI 34-275, Para 5.13.1.
5. Are cardholders assigned monthly billing cycle activity/office limits by the AO based upon budget limitations? AFI 34-275, Para 4.5.

**Review of NAF Accounting Office/Base Liaison Files:**

1. Does the NAF AO/Base Liaison manually accrue for outstanding purchases not in PaymentNet at monthend to ensure transactions are entered into the correct accounting month, if the amount is material?
2. Does the NAF AO/Base Liaison reconcile PaymentNet, the CMIP message and the general ledger? AFI 34-275, Para 5.5.4.
3. Is the Cardholders Outstanding Items received by the first duty day of each month? AFI 34-275, Para 5.3.3.

**ACCEPTANCE OF AF NAF PURCHASE CARD  
TRAINING AND RESPONSIBILITIES**

1. I have received, read, and understand the Cardholder's training materials.
2. I have received, read, and understand AFI 34-275, Nonappropriated Funds Government Purchase Card Program.
3. On \_\_\_\_\_, I received training by (NAF accounting or contracting office personnel) on NAF Purchase Card Program procedures. I understand how to properly use the NAF purchase card to obtain micro-purchase supplies and non-personal services. I understand the card has restricted use and agree to abide by those restrictions.
4. I understand the reconciliation requirements and the disputes processing.
5. I understand improper use of the NAF purchase card will result in appropriate disciplinary action and that I could be held pecuniarily liable.

\_\_\_\_\_  
(Cardholder's Signature)