

# REPORT DOCUMENTATION PAGE

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| 6. AUTHOR(S)<br><br>MSgt Lisa Rogers, AFLMA/LGC, DSN 596-4085                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                    |                                                   |                            |                                                              |  |
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| 13. ABSTRACT (Maximum 200 Words)<br>This interactive training CD ROM provides training on the Air Force's procedures for using the International Merchant Purchase Authorization Card (I.M.P.A.C.). The Card Holder Training CD is complete with:<br><br>Lessons<br>Authorized And Unauthorized Uses of the Card<br>Responsibilities and Procedures for Card Operations<br>Card Processes and Practical Applications<br><br>Quizzes<br>Certificates of completion<br><br><div style="text-align: center; font-size: 2em; font-weight: bold;">19980714 017</div> |                                                    |                                                   |                            |                                                              |  |
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FOR PUBLIC RELEASE

# UNITED STATES AIR FORCE I.M.P.A.C. CARDHOLDER TRAINING



## Module 1 AUTHORIZED AND UNAUTHORIZED USES OF I.M.P.A.C.

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Welcome to I.M.P.A.C. Card Holder Training, a product provided by the Contracting team at the Air Force Logistics Management Agency.

Module one will help cardholders become familiar with background of the I.M.P.A.C. Program and Authorized and Unauthorized uses of the I.M.P.A.C.

The Air Force Internal Procedures manual is the primary reference for material found in this module. Familiarity with this document will facilitate its implementation. This document should be capable of resolving/clarifying questions related to I.M.P.A.C. implementation. Issues remaining unresolved should be addressed to the Installation Program Coordinator (IPC).

Some of the slides in this presentation have links to a variety of web sites. Connection to these sites is dependent upon having connection to the Internet and the traffic on your server. If you are unable to connect during the presentation the web site addresses are listed in the presentation notes for visiting at a later time.

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# **GENERAL THOMAS S. MOORMAN, JR.**



**Air Force Vice Chief of Staff**



April 1998

**BRIGADIER GENERAL  
FRANK ANDERSON, JR.**



**Deputy Assistant Secretary of the Air Force for Contracting**



April 1998

MEMORANDUM FOR ALMAJCOM/CC

FROM: HQ USAF/CC  
1670 Air Force Pentagon  
Washington, DC 20330-1670

SUBJECT: Air Force Purchase Card Program

The International Merchant Purchase Authorization Card (IMPAC) is providing significant benefits to Air Force users. Our use of the purchase card nearly doubled in FY96 as its popularity has increased among AF cardholders. Over 70 percent of all AF purchases eligible for IMPAC are now being performed in that manner. Over 628,000 purchase transactions valued over \$249M in the past year prove that the purchase card program works. Cardholders can quickly obtain small dollar value commercially available products and services for their organizations when they need them. This is acquisition streamlining at its best. I want you to support and encourage the use of the purchase card within your commands and reach the goal of 90 percent of all eligible purchases.

The AF has revised its procedures to streamline and simplify use of the purchase card. We are eliminating many of the prohibited items, prepurchase screening and prepurchase documentation requirements. Our intent is to make the purchase card "user friendly". Every organization should establish an IMPAC account and use the IMPAC as the preferred method of obtaining the bulk of micropurchase items needed by your organizations.

We recognize that some supplies or services such as technical order parts on weapon systems, explosives, regulated medical items, and hazardous materials need appropriate controls. You need an aggressive cardholder training program and an appropriate means to ensure cardholders do not misuse the card. Experienced personnel from functional areas including Supply, Civil Engineering, Finance, Communications and Transportation, need to participate with Contracting in training cardholders.

I wholeheartedly support the purchase card program and seek your support to expand its use at our AF installations and achieve the efficiencies it affords AF operations.



April 1998

(Signed 28 Apr 97)  
RONALD R. FOGLEMAN  
General, USAF  
Chief of Staff



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In April 1997, then Air Force Chief of Staff, Gen. Fogelman sent this letter out to all Major Command Commanders to support & encourage the use of the purchase card and to reach the goal of 90% usage rate for all eligible purchases.

## Module One Topics



- **Authorized Uses of the I.M.P.A.C. Card**
- **Unauthorized Uses of the I.M.P.A.C. Card**
- **Standard Procurement Rules**
- **Priority of Sources**



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This module outlines acquisition sources, their priorities, some specifically authorized uses of I.M.P.A.C., and some specific restrictions on use of the I.M.P.A.C.. To assist in the screening of supply sources, this module will also provide information on some of the automated sites and points of contact.

The major topics of this module are:

- Authorized uses of I.M.P.A.C..
- Unauthorized uses of I.M.P.A.C..
- Standard procurement rules.
- Priority of Sources.

## What is I.M.P.A.C.

- **Government-wide  
Commercial Credit Card**
- **Supplies and Services**



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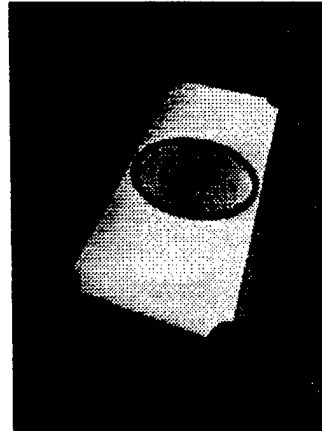
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What is I.M.P.A.C.? It is a commercial credit card used by the Federal Government.

The card is used to buy supplies and services.

## Background

- **1982 President Executive Order to Reduce Administrative Procurement Costs**
- **1986 Card Pilot Tested**
- **1989 Card Made Available Through a Competitive Contract Awarded and Administered by GSA**
- **The Card is the Effort to Cut the Cost of Buying Goods and Services**



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We'll now cover the background of the I.M.P.A.C. card.

President Reagan in 1982 signed an executive order to reduce the administrative costs of procurement.

By 1986, the use a government purchase card was being tested.

In 1989, the government purchase card was made available to DOD and all federal agencies.

The purchase card is the effort to cut the administrative cost of buying goods and services.

## Background (Continued)

- **Award Was Made to Rocky Mountain Bankcard System, Inc.**
- **Oct 1994, FASA and Office of Management and Budget Facilitated the Purchase Card as the Preferred Method of Use for Micro-Purchases**
- **Rocky Mountain Bankcard System, Incorporated First Bank Corporate Payment System**



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The General Service Administration, awarded a single schedule contract for Government-wide Commercial Credit Card Service to the Rocky Mountain BankCard System, Inc. The contract provides for commercial credit cards and associated services to federal government employees, military members and some federal contractors to pay for official Government purchases.

The Federal Acquisition Streamlining Act of 1994 and the Office of Management and Budget promoted the purchase card as the preferred method of use for micro-purchases.

In 1997, as part of streamlining the purchase card program Rocky Mountain Bank Incorporated First Bank's Corporate Payment System. Rocky Mountain BankCard System is still the contractor for the Government Purchase Card Program however, all government purchase card issues are now handled by First Bank. Note: From this point forward in the cardholder training the First Bank will be referred to as the credit card company.

## Expanding the Use of I.M.P.A.C.

- FASA
- Federal Office of Procurement Policy
- Air Force Implementation



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President Clinton expanded the use of Government purchase card by signing the Federal Acquisition Streamlining Act of 1994 which delegated the authority to the maximum extent possible to the offices that will be using the supplies or services to be purchased:....

In Oct 94 Mr. Steve Kelman, Administrator of The Office of Federal Procurement Policy said:

•“....this authority makes it easier for program officials to use purchase cards and thus lower costs and reduces bureaucracy in very small dollar purchases. Expanding use of the purchase card, as was recommended by the Vice President's National Performance Review, permits instant purchases of supplies and services as needed by agencies. .... I strongly encourage you to expand the use of the Government purchase card program in your agency and take maximum advantage of the micro-purchase authorities provided in the new law.”

In April 1996, the Air Force formed two teams to make recommendations on the use of the Government Credit card. Based on the teams recommendations a revised purchase card policy was issued in April 1997.

## Summary of Revisions

- **Elimination of Ineffective Pre-purchase Approvals**
- **Maximized Use of Automation**
- **Streamlined Reconciliation Procedure**



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Some of the major changes to the Air Force procedures for using the purchase card as a result of the team's recommendations include:

- elimination of ineffective pre-purchase approvals
- maximizing the use of automation
- streamlining the reconciliation process

## **Summary of Revisions**

**(Continued)**

- **Streamlined Invoice Processing Procedures**
- **Internal Controls Based Upon Risk Management**
- **Improved Training Program**
- **Increased Promotion of the Card**

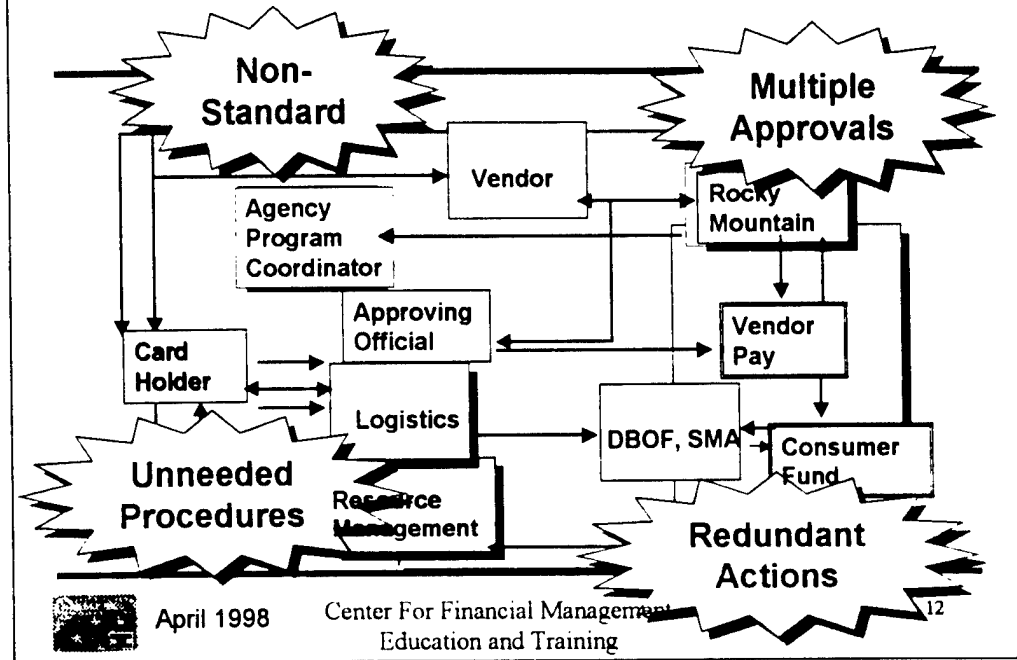


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- streamlined invoice processing procedures
- internal controls base upon risk management
- improvements to the purchase card training program
- promoting the maximum use of the purchase card

## United States Air Force Procedures for the Purchase Card



Local procedures acting as barriers to streamlined card use still exist and must be eliminated if the Air Force is to realize the full potential of savings from the program. In a report issued by the Air Force Logistics Management Agency in Aug 1997, several different presentations of costs and savings for the purchase card program are put forth. Based on the uniqueness of Air Force procurement, a conservative cost avoidance estimate is \$15.05 per transaction (AF I.M.P.A.C. cost @ \$67.07 versus AF small purchase cost @ \$82.12).



