

GOVERNMENT PURCHASE CARD (GPC)
CONVENIENCE CHECKS
STANDING OPERATING PROCEDURES (SOP)

ACA, Southern Region
Fort Benning Directorate of Contracting
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1. Purpose

The purpose of this Fort Benning Standing Operating Procedure (SOP) is to define the procedures and processes required to establish, implement, and maintain an effective program to pay for supplies and services from merchants who do not accept the Government Purchase Card (GPC) as a method of payment. This SOP should be used in conjunction with the Army SOP for the Government Purchase Card Program, 31 July 2002.

2. Applicability

This SOP is a manual for GPC check writers, approving officials, resource managers, internal review and other stakeholders that participate and contribute to the GPC check writing process at Fort Benning.

3. Background

The Government Purchase Card (GPC) is widely accepted as a payment instrument for supplies and services up to \$2,500. However, there are some small businesses, individuals, state and federal offices and other entities that do not accept the GPC as a method of payment. Convenience checks provide an alternative when use of the GPC is not feasible. Convenience checks provide flexibility to issue low volume and low dollar value payments for products and services at the activity level.

4. Convenience Checks

a. Use of Convenience Check Accounts

(1) Convenience checks shall not be issued for more than \$2,500 per check and shall be issued for the exact payment amount. All restrictions on micro-purchase actions apply to this payment method (e.g. splitting purchases is prohibited, convenience checks may not be used for cash). If vendors issue credit check or refunds by cash or check, funds must be immediately credited back to the account on which it was originally made.

(2) Cardholders shall not direct a vendor to perform services or deliver supplies before obtaining notification from DOC that the convenience check requirement has been processed and approved. Services or supplies performed or delivered by a vendor and accepted by the Government prior to obtaining approval from DOC shall be processed as a ratification action.

(3) Convenience checks may be used for micro-purchases, when supplies or services are available for delivery/performance within 15 days after convenience check is approved and issued whether at the contractor's place of business or at destination. Purchases made with the convenience check must not require detailed specifications or an inspection report.

(4) Convenience checks may be used for purposes not related to micro-purchases when such expenditures are authorized by other regulations such as:

(a) Delivery charges associated with the purchases made with a convenience check when the contractor is requesting to arrange delivery. These charges include local delivery,

parcel post including cash on delivery (C.O.D.) postal charges, and line haul or inter-city transportation charges, provided the charges are determined in the best interest of the Government.

(b) C.O. D. charges for supplies ordered for payment with a convenience check upon delivery.

(5) Convenience checks may be used for construction services under the \$2,000 Davis-Bacon Act limit. Pre-approval from the functional agency must accompany the request forwarded to DOC.

(6) Check writers and billing officials shall monitor repeat buys for the same item/service and shall recommend alternative methods of procurement (e.g., establishment of BPAs, IDIQ contracts)

(7) Notarial Services. Appropriated funds may be used to pay for expenses incidental to procuring notarial seals or obtaining state notarial commissions as authorized in AR 27-55. Requests for issue of a convenience check to pay for these expenses shall include a copy of the document authorizing the individual to perform notarial services signed by the Staff Judge Advocate or commander.

(8) Limitation of Fees for Guest Speakers, Lecturers and Panelists. Fees paid to guest speakers, lecturers and panelists are limited to \$500.00. Convenience check requests for guest speaker fees exceeding \$500.00 require approval from the Vice Chief of Staff, Army. Activities shall forward requests for approval of fees expected to exceed \$500 through the installation commander to the MACOM commander for review and endorsement. The MACOM commander should submit the request to the Vice Chief of Staff, Army who will either approve or disapprove the requirement. Convenience check requirements submitted to DOC shall include appropriate approvals.

b. Prohibited Purchases. The below list is in addition to items listed in Appendix D, Army SOP for the Government Purchase Card Program, 31 July 2002.

(1) Payment of salaries and wages

(2) Travel advances or any other advances

(3) Payment of travel claims

(4) Payment of public utility bills

(5) Purchase from contractors or contractor's agents who are military personnel or civilian employees of the Government

(6) Repetitive purchases from the same contractor when another method of purchase, such as a purchase card or blanket purchase agreement, would be appropriate.

(7) Payment of on the spot awards

c. Program Fee.

The issuing organization is responsible for all administrative costs associated with the use of convenience checks. The total purchase amount plus the program fee must be accounted for in the check writer's log and deducted from the funding document balance on the log sheet.

d. Accountability

(1) Checks are negotiable instruments and shall be stored in a locked container, such as a safe or locking filing cabinet. Checks will be accounted for appropriately to prevent loss, theft or potential forgery. Checks will be reconciled in the same manner as other purchase card transactions on the monthly statement billing cycle. Convenience checks shall be issued for the exact amount and shall not be altered in any way. Copies of checks shall be retained as a part of the account holder's original documentation files.