## Authorized Uses of I.M.P.A.C.



- **Supplies, Equipment and Non- Personal Services < \$2,500**



- **Purchase of Supply Items for Resale**



- **In Lieu of Standard Form 44**



- **Medical Items**



- **Purchase Above \$2,500 Threshold**



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The purchase card may be used to purchase supplies, equipment, and non-personal services up to the micro-purchase level which is currently \$2,500. The card shall not be used above the micro-purchase limit except as a payment method on Blanket Purchase Agreements (BPAs), or other written agreements. The purchase card may be used:

- In lieu of Standard Form 44, (Purchase Order, Invoice, Voucher) or cited as the method of payment on agreements, delivery orders, and contracts
- Written approval along with DFAS coordination is required for I.M.P.A.C. accounts for purchases of supply items for resale and reissue. Refer to Section 3 of the I.M.P.A.C. Procedures Guide for approval and coordination authorities.
- Medical item purchases will be Medical Dental Division (MDD) funded and processed through the medical logistics computer system (MEDLOG) to maintain line item visibility, support FDA recall efforts and maintain required audit trails for regulated medical material.
- If authorized to make purchases above the micro-purchase threshold of \$2500, cardholders not in contracting organizations will use purchase card only to obtain items from pre-priced contracts and agreements for example Federal Supply Schedules or Blanket Purchase agreements. In this case authority to use purchase card will not exceed \$25,000 per transaction.

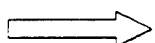


## Authorized Uses of I.M.P.A.C. (Continued)



- Defense Commissary Agency
- Military Clothing Sales Store
- Maternity Clothing

Click icon for  
FAQ I.M.P.A.C. WEBSITE







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*Or next slide to continue* <sup>14</sup> 

- The card may be used to purchase authorized items from the Defense Commissary Agency and Military Clothing Sales Store.
- A separate card must be obtained for the purchase of maternity clothing since the purchase is charged to the Air Force centrally Managed allotment for military personnel.
- An explanation of the procedures required for using the card for purchase of Maternity Clothing is located on the AF I.M.P.A.C. Web Site under Frequently Asked Questions for Finance (<http://www.safaq.hq.af.mil/contracting/policy/AQCO/part13/faqfin.shtml>).
- Click on the icon to view the procedures or click on the next slide to continue. Remember to return to this module after completing your review of this site go to file and then close.

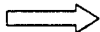


## Purchases Requiring Authorization



- **Communications and Computer Equipment** 
- **Medical Items** 
- **Hazardous and Potentially Hazardous Material** 

Click icon for  
I.M.P.A.C. WEBSITE EXHIBIT 6





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*Or next slide to continue* <sup>15</sup>



Requests for certain commodities or services require the cardholder to contact the specified servicing organization before making the purchase. Verbal approval, with the identity of the authorizing official entered in the purchase log is generally sufficient. The next few slides are samples of the types of items that require authorization.

- The installation communication unit provides authorization for I.M.P.A.C. purchases of Communications and computer equipment and software. The C4 (Command Control Communication & Computer) Systems officer receives the requirement and checks the base C4 Systems Blueprint for possible I.M.P.A.C. on existing solutions and devises and obtains a final technical solution. See section 5 of the I.M.P.A.C. procedures guide for further information on this area.

The base Medical Logistics Officer provides authorization for Medical Items.

Hazardous and potentially hazardous materials such as ether, pesticides, corrosive materials, and equipment cleaning solvents require the authorization of the Base Bio-environmental Engineer and the Hazardous Material Pharmacy. Exhibit 6 of the I.M.P.A.C. Procedures Guide contains the Hazardous Material Pharmacy Policy and Control Procedures for I.M.P.A.C. Purchases of Hazardous Materials.

Click on the icon to the site to view site

([http://www.safaq.hq.af.mil/contracting/policy/AQCO/part13/im\\_ex6.html](http://www.safaq.hq.af.mil/contracting/policy/AQCO/part13/im_ex6.html)). Or click on the next slide text to continue. Remember, to return to this module after completing your review of this site go to file and then close.



## Purchases Requiring Authorization (Continued)



- **Video Equipment**



- **Rental or Lease of Motor Vehicles**



- **Weapons Systems Centrally Managed Items**








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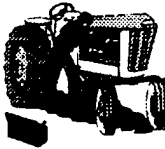
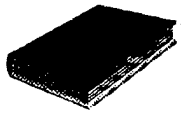


- The host base Visual Information Multimedia Manager provides authorization for I.M.P.A.C. purchases of Visual information, electronic digital imaging and video equipment and services.
- Using I.M.P.A.C. to rent or lease motor vehicles requires the written approval from the Chief of Transportation in accordance with AFI 24-301, Chapter 5.
- The Integrated Material Manager or IMM provides authorization for I.M.P.A.C. purchases of centrally managed items related to weapon systems. If the IMM is not know contact your Chief of Supply. This use of I.M.P.A.C. is intended to enable field activities to resolve MICAP and work stoppage. Units must ensure supply demand histories are updated through contact with Base Supply and the IMM.
- Exhibit 5 of the I.M.P.A.C. Procedures Guide contains the procedure for AF personnel to follow when using I.M.P.A.C. to purchase piece parts directly related and identifiable to technical orders of a weapon system or related support equipment. Click on the icon to go directly to the I.M.P.A.C. web site to view Exhibit 5 of the Guide ([http://www.safaq.hq.af.mil/contracting/policy/AQCO/part13/im\\_ex5.html](http://www.safaq.hq.af.mil/contracting/policy/AQCO/part13/im_ex5.html)),
- To return to this module after completing your review of this site go to file then close.



## Purchases Requiring Authorization (Continued)



- **Non-expendable Budget Code 9 Equipment**
- **Repair Services** 
- **Professional Services** 
- **Internal Procedures Guide Section 3** 


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Coordination with the organization's equipment monitor is required when I.M.P.A.C. is used to purchase non-expendable budget code 9 equipment and supplies. The equipment monitor is to ensure that an accountability record established.

- Before purchasing repair services, the cardholder will contact the base contracting repair office to verify that the repair is not already covered by an existing preventative maintenance agreement. Don't forget to annotate the name of the person contacted in the I.M.P.A.C. purchase Log. New equipment may also be covered under warranty and repairs may be performed under these warranties at no cost to the AF. Consult the organizational equipment custodian to ensure warranties are enforced.
- Contracting Office authorization is required for I.M.P.A.C. purchases of professional services. Professional services are those services render by persons who are members of a particular profession or possess a special skill for example accountants, lawyers, dentists. State law may require that the services rendered by these individuals be performed or approved by a person who is licensed, registered or certified to provide such services.

The I.M.P.A.C. Internal Procedures Guide contains a detailed listing of purchases that require authorization and identifies the appropriate authorizing officials.



## Unauthorized Uses of I.M.P.A.C.



- **Cash Advances** 
- **Travel Related Purchases** 
- **Rental or Leases of Land or Building > 30 Days** 
- **Aviation, Diesel, or Gasoline Fuel or Oil** 


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The I.M.P.A.C. card shall not be used for the following purposes

- Cash advances - Cash advances are prohibited under the commercial credit card program
- Travel related purchases including: Rental/lease of motor vehicles associated with travel or temporary duty supported by travel orders (purchase of airline, bus or train tickets); purchase of meals, drinks, lodging, or other travel or subsistence costs associated with Government official travel. The American Express Card covers this.

Note: Subsistence items (not prepared meals) not associated with travel may be purchased if funds being used are appropriated funds (i.e., dignitaries meals, etc.). Before going to a commercial source it must be determined that troop issue (Prime Vendor) and commissary cannot support the requirement.

- For purchases of prepared meals, I.M.P.A.C. can be used if a written determination is approved by the approving official that a corporate AMEX Card cannot be used to satisfy the requirement
- Rentals or leases of land or buildings exceeding 30 days, an example of acceptable usage would be a deployed unit needing office space on a month to month basis or a unit needing space for a conference or banquet;
- Purchase of aviation, diesel, or gasoline fuel or oil for aircraft and motorized vehicles (The SF 149, Fuel card must be used for these type of purchases. However, I.M.P.A.C. may be used if the SF 149 is not accepted. Regardless of the method used to purchase fuel, all fuel purchases must be reported back to the host fuels flight for computer processing into FAMS.



## Unauthorized Uses of I.M.P.A.C.

### (Continued)



- **Telecommunications Systems** 
- **Repair of Leased Vehicles** 
- **Explosives, Munitions, Toxins, and Firearms** 
- **Janitorial, Yard and Maintenance Services** 

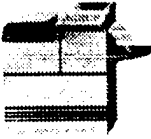

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- Telecommunication services for example Purchase of major systems such as FTS 2000 or DSN (unless approved or purchased by personnel assigned to the Communications squadron);
- Repair of leased vehicles when the lease provides for service or maintenance.
- Explosives, munitions, toxins, firearms, unless local purchase authority is granted by the Integrated Material Manager ( IMM).
- Purchases of janitorial, yard and maintenance services, or other repair services covered by contracts already written for these services on base (check with the Contracting Office first) unless there is an emergency situation where the contractor cannot meet the requirement



## Unauthorized Uses of I.M.P.A.C.

(Continued)

- **Printing or Copying by Commercial Services** 
- **Personal Services** 
- **Classified and Sensitive Items** 



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- Printing or copying services provided by commercial services (Cardholders shall use the Defense Automated Printing Service (DAPS) or any government printing or copying service)
- Personal services
- Classified and sensitive items



## Unauthorized Uses of I.M.P.A.C. (Continued)



- Construction > \$2,000



- MWR Items



- Individual Equipment and Organizational Clothing



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- Construction services exceeding \$2,000. This is due to the fact that the Davis Bacon Act, a labor law applies to construction services exceeding \$2,000
- MWR peculiar items (See section 3 of the I.M.P.A.C. Internal Procedures Guide)
- Individual equipment and organizational clothing.

The I.M.P.A.C. Internal Procedures Guide contains a detailed listing of the unauthorized uses of I.M.P.A.C.

## Overseas Use of I.M.P.A.C.

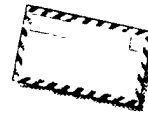


- Mode Selection and Packaging Instructions



- Shipments Via Defense Transportation System

- US Postal Service will be Considered



- Foreign Clearance Guide (DoD 4500.54-G)



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If base supply is unable to meet your timeline requirement or provide a service and I.M.P.A.C. is used, make every effort to purchase items locally. All Cardholders must conform to procedures outlined in paragraphs 3.2.1 through 3.2.16 of the I.M.P.A.C. Internal Procedures Guide. If all avenues for procuring the needed material through supply or local sources are exhausted, then the Cardholder must do the following:

- When procuring from a CONUS vendor, mode selection must be provided along with detailed packaging methods for safe transport to the end destination.

- Using I.M.P.A.C. for purchase of material from the CONUS includes all costs incurred for the mode of transportation selected, destination country, customs import duties (if not included in the host nation agreement or carrier tender), and any other charges that may accrue.

- Shipments via the Defense Transportation System (DTS), Air Mobility Command /Military Sealift Command, will include an Advance Transportation Control and Movement Document (ATCMD), a Transportation Control and Movement Document (TCMD), routing and marking instructions, and any other documentation the receiving base Traffic Management Office (TMO) deems necessary for the order to be moved successfully into and through the DTS.

- When routing via DTS, the vendor Free on Board (FOB) destination will be the applicable CONUS Aerial/Water port of embarkation.

- U.S. Postal Service (USPS) will be considered along with any other authorized carrier.

- DoD 4500.54-G, Foreign Clearance Guide, will be consulted prior to requisitioning action to ensure compliance with the host nation's requirements.

## Standard Procurement Rules

- Federal Acquisition Regulation and the Anti-deficiency Act
- Do Not Split Requirements
- Funds Available
- Limitations on O&M Funds



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Standard procurement rules, as described in the Federal Acquisition Regulation and Supplements and fiscal law requirements of the Anti-Deficiency Act apply to micro purchases.

Purchases are not split to stay below \$2500 (\$2000 for construction), micro purchase threshold.

Appropriations to fund purchases must be available and must be appropriated for that purchase.

Cardholders and Approving Officials (AOs) must be specifically aware of purchase dollar limitations placed on Operation and Maintenance (O&M) Funds for the acquisition of systems and equipment and for limitations on construction equipment.

## Source Priority

- **Federal Acquisition Regulation (FAR) Part 8**
- **Activity Inventories**
- **Federal Prison Industries (UNICOR)**
- **Industries for the Blind and Severely Handicapped (NIB/NISH)**
- **Wholesale Supply Sources**



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Once a requirement has been identified by the Cardholder, several decisions need to be made regarding the sources for the supplies or services. It is important to remember that the purchase card is not limited to use in commercial sources only.

Before reaching a decision to use commercial sources, the Cardholder (assisted by the supporting supply chain), will determine if mandatory sources meet the need. The next test determines the appropriate use of the Government-wide commercial purchase card for a micro purchase.

The Cardholder will screen the sources in order of priority

The priority of sources is dictated by the Federal Acquisition Regulation (FAR), Part 8 Required Sources of Supplies and Services, Subpart 8.001.

In order of priority, the sources are:

Activity inventories

Federal Prison Industries (FPI) or its trade name UNICOR)

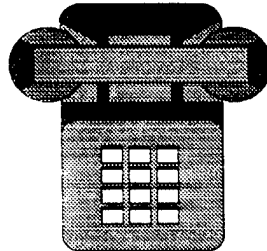
National Industries for the Blind and Severely Handicapped (NIB/NISH)

Wholesale Supply Sources

The next few slides will discuss these sources more in depth.

## Source Priority (Continued)

- **Activity Inventories**



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The activity's inventories can be office supplies maintained in a Self Service Supply Center or excess items maintained by the local supply community. Also, activity level supply organizations will make a listing of locally stocked material that is available to Approving Officials and Cardholders.

When the Cardholder can obtain information from the activity level supply organizations on the availability of items from both installation inventories and wholesale supply sources in a timely manner, the Activity level supply organizations should be used. In other cases, pre-approved listings of items which the Cardholder can buy or, access to FEDLOG or other automated tools, can make the decision making process for the Cardholder much easier.

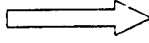
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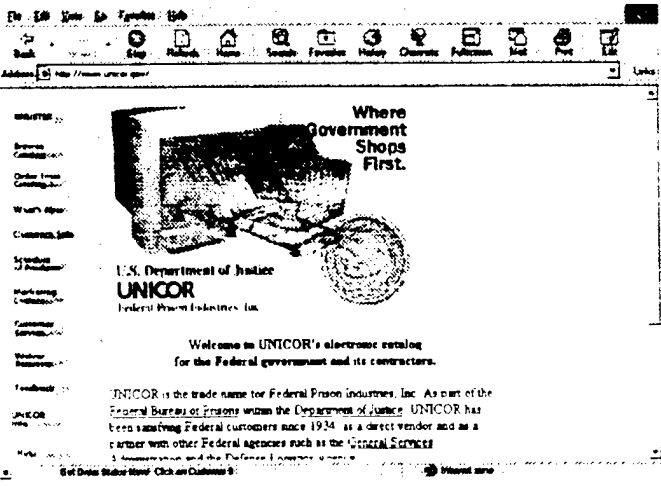
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### Federal Prison Industries (UNICOR)

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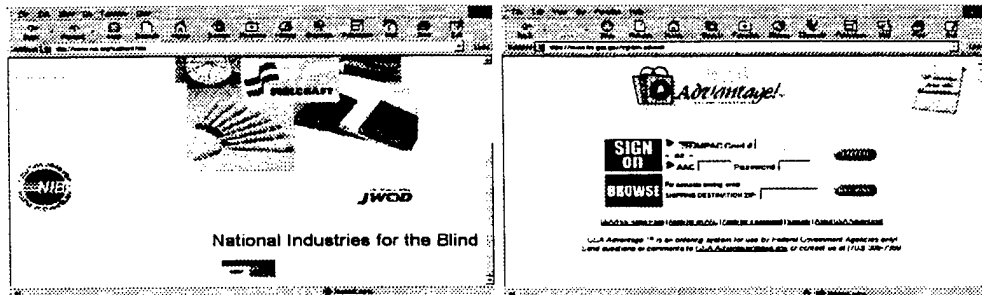
Federal agencies are required by law to consider the purchase of items manufactured or produced by Federal Prison Industries prior to acquiring those items from commercial sources (e.g., furniture).

FPI, under its trade name UNICOR, accepts the purchase card for all Quick Ship Catalog buys and guarantees that the products will be shipped within 30 days. In addition to the standard catalog, the UNICOR catalog is available on the Internet (<http://www.unicor.gov/>).

To visit this site click on the picture or click on the next slide text to continue. Remember to return to this module after completing your review of this site go to file and then close.

## Source Priority (Continued)

### Industries for the Blind and Severely Handicapped (NIB/NISH)



Click Pictures to Visit the Web Sites



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*Or next slide to continue* 27

The Javits-Wagner-O'Day (JWOD) program was established by Congress in 1971 to increase employment and training opportunities for people who are blind or have other severe disabilities. Under the JWOD program, Federal agencies are required to buy commodities and services furnished by not-for-profit agencies employing individuals trained under the program.

JWOD items are available to Government activities through GSA, the Defense Logistics Agency, or specific contractors. Items include office supplies, medical supplies, plastics, textiles, and industrial products such as paints and cleaners. Cardholders must use catalogs or another credible resource to determine which items are produced by NIB/NISH. In accordance with statute, you must use NIB/NISH if the items requested are

reasonably available - even if items are less expensive at a local source.

Note: NIB/NISH encourages the use of purchase cards  
(<http://www.nib.org/skilcraf.htm>).

Note: GSA is a great source of information on NIB/NISH items  
(<https://www.fss.gsa.gov/cgi-bin/advwel>).

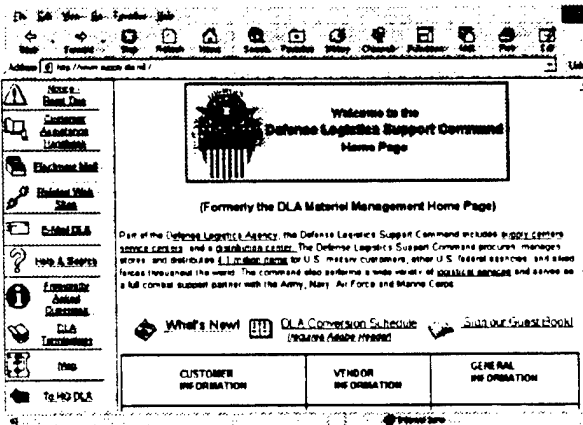
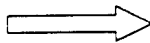
To visit either of these sites click on the pictures. Or click on the next slide text to continue. Remember, to return to this module after completing your review of this site go to file and then close.