(2) Convenience checks may be mailed when internal controls including the use of the check purchase log are in place to avoid duplicate payments to payees. If checks are lost or stolen, the check writer shall notify the bank, the Billing Official and the Agency Program Coordinator (APC) within one workday after discovery of the loss.

e. IRS Reporting

Check writers are responsible for obtaining data to complete Form 1099 for “service” type transactions using convenience checks. Convenience checks issued for services shall be entered into the 1099 Tax Reporting Process by the check writer throughout the calendar year to ensure all data is entered by December 31st of each year. Check writers shall access the DFAS 1099 Tax Reporting Program at <https://dfas4dod.dfas.mil/systems/1099> to report the following data on vendors:

- (1) Payee's full name and social security number or tax identification number
- (2) Complete mailing address and phone number
- (3) Amount(s) and date(s) paid, with total paid in the reporting period

f. Authorization of Accounts

(1) The Approving/Certifying Official is the individual appointed by management to authorize and certify the issuance of convenience checks. The Billing Official, also appointed by management, shall receive and certify payment of the billing statement to the appropriate paying activity. The Approving/Certifying Official and Billing Official can be the same person. To maintain effective internal controls, Approving/Certifying Officials and Billing Officials are accountable and financially liable for authorized purchases and accuracy of the payments.

(2) The check writer is the individual appointed by management to order, receive, store, reconcile and dispose of the check stock. The individual designated as the convenience check writer is the only person with the authority to sign and issue convenience checks.

g. Disputes. The dispute process associated with the purchase card process is not available with convenience checks. Any concerns over a purchase made with a check must be resolved directly with the merchant. The check writer is solely responsible for securing credit or disputing

purchases. Each organization is responsible for checks written on an account, unless it is determined fraud is involved. In some cases, payment can be stopped on a convenience check that has been written if the check has not yet been posted to an account. To stop payment on a check, call the GPC Bank Customer Service for instructions on processing the action. The stop payment will be in place for 6 months and the bank will charge a fee. The check writer shall account for the fee on the purchase log. If the check has already posted to the account, a request to stop payment cannot be honored.

5. Training

Convenience check writers, check custodians, and Billing Officials shall attend the mandatory refresher training provided by the Agency Program Coordinator (APC) every two years. Resource managers and other stakeholders are encouraged to attend training for familiarization with the GPC program's policies and procedures.

6. Documentation

Convenience checks shall not be used to avoid the normal card payment process. Cardholders shall make every effort to locate a merchant that accepts the Government Purchase Card as a form of payment and document the efforts taken. A request for a convenience check shall be submitted to DOC after evaluating all alternatives available. Rationale for submitting the convenience check requirement shall be submitted to DOC along with the other documentation listed below:

(1) Purchase Request & Commitment (PR&C) (DA Form 3953). Ensure funds are certified by the respective budget official.

(2) Rationale for submitting the convenience check requirement and efforts to locate a merchant that accepts the GPC.

(3) Supporting document with description or summary of item(s) purchased or services approved by the Billing Official

(4) Functional approval for purchase of certain items, if applicable

(5) A list of individuals receiving services provided shall be included in the file when purchasing services such as training, chartered bus services, etc.

7. Process for Submission of a Convenience Check Requirement.

(1) The Cardholder shall input a Purchase Request and Commitment (PR&C) into DJAS for the amount of purchase with a separate line for the check fee which is currently 1.7%. To compute the check fee, the purchase amount should be multiplied by .017 (ex: \$15.00 x .017 = \$.26). (note: set the calculator to three digits following the decimal point in order to obtain the correct amount)

(2) The Cardholder's Approving Official shall then approve the PR&C in DJAS and notify the Budget Analyst for the Activity that the PR&C is ready for certification.

(3) The Budget Analyst will then certify the PR&C in DJAS and notify the Cardholder that the PR&C is ready for processing.

(4) The Cardholder will then print the PR&C in DJAS and hand-carry it along with any other required documentation to DOC in Building 6, Suite 250, Fort Benning, GA. POC within DOC is Sabra A. Boynton, telephone (706)545-0357.

(5) DOC check writer will process the PR&C and if approved, issue a convenience check to the cardholder. After the check entry appears in the transaction management portion of C.A.R.E., the check writer will input the data in the Log Item Detail portion of C.A.R.E. The budget analyst may access C.A.R.E. to review the transactions that have been approved and processed by the Directorate of Contracting. The processing fee (i.e., charge for writing the check) is also input into C.A.R.E.

(6) If the convenience check requirement is not approved, the Cardholder shall notify the Budget Analyst immediately so the dollars can be decommitted

(7) The Cardholder will provide the Convenience Check to the Vendor at the point of purchase.

8. Fiscal Year (FY) Closeout Procedures

Fiscal Year (FY) closeout procedures will follow the same time-lines as published credit card purchase closeouts for each FY.