## Source Priority (Continued)

### Wholesale Supply Sources

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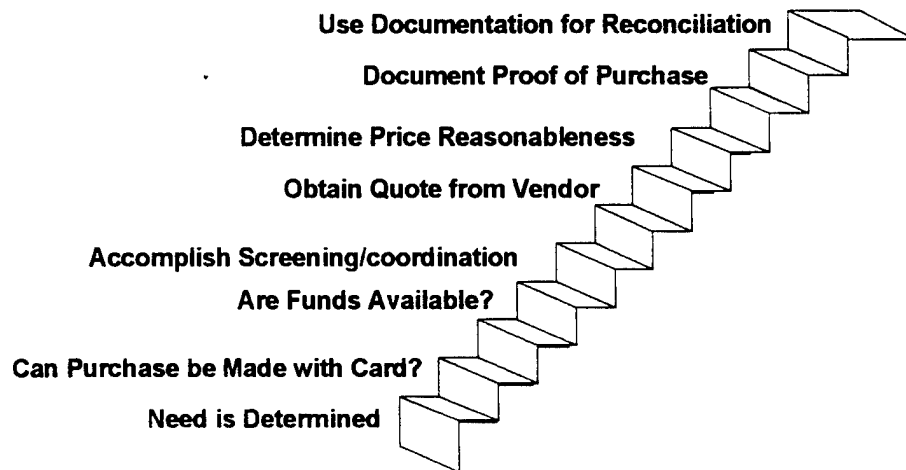
#### Wholesale supply sources.

Approximately 4.8 million items in the DoD wholesale supply system are centrally managed. Organizations routinely requisition the supplies from the assigned inventory manager. The Cardholder is responsible for checking the supply system for availability of managed items. Supply management personnel assist the Cardholder by checking the automated FEDLOG system.

Cardholders may purchase inventory managed items directly from wholesale sources with the purchase card. The Defense Logistics Agency (DLA) has established contracts with wholesale sources (e.g., Komatsu, John Deere, NAPA, and Freightliner). Customers may purchase items from local dealers/corporate representatives using the purchase card up to a \$2500 ceiling.

To visit this site click on the picture(<http://www.supply.dla.mil/>). Or click on the next slide text to continue. Remember, to return to this module after completing your review of this site go to file and then close

## **I.M.P.A.C. Purchase Process**



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Here is the I.M.P.A.C. Purchase Process.

First you must have a requirement to purchase.

Can the purchase be made with the card. Is it an authorized purchase.

If so, are funds available?

Accomplish screening and coordination. For example if it is a communications equipment coordinate through the communications squadron.

Is the item available from a mandatory source? Such as activity inventories, FPI, NIB/NISH or whole sale supply sources.

Next contact the vendor and obtain quote.

Is the price fair and reasonable? If so, purchase the item. If not, contact another vendor for another quote.

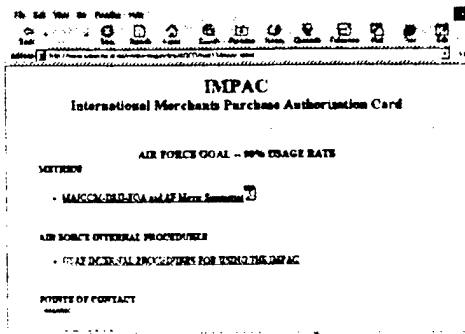
Don't forget to document the purchase and get a receipt for your records.

Use your documentation for monthly reconciliation with the statement of account.

## Summary

- Mandatory Screening - But Improved Tools
- I.M.P.A.C. Internal Procedures Guide Section 3

Click Picture to  
view AF I.M.P.A.C.  
Procedures on the Web



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*Or next slide to continue* <sup>30</sup>



Section 3 of the I.M.P.A.C. Internal Procedures Guide contains detailed information concerning authorized and unauthorized use of the I.M.P.A.C.  
(<http://www.safaq.hq.af.mil/contracting/policy/AQCO/part13/impac.shtml>).

The tools available to the Cardholder and supply chain to screen the mandatory sources of supply have improved. The fair and reasonable standard and rotation of sources is still required for micro-purchases. Approvals above the level of the Cardholder have been minimized and document requirements (e.g., formal purchase requests), will be kept to the minimum necessary to establish an audit trail.

To return to this module after completing your review of this site go to file and then close.

## Module One Quiz

**Click Here to Begin Module 1 Quiz**  
**(Quiz may take a few minutes to load.**  
**Enable macros to run the quiz if asked.)**



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*Or next slide to continue*<sup>31</sup>



Click on this button to start Module One Quiz. It will take you approximately 15 minutes to finish the quiz.



**Comments?  
E-Mail Us!**



**Click This Icon  
To E-mail Us!**



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Thank you for viewing module 1 of I.M.P.A.C. Card holder training. We at the Air Force Logistics Management Agency would love to hear from you. Please e-mail us any comments (<http://www.il.hq.af.mil/aflma/lgc/lgcpoc.html>)! We're always trying to provide solutions today for a better tomorrow's logistics.

# **UNITED STATES AIR FORCE I.M.P.A.C. CARDHOLDER TRAINING**



## **Module 2 RESPONSIBILITIES AND PROCEDURES FOR I.M.P.A.C. OPERATIONS**

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are trademarks or registered trademarks of their respective holders.**

Welcome to module 2 of I.M.P.A.C. Card Holder Training, a product provided by the Contracting team at the Air Force Logistics Management Agency.

This module will familiarize students with the responsibilities of all personnel involved in the I.M.P.A.C. program and will describe the procedures for using I.M.P.A.C.. Additionally, funding procedures, invoice reconciliation and DFAS bill paying procedures will be discussed.

The Air Force Internal Procedures manual is the primary reference for material found in this module. Familiarity with this document will facilitate its implementation. This document should be capable of resolving/clarifying questions related to I.M.P.A.C. implementation. Issues remaining unresolved should be addressed to the Installation Program Coordinator (IPC).

Some of the slides in this presentation have links to a variety of web sites. Connection to these sites is dependent upon having connection to the Internet and the traffic on your server. If you are unable to connect during the presentation the web site addresses are listed in the presentation notes for visiting at a later time

## Module Two Topics



- **Definitions**
- **Individual Functional Responsibilities**
- **Training, Surveillance, And Problem Resolution**
- **Funding Process**
- **Invoice Certification**
- **DFAS Payment Procedures**



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The module's major topics include:

- Definitions.
- Individual functional responsibilities.
- Training requirements, surveillance requirements and dispute procedures.
- Funding process.
- Invoice certification.
- DFAS payment procedures.

## Definitions



- **Approving Official (AO)**
- **Cardholder Statement Of Questioned Item (CSQI)**
- **Financial Services Office (FSO)**
- **Installation I.M.P.A.C. Program Coordinator (IPC)**



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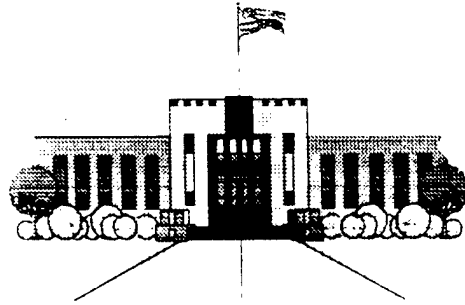
**Approving Official (AO):** Official, appointed by the organizational commander, who is responsible for the oversight of one or more cardholders. Must review each cardholder's monthly reconciliation of the SOA and transaction log.

**Cardholder Statement of Questioned Items (CSQI):** The credit card companies form on which cardholders claim credit for disputed items which can not be resolved with the vendor.

**Financial Services Office (FSO):** The Air Force Financial Services Office (office symbol usually is FMF) that provides direct customer service to an assigned organization and acts as liaison between wing and tenant organizations and the Defense Accounting Office (DAO), the Defense Finance and Accounting Service Operating Location (OPLOC), or the Air Force Regional Accounting and Finance Office (RAFO).

**Installation I.M.P.A.C. Program Coordinator (IPC):** This person, within the SCO, is responsible for managing the installation's I.M.P.A.C. program including establishment, training, and surveillance.

# Installation Commander



- **Operational Responsibility**
- **Suspend or Terminate Cardholders and AO's**
- **Discipline Cardholders and AO's**



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The Installation Commander has the overall operational responsibility for the I.M.P.A.C. program.

He/she can suspend or terminate the privileges of Cardholders and Approving Officials.

The Installation Commander can also discipline Cardholders and Approving Officials who abuse or violate the program requirements.

## **Servicing Contracting Office**



- **Point Of Contact Between The Bank And The Installation**
- **Delegates Contracting Authority To The Cardholders**



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The Servicing Contracting Office (SCO) is the primary point of contact for all business between the bank and the installation. The SCO's authority comes directly from the MAJCOM Head of the Contracting Activity (HCA).

The SCO appoints the Installation Program Coordinator and the SCO delegates contracting authority in writing to the Cardholders subject to assigned threshold limits.

Non-contracting personnel may not normally exceed the threshold limit of \$2,500 for micro-purchases. The exception is purchases for products or services from prepriced BPAs, prepriced contracts, and mandatory Federal Supply Schedule (FSS), Government Service Agency (GSA), and Veteran's Affairs (VA) delivery orders and then, only if the purchase card is accepted. Non contracting personnel are limited to \$25,000 or less for these types of purchases.

## IPC Responsibilities



- **Process I.M.P.A.C. Applications**
- **Establish Reporting System**
- **Provide Mandatory Training And Surveillance**
- **Maintain Current Listing Of Cardholders Under Jurisdiction**
- **Issue Delegations Of Contracting Authority**



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The Installation Program Coordinator (IPC) is designated by the SCO to oversee the day-to-day operations of the I.M.P.A.C. card program. The IPC is responsible for the following:

- Processing I.M.P.A.C. applications.
- Establishing reporting system.
- Providing mandatory training and surveillance
- Maintaining a current listing of card holders under their jurisdiction.
- Issuing delegations of contracting authority.

## **IPC RESPONSIBILITIES (Continued)**

- **Act As Point Of Contact With Bank**
- **Coordinate I.M.P.A.C. Implementation With FSO**
- **Ensure That A Certified Funding Document Exists Before Card Issue**
- **Initiate Card Revocation Process**



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- Acting as point of contact with the bank
- Coordinating I.M.P.A.C. implementation with the FSO
- Ensuring a certified funding document exists before a card is issued
- Initiating the revocation process of cards in violation

# Training Program

- Air Force Internal Operating Procedures
- Cardholder And Approving Official Responsibilities
- Credit Card Company-supplied Cardholder Guide
- Credit Card Company-supplied Approving Official Guide
- Mandatory Sourcing Guidelines And Rotation Policy



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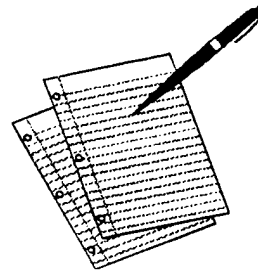
Any individual to whom a purchase card is to be issued must complete a minimum of four hours of training covering the uses and requirements of the Purchase Card program. If an individual has had formal training in small purchases or contracts, the IPC may reduce, but not eliminate this time requirement. If a Cardholder has been trained at a previous duty station, the training may be reduced or waived.

The mandatory training program must cover the following subjects:

- Air Force Internal Operating Procedures.
- Cardholder and AO Responsibilities.
- Credit Card Company's supplied Cardholder Guide.
- Credit Card Company' supplied Approving Official Guide.
- Mandatory sourcing guidelines and rotation.

# Training Program

- **Prepriced Blanket Purchase Agreements**
- **Blanket Delivery Orders**
- **Acquisition Regulations, Policies, And Procedures**
- **Recoverable Materials**
- **Hazardous Materials**



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- Pre-priced Blanket Purchase Agreements (BPA).
- Blanket Delivery Orders (BDO).
- Acquisition regulations, policies, and procedures.
- Recoverable material.
- Hazardous materials.

# Training Program

- **Competition And Price Reasonableness**
- **Documentation Requirements**
- **Purchase Splitting Prohibitions**
- **Construction Related Purchases And Requirements**
- **Warranties**



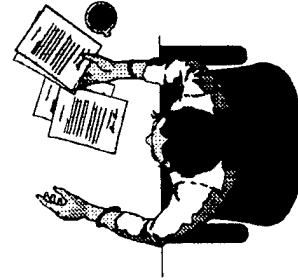
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- Competition and price reasonableness.
- Documentation requirements.
- Purchase splitting prohibitions.
- Construction related purchases and requirements.
- Warranties

# Training Program

- **Procurement Ethics To Those With Decision Making Responsibilities**
- **Reports**
- **Statement Of Account**
- **Invoice Reconciliation**
- **Existing Base Contracts And Agreements To Prevent Duplications**



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- Procurement ethics to those who have decision making responsibilities regarding I.M.P.A.C. expenditures.
- Reports.
- Statement of account.
- Invoice reconciliation.
- Existing base contracts and agreements to prevent duplication of effort.

## Violations And Remedies



- **Monthly Card Limit Reduced To \$0.00**
- **Violation Has Been Discovered Or Is Occurring**
- **Description Of The Violation**
- **Remedial Training Before Return To Authorized Purchasing Levels**
- **Revocation For Subsequent Procedural Violations**



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If, at any time, through surveillance or other methods, a Cardholder is discovered to be in violation of the Air Force Internal Procedures, a letter signed by the Contracting squadron commander will be sent to the Cardholder's commander, the Cardholder, and the AO. Acting on this notification, the IPC will inform the credit card company in writing that the Cardholder's monthly purchase limitation is changed.

The violation notification letter will include:

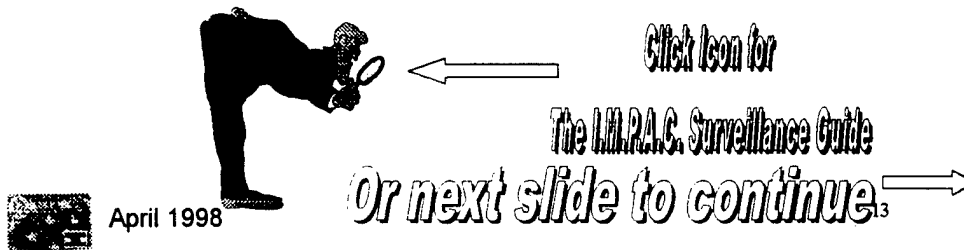
- The monthly card limit is reduced to \$0.00.
- A violation has been discovered or is occurring.
- A description of the violation.

The Cardholder's commander will take appropriate action against the individual. Also remedial training will be required before returning to authorize purchase levels.

Revocation for subsequent procedural violations.

# Surveillance

- Responsibility Of The IPC
- Accepted Method Of Ensuring Operations Are Within Established Parameters
- Discussion Directly With Cardholder
- Copy Found As Exhibit 3 Of Internal Procedures



Surveillance is the direct responsibility of the IPC and will be conducted on an annual basis, but may be extended to 18 months for Cardholders who demonstrate exceptional performance in these duties.

Surveillance is the accepted method of ensuring that the I.M.P.A.C. program is operating within the parameters established by the I.M.P.A.C. Internal Procedures manual.

If discrepancies are found they will be discussed directly with the Cardholder. Surveillance results will be provided to the Cardholder, the AO, and the organizational commander. The IPC will maintain surveillance results for a period of three years.

An accepted surveillance guide is provided in the I.M.P.A.C. Internal Procedures Exhibit 3. Click on the Icon to view the I.M.P.A.C. Surveillance ([http://www.safahq.af.mil/contracting/policy/AQCO/part13/im\\_ex3.html](http://www.safahq.af.mil/contracting/policy/AQCO/part13/im_ex3.html)). Guide or click on the Next Slide text to continue.

To return to this module after completing your review of this site go to file and then close.

## Approving Official



- ✓ **Work In Conjunction With FSO And IPC**
- ✓ **In Cardholder's Chain Of Command**
- ✓ **Can't Be A Cardholder**
- ✓ **Can't Have A Cardholder As Immediate Supervisor**
- ✓ **Appointment Of Alternate AO**
- ✓ **AO Recommends I.M.P.A.C. Card Holder Dollar Limits**



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The AO works in conjunction with the IPC and the Financial Services Office (FSO). The AO has authority to direct the IPC in the completion of his/her duties with respect to card cancellations.

The AO must be in the same Chain of Command as the Cardholder and possess the requisite responsibility (i.e., mid-level grade).

The AO cannot be a Cardholder.

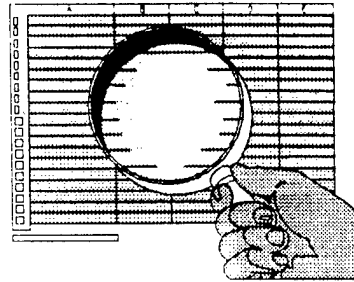
Nor can the AO have an immediate supervisor as a Cardholder.

In the absence of the AO due to leave or TDY, an alternate AO should be designated. This will avoid any delays in account processing.

The AO is directly responsible for recommending the I.M.P.A.C. Cardholder dollar limits to the IPC and FSO. It is also his/her responsibility to ensure that the established limits are not exceeded.

## Approving Official Reconciliation

- ✓ Obtain And Review The Cardholder's Statement
- ✓ Verify Transactions Are:
  - ✓ Appropriate
  - ✓ Mission Essential
  - ✓ IAW Air Force Procedures



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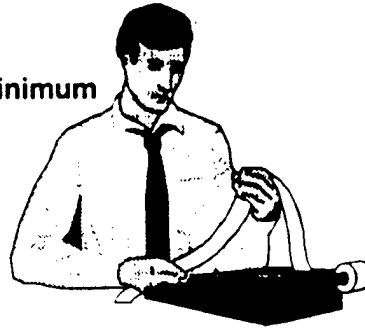
The AO is involved in the monthly reconciliation process. This is accomplished by:

- Obtaining and reviewing each Cardholder's statement.
- Verifying that transactions are appropriate, mission essential, and in accordance with Air Force procedures.

## RECONCILIATION PROCEDURES (Continued)

### ➤ Approving Official Procedures:

- Submit Certified SOA To FSO
- Breakout Detail As Needed
- Accounting Data Kept To Minimum



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- Forward the certified AO's statement to the FSO. Remember to retain all cardholder support documentation in accordance with applicable regulations.
- Breakout any detail needed to reflect correct accounting classifications. Debits must equal credits and forwarded this information to the FSO.
- Remember to keep accounting data to a minimum necessary for management purposes.

# Approving Official

## ● Approving Official Responsibilities

- ✓ Semi-annual Verification Of Card Custody
- ✓ Notify IPC On Account Cancellations



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The AO has the responsibility of verifying semi-annually that each I.M.P.A.C. card is in the custody of the appropriate Cardholder. Notification of those Cardholders who have retired, separated, been reassigned, or relieved of Cardholder responsibilities must be made to the IPC.

The AO also has the responsibility of notifying the IPC when a Cardholder account is canceled. This is accomplished by filing a Cardholder Maintenance form annotated to show "cancellation" and "card destruct". The FSO should also be informed so that adjustments can be processed to the funding document.

## Approving Official (Continued)

### ✓ A Lost Or Stolen I.M.P.A.C. - Notification To MAJCOM Through The IPC The Following:

- ✓ I.M.P.A.C. Number And The Cardholder's Name
- ✓ Date and Place Of Loss—Date Police Notified
- ✓ Date Credit Card Company Notified The Purchases Made On That Date
- ✓ Any Other Pertinent Information

### ✓ Replacement Of A Lost Or Stolen I.M.P.A.C.



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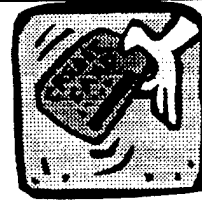
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The AO has the responsibility of notifying the IPC if a card is reported lost or stolen. The written report should contain the following:

- I.M.P.A.C. number and Cardholder's complete name.
- Date and place of loss & date of police notification.
- Date and time of credit card company First Bank notification also include purchases made on the date of loss or theft.
- Purchases made on the date of loss or theft.
- Any pertinent information.

The credit card company will replace any lost or stolen I.M.P.A.C. card within 24 hours of notification for domestic cards and 48 hours for international cards. Any reported lost or stolen card that is subsequently found must be destroyed by cutting in half, given to the AO for destruction reporting, and forwarded to the IPC.

## Cardholder



- **Each Card Is Specific For Use Only In Performance Of Official Duties**
- **Subject To Pre-established Single Purchase Limits**
- **Must Forward Through The System To Contracting, If Purchase Will Exceed The Single Purchase Limit**



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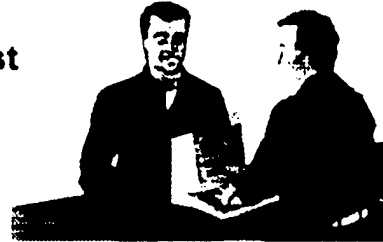
I.M.P.A.C. purchase cards are assigned to a specific individual for his/her use only in the performance their official duties. Unauthorized or negligent use of the card may result in the Cardholder being held liable to the Government for the value of such misuse or negligence. The Cardholder may also be subject to disciplinary action under DoD and Air Force regulations.

A Cardholder's purchase may consist of multiple items but cannot exceed the single purchase limits that have been pre-established for the account. Should a purchase exceed the single purchase limit, it will be denied. Purchases may not be split so as not to exceed the single purchase limit.

If a purchase will exceed the authorized limit, it must be forwarded to Contracting for their action.

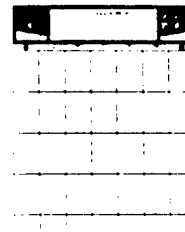
## Cardholder

- **Over-the-counter Purchases Must Be Available Within One Billing Cycle, Except For Subscriptions**



- **Split Shipments Allowed If:**

- All Items Arrive In One Billing Cycle or
- Vendor Will Hold Invoicing Until All Items Have Been Shipped



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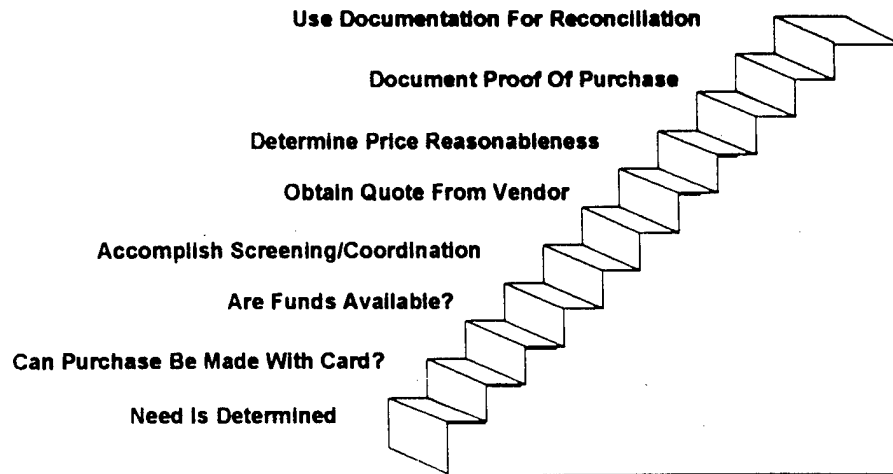
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Any item purchased over-the-counter must be available within one billing cycle. The only exception to this rule is "subscriptions".

Vendors may split shipments when either all items will arrive within one billing cycle

Or if the vendor will not invoice until all items have been shipped.

## I.M.P.A.C. Purchase Process



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Here is the I.M.P.A.C. Purchase Process.

First you must have a requirement to purchase.

Can the purchase be made with the card. Is it an authorized purchase.

If so, are funds available?

Accomplish screening and coordination. For example if it is a communications equipment coordinate through the communications squadron.

Is the item available from a mandatory source - activity inventories, FPI, NIB/NISH or wholesale supply sources.

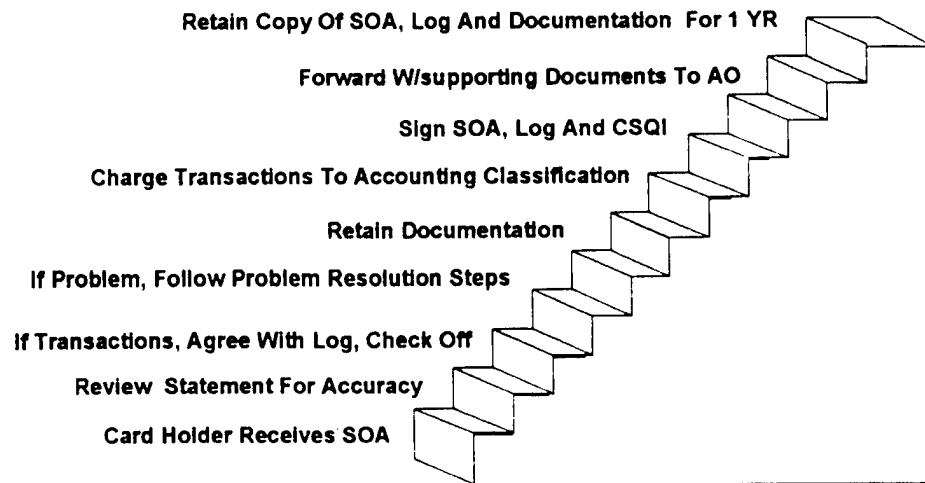
Next contact the vendor and obtain quote.

Is the price fair and reasonable? If so, purchase item. If not contact another vendor to obtain another quote.

Don't forget to document the purchase and get a receipt for your records.

Use your documentation for Monthly reconciliation with the statement of account.

# Reconciliation Procedures



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Each month the Cardholder must reconcile the Statement of Account (SOA) distributed by the credit card company. The SOA itemizes each transaction posted to your account during the past billing cycle. Upon receipt of the SOA:

- Review the entire statement for accuracy, comparing each transaction on the SOA with those recorded on the log
- If the transaction amounts agree and the item(s) have been received or services have been performed, check off the transaction on the SOA
- If there is a problem with any of the transactions on the SOA, such as non-receipt of item or incorrect charge, be sure to follow the problem resolution process.
- Retain documentation in accordance with section 5 of the I.M.P.A.C. Internal Procedures Guide.
- Charge transactions to the default accounting classification which is printed at the top of the SOA. DFAS will initially charge payments to the line of accounting cited on the funding document.
- Sign the original SOA, log, and Cardholder Statement of Questioned Item (CSQI).
- And forward along with all supporting documentation to the AO within three work days. If no transaction documentation is available to send with the statement, attach an explanation that includes a description of the item, date of purchase, merchant's name, and the reason why there is no supporting documentation
- Retain a copy of each month's SOA, log, and supporting documentation (receipts, invoices, etc.) for one year.

## Problem Resolution

- Cardholder Should Resolve With Vendor



- Without Resolution, CSQI To Bank (60 Days)

- Selected Situations, CSQI Immediately To Bank



- Review "Status Of Disputed Transactions"



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In most cases the Cardholder should accomplish SOA problem resolution working directly with the vendor.

In situations where the Cardholder and vendor can not resolve a problem, a CSQI must be submitted to the credit card company within 60 days.

In selected situations, it may be necessary to submit a CSQI immediately.

Cardholders are required to verify receipt and acceptance of all purchases appearing on their monthly statement of account. Cardholders are also required to submit a Cardholders Statement of Questioned Item (CSQI) for any item appearing on the statement that is erroneous or for which receipt and acceptance cannot be certified. The following procedures apply for submission of CSQIs and for the resolution of all disputes.

## **Problem Resolution (Continued)**

### **● CSQI Procedures**

- Unauthorized Or Erroneous Charges**
- Non-receipt Of Item**
- Disputed Charges Must Be Resolved Between The Card Holder, Vendor And Credit Card Co.**
- Accounting Adjustments**
- Disapproved Disputes**



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The following procedures apply for submission of card holder statement of questioned item

- Any item appearing on the statement that is unauthorized or erroneous charge must be immediately disputed with the credit card company. The card holder disputes the charge by submission of the CSQI to the credit card company.
- Charges for authorized purchases appearing on the monthly statement for an item that has not been received will not be immediately disputed. The card holder must contact the vendor to resolve non-receipt of the item. If the item is still not received 45 days after the date of receipt of the monthly statement, the cardholder will submit a CSQI to the credit card company to dispute the charge. The CSQI must be received by the credit card company not later than 60 days after the card holder received the statement on which the charge appeared.
- All disputed items must be resolved between the cardholder, the vendor, and credit card company. Disputed charges will be verified by the credit card company and if the dispute is valid, the credit card company will issue a credit to the cardholder's account. Credits for approved disputes will be issued as a credit against the current month's bill for the cardholder. The credit will be processed as a reduction of current month charges.
- Accounting adjustments are not required for credits received in the same fiscal year as the original charge. If the credit is received after the end of the fiscal year, the cardholder and approving official are responsible for preparation and submission of a Standard Form 1081, Voucher and Schedule of Withdrawals and Credits. The SF 1081 will be forwarded to the Financial Services Officer (FSO) for approval. The FSO will submit the 1081 to the paying office for processing the accounting adjustment between fiscal years. Note: This is the same procedures required for prior year charges appearing on a current year statement of account.
- The credit card company will notify the cardholder of disapproved disputes and there will not be any credit issued or accounting adjustments made for disapproved disputes.

## Problem Resolution (Continued)

### ● Examples Of Problems And The Correct Approach To Resolution

- Merchandise/service Not Received
- Merchandise Returned And Credit Not Received
- Unauthorized Order, Duplicate Processing, Alteration Of Amount Or Unrecognized Charge
- Sales Tax Or Transportation Costs
- Defective Items

### ● Card Reissue



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The following is a list of typical problems and suggested problem resolution methods:

- Merchandise/service not received: Contact vendor verify shipment or service furnished. Note in log. If after 45 days and upon receipt of the following month's SOA, the material/service is still not received, then submit CSQI.
- Merchandise returned and credit not received: Contact vendor to resolve. Note in log. If credit does not appear on next month's SOA, then submit CSQI.
- Unauthorized order, duplicate processing, alteration of amount, unrecognized charge: Contact vendor. If not resolved, send CSQI to the credit card company.
- Sales tax or transportation costs: Contact vendor for credit. No CSQI is permitted for these types of disputes. The AO account must pay charges if credit is not issued
- Defective items: Contact vendor for replacement. Handled as a billing error if not replaced by vendor.

The bank will provide each IPC with a Card Reissue Report at least three months prior to card expiration. It is the IPC's responsibility to review the bank's Card Reissue Report and, within 30 days of its receipt, advise the bank in writing of any card not to be reissued. Active Cardholders will receive new purchase cards every 24 months.

# Financial Management

• Financial Services Officer

• Funding Document

• Invoice Certification

• Fiscal Year Close-out Procedures



SEPTEMBER



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In the next few slides we will be discussing Financial Management. The areas that will be covered include:

- The financial services officer or FSO.
- The funding document.
- Invoice Certification.
- And Fiscal year close-out procedures.

# Financial Management

## • Financial Services Officer



- Financial Assistance & Training
- Certified Funding Document
- Assigning Master Account Codes
- Receiving & Maintaining Approving Official Statements
- Certification Of Payment Vouchers



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The FSO is responsible for providing financial assistance and training to cardholders and approving officials on funding, document maintenance, account reconciliation and certification procedures.

The FSO is also responsible for providing:

- A certified funding document for each account established.
- Assigning Master Account Codes.
- Receiving and maintaining approving official statements.
- And certification of payment vouchers.

| Exhibit 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |              |                                                                                                                                                                                                                             |                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| GOVERNMENT PURCHASE CARD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |              |                                                                                                                                                                                                                             |                              |
| FUND CITE AUTHORIZATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |              |                                                                                                                                                                                                                             |                              |
| DOCUMENT NUMBER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | DATE ISSUED  | CHARGE #                                                                                                                                                                                                                    | EXPIRATION DATE - MASTER ACC |
| <p><b>INSTRUCTIONS TO APPROVING OFFICIAL</b></p> <p>This form is to be used by the Approving Official (AO) to request authority to expend funds for Government Purchase Card.</p> <p>This funding document is issued to establish a Master Account Code assigned to the accounting classification cited below. This document also supports the reservation of funds when applicable.</p> <p>An amount equal to 1/3, 1/2, or the remaining balance of the quarterly amount will be obligated during the month that this change is effect. The accounting classification below will be charged for all authorized purchases made by approved card.</p> <p>Cardholders are required to maintain a transaction log with a running balance of available funds.</p> <p>Cardholders must not expend funds after the expiration date shown below even if an available balance remains.</p> <p>If cumulative expenditures exceed the commitment amount shown below, the cardholder and Approving Official can cause AFM 117.10 (DPAS DE 7200.1 R) and may be held accountable and be subject to disciplinary action.</p> <p>A separate funding document and Purchase Card account must be established for purchases to be charged to a different.</p> <p>Failure to certify and promptly submit the Approving Official's Monthly Summary Statement will result in the withdrawal of funds.</p> <p>Return this document to the Financial Services Office (FSO) upon expiration.</p> |              |                                                                                                                                                                                                                             |                              |
| Requesting Official Office Symbol/Phone Number                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |              |                                                                                                                                                                                                                             |                              |
| Approving Official Office Symbol/Phone Number                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |              |                                                                                                                                                                                                                             |                              |
| PRIOR QUARTERLY AMOUNT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | INCREASE (+) | DECREASE (-)                                                                                                                                                                                                                | NEW QUARTERLY AMOUNT         |
| ACCOUNTING CLASSIFICATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |              |                                                                                                                                                                                                                             |                              |
| <p><b>FUND CERTIFYING OFFICIAL'S STATEMENT</b></p> <p>I certify that the new quarterly amount above will be available on the card for all authorized purchases otherwise advised before that date.</p> <p>Signature:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |              | <p><b>APPROVING OFFICIAL'S STATEMENT</b></p> <p>I certify that I will not approve an IMPAC purchase that will be charged to the card for all authorized purchases otherwise advised before that date.</p> <p>Signature:</p> |                              |
| <p>TYPED NAME, ADDRESS, AND TELEPHONE NUMBER OF FINANCIAL SERVICES OFFICER OR ASSISTANT</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |              | <p>TYPED NAME, ADDRESS, AND TELEPHONE NUMBER OF OFFICIAL</p>                                                                                                                                                                |                              |

## AF Form 4009, Funding Document

The Air Force Form 4009 is the Government Purchase Card funding document. The AF 4009 is to be used to designate accounting classification to be charged at the time of payment and will contain the Master Account Number, Document Number, Accounting Classification, and other pertinent financial information.

# Master Account Structure

POSITIONS 1-2

IAPS SITE CODE, I.E., 20

POSITIONS 3-6

LOCALLY ASSIGNED, E.G. A123

SAMPLE: 20A123

---

## DOCUMENT NUMBER STRUCTURE

POSITIONS 1-2

FISCAL YEAR, I.E., 97

POSITIONS 3-8

MASTER ACCOUNT CODE AS ABOVE



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•A Master accounting code is assigned for each funding document issued to an approval official. An approving official may have multiple funding documents if different accounting classification are required. Each funding document issued must be assigned a different master account code. The master account code assigned remains active on the account for the life of the account and will be carried forward on each fiscal year's funding document.

### •Master Account Code Structure:

Positions 1-2 are the installations Integrated Accounts Payable System (IAPS) Site Code. i.e., (20).

Positions 3-6 are sequentially assigned alpha/numeric numbers.

Example: 20A123.

Also included on the funding document is the document number (eight alpha/numeric characters) assigned to control each funding document. The document number includes the six character Master Account Code, preceded by the two position fiscal year.

### Document Number Structure:

Positions 1-2 equal current fiscal year. i.e., (97).

Positions 3-8 equal the Master Account Code above.

Example: 9720A123

# Invoice Certification

**Retain Documentation For 6 Years And 3 Months**

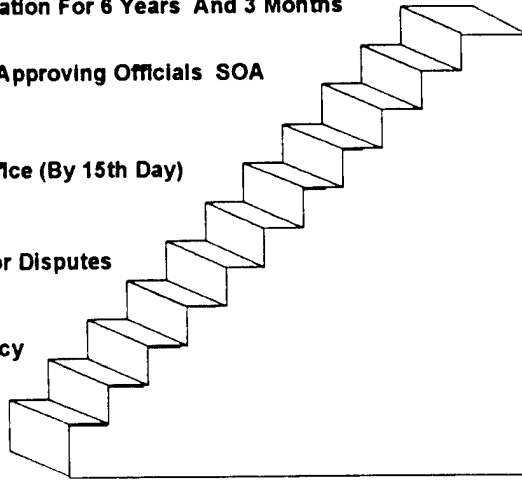
**FSO Will Not Reconcile Approving Officials SOA**

**FSO Submits Invoice To Paying Office (By 15th Day)**

**Pay And Confirm -Do Not Adjust For Disputes**

**FSO Verifies Funding Sufficiency**

**FSO Receives Invoice - Date Stamps**



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Purchase card invoices will be paid using "Pay and Confirm" procedures. The FSO will certify the invoices for payment prior to receipt of the confirmation statements from the approving officials. The Approving Official's statement will be forwarded to the FSO for after-the-fact verification that items were received.

The invoice certification steps are:

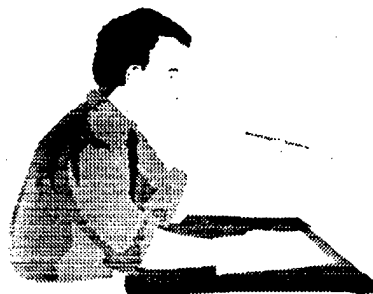
- The FSO is the office designated to receive the invoice for the purchase card program. The official invoice must be stamped with the date received in the FSO.
- Upon receipt of the official invoice, the FSO will verify that the amount remaining on each funding document is sufficient to cover the total amount of the invoice.
- If the Master Account Code is not shown in the Accounting Code line on the invoice, the FSO will annotate the applicable funding document numbers for each account on the invoice and certify the invoice for payment on a "pay and confirm" basis.
- All invoices must be certified for payment and submitted to arrive at the paying office not later than 15 days after receipt of the invoice in the FSO.
- The FSO will not reconcile approving official certified SOAs to invoices paid prior to certifying the invoice for payment. Cardholders and approving officials will verify the statements and work any irregularities through the disputes process. **DO NOT ADJUST INVOICE FOR DISPUTED ITEMS!**
- The FSO will retain a copy of the certified invoices. Upon receipt, the FSO will attach the Approving Official's certified Statement of Account to the retained invoice copy and maintain the certified invoice and SOA for six years and three months.

## **Fiscal Year Close-out**

- **Funding Documents Cite Last Day Of Fiscal Year**
- **FSO, Budget Office, AO Validate Balance As Of 25 Sep**
- **Paying Office Records Calls NLT 26 Sep**
- **Sep Call Funds All Sep Purchases And All Current Fiscal Year Purchases**



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Funding documents issued during the year will be issued with an expiration date of the last day of the fiscal year (September 30, 199X). This will allow continued use of the card with full funding at all times.

The FSO, Budget Office, and the Approving Official will validate funding document's remaining balances by September 25 of each year. As soon as an end-of-year balance can be validated, the FSO will adjust the funding document balance to reflect the validated balance and notify the paying office to record the September call.

Not later than September 26 of each year, the paying office will begin recording September calls (Miscellaneous Obligation Reimbursement Documents (MORDs) against the funding document balances. All calls for September must be recorded prior to the last IAPS update.

The September call will be used to fund September purchases and all purchases made during the fiscal year that have not been billed or have not been paid prior to end of the fiscal year, including unresolved disputes. The approving official will prepare a Journal Voucher to transfer charges to the appropriate fiscal year. All prior year charges will be charged to the funds on the September call.

## **Payment Office Procedures**

- **Invoices Paid By DAO, OPLOC, Or RAFO**
- **Monthly Obligation Call**
- **Commitment Adjusted For Obligation**
- **Obligation Adjusted For Invoice**



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All payments for I.M.P.A.C. invoices will be made by the Defense Accounting Offices (DAO), Operating Locations (OPLOC), or Regional Accounting and Finance Offices (RAFO).

A monthly obligation will be recorded for each account as a call against the funding document for each account. The obligation amount will be based upon which month of the quarter, (first month equals 1/3, second month equals 1/2, and the third month equals remaining commitment balance) the obligation is recorded.

The commitment amount on the funding document will be reduced by the amount of the obligation.

Adjustments to obligation amounts will also be made at time of receipt of the invoice. Obligated amounts in excess of the invoice gross amount will be deobligated and added back to the available commitment balance.

## Recording The Call

- By Last Business Day, Paying Office Records A Call Against Each Funding Document According To The Following Schedule:

- 1st MONTH OBLIGATION =  $1/3$  OF COMMITMENT
- 2nd MONTH OBLIGATION =  $1/2$  OF COMMITMENT
- 3rd MONTH OBLIGATION = REMAINING BALANCE



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Between the 15<sup>th</sup> day of each month and the last business day of each month, the paying office will record a call against each funding document. The call will record an estimated obligation for current month purchases against the account. Call amounts will vary based on the month of the quarter for which the estimated obligation is being recorded.

## **Payment Of Invoices**

- **Invoices Paid Upon Receipt In FSO**
- **Interest Penalties**
- **Single Line Of Accounting**
- **Cost Distribution**



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Payment offices will schedule payment in accordance with the Prompt Payment Act to be made as close as possible, but not earlier than the 23<sup>rd</sup> day after receipt or preparation of the invoice by the FSO. The 23<sup>rd</sup> day window is authorized to maximize the rebate which is based on file turn time. Early payment reporting is not required for payments made between the 23<sup>rd</sup> and the 30<sup>th</sup> day. Payments made after the 30<sup>th</sup> (Net 30 due date) are subject to interest penalty.

All interest penalties due for an I.M.P.A.C. payment will be charged to the funds supporting the operations of the site being supported. Interest penalty charges will not be posted against the funding document for the account. Additional certification is not required for the interest penalty payment.

All payments for I.M.P.A.C. purchases will be made citing the line of accounting or each funding document. The Master Account Code referenced in the Accounting Code field on the invoice will be used to reference the AF 4009 that contains the accounting data (single line of accounting) charged.

Routine I.M.P.A.C. purchases should be charged to a single line of accounting without further cost distribution by journal voucher(s). Cost distribution is authorized for unusual situations such as, collection of costs by ESP codes, appropriated fund support for morale, welfare and recreation, etc., in lieu of establishing additional funding documents and cards, and to transfer charges to the correct fiscal year funding document based on the date of purchase.

To provide cost distribution, the approving official will prepare a Journal Voucher or SF 1081 showing full accounting classifications to be credited and debited. The credit and debit amounts must be equal. Accounting detail should be kept to a minimum necessary for management purposes, and all distributions will be made at Program Summary Record (PSR) level. This cost distribution process cannot be used to distribute costs to other organizations unless a reimbursement program has been established for this purpose.

## Summary



- **Definitions**
- **Individual Functional Responsibilities**
- **Training, Surveillance, And Problem Resolution**
- **Funding Process**
- **Invoice Certification**
- **DFAS Payment Procedures**



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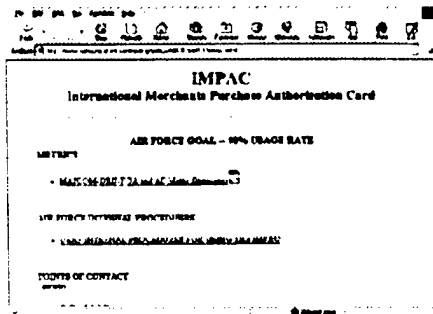
In this module we have reviewed:

- Individual Functional Responsibilities.
- Training, surveillance, and problem resolution.
- Funding procedures.
- Invoice certification.
- And DFAS payment procedures.

## Summary

### ● Section 5 Of I.M.P.A.C. Internal Procedures Guide

*Click Picture for  
the I.M.P.A.C. Internal Procedures Guide*



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*Or next slide to continue* →

Section 5 of the I.M.P.A.C. Internal Procedures Guide contains the specific duties and responsibilities of all personnel involved in the I.M.P.A.C. program. In the event that there is a conflict between the Air Force I.M.P.A.C. procedures and the instructions provided by credit card company, the Air Force I.M.P.A.C. procedures take precedence. The terms and conditions of the contract between GSA and the credit card company take precedence over any other procedures.

Click this picture to view the I.M.P.A.C. Internal Procedures Guide on the web (<http://www.safaq.hq.af.mil/contracting/policy/AQCO/part13/impac.shtml>) or click next slide to continue.

To return to this module after completing your review of this site go to file and then close.

## Module 2 Quiz

**Click here to begin Module 2 Quiz  
(Quiz may take a few minutes to load.  
Enable macros to run the quiz if asked.)**

*Or next slide to continue* →



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Click this button to begin Module 2 Quiz. There will be 15 questions and will take you approximately 15 minutes to complete the quiz.



**Comments?  
E-Mail Us!**

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*Click This Icon  
To E-mail Us!*



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Thank you for viewing module 2 of I.M.P.A.C. Cardholder Training. We at the Air Force Logistics Management Agency would love to hear from you. Please e-mail us any comments (<http://www.il.hq.af.mil/aflma/lgc/lgc poc.html>)! We're always trying to provide solutions today for a better tomorrow's logistics.

# UNITED STATES AIR FORCE I.M.P.A.C. CARDHOLDER TRAINING



## Module 3

### I.M.P.A.C. PROCESSES & PRACTICAL APPLICATIONS

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Welcome to I.M.P.A.C. Cardholder Training, a product provided by the Contracting team at the Air Force Logistics Management Agency.

This module will encompass I.M.P.A.C. processes and provide you with practical applications for using I.M.P.A.C.

Some of the slides in this presentation have links to a variety of web sites. Connection to these sites is dependent upon having connection to the Internet and the traffic on your server. If you are unable to connect during the presentation the web site addresses are listed in the presentation notes for visiting at a later time.

## Module Three Topics



- Definitions
- Steps Required  
Before Card Is Issued
- I.M.P.A.C. Processes
- Regulatory Requirements And  
Program Policies
- Lessons Learned
- Quick Reminders
- Sources For Assistance



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The major topics of this module are:

- . Definitions.
- . Steps needed before the card can be issued.
- . I.M.P.A.C. Processes.
- . Regulatory Requirements and I.M.P.A.C. Program Policies.
- . Lessons Learned.
- . Quick Reminders.
- . Sources For Assistance.

## Definitions



- **Merchant Type Code**
- **Operating Location (OPLOC)**
- **Regional Accounting And Finance Office (RAFO)**
- **Statement Of Account (SOA)**



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**Merchant Type Code:** The credit card company categorizes each merchant according to the type of business in which the merchant is engaged, and the kinds of goods and services provided. The credit card company then assigns each merchant a corresponding merchant type code. These codes are used as an authorized activity type code on an individual's card to flag those merchants that are unauthorized for that cardholder. The codes assigned to cardholders shall be tailored to reflect their duties and the mission of their organization. The merchant type codes are encrypted on the magnetic strip of the card.

**Operating Location (OPLOC):** One of the Defense Finance and Accounting Service consolidated operating locations which provide accounting and paying services to DoD activities.

**Regional Accounting and Finance Office (RAFO):** USAFE and PACAF consolidated operating locations for providing accounting and finance services to their installations. The functions of local installation accounting and finance offices were transferred to these regional centers.

**Statement of Account (SOA):** The SOA is a monthly listing of all purchases made by the cardholder and all credits authorized.

## Steps For I.M.P.A.C. Before Card Can Be Issued



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We'll now cover the steps required before an I.M.P.A.C. card can be issued.

1. Provide written justification identifying a recurring need to purchase over-the-counter supplies or non-personal services. A description of the types of purchases to be made with the I.M.P.A.C. shall also be provided. This is needed to help in establishing the merchant type codes.
2. Identify the proposed cardholder(s) and approving official and alternate approving official. Include name, rank/grade, duty title, telephone number, office symbol and work mailing address (street address and zip code).
3. Identify the proposed cardholder's single purchase limit which can be in \$100 increments up to \$2500.
4. Identify the cardholder's monthly purchase limit. (Must be at least the same as the single purchase limit.)
5. Identify the monthly office limit. This should be the sum of all cardholder monthly limits or based on budgetary limits established by the approving official. (The funding document must have sufficient funds to cover this amount for each month covered by the funding document.)
6. Initiate the funding document, an AF Form 4009, Government Fund Cite Authorization, and forward it through the Finance Office and provide a copy of the funded/certified document to the IPC.
7. Schedule training for the cardholders and approving officials with the servicing contracting office (SCO).
8. Upon completion of training, receipt of copy of funding document and letter of request from the approving official or commander, the accounts will be established through the IPC.

## **Funding Process**

- **AO Initiates Request For Funding Document**
- **Coordination With IPC/FSO On Correct Merchant Activity Type Code**
- **FSO Will Provide Training On:**
  - **Funding Document Maintenance**
  - **Account Reconciliation**
  - **Certification Procedures**
  - **Appropriate Use Of Funds Provided**
- **Funds May Be Issued On A Quarterly Or Yearly Basis**



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The funding process begins with the approval official initiating the request for a funding document, an AF Form 4009.

Coordination with the FSO and IPC is necessary to ensure the correct merchant type code is used and proper funds are allocated for the I.M.P.A.C. charges.

The FSO is responsible for providing financial assistance and training on:

Funding Document Maintenance.

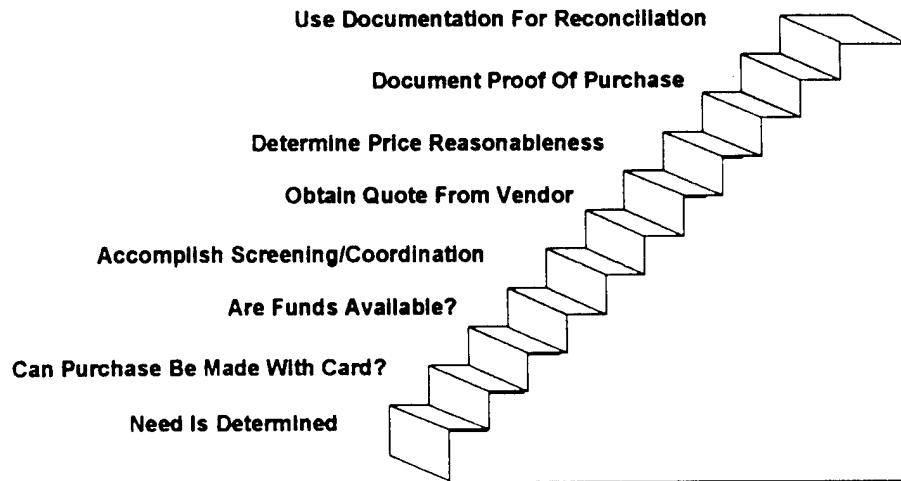
Account reconciliation.

Certification Procedures.

Appropriate use of funds.

The funding document may be issued on a quarterly or yearly basis.

## I.M.P.A.C. Purchase Process



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Here is the I.M.P.A.C. Purchase Process.

First you must have a requirement to purchase.

Can the purchase be made with the card. Is it an authorized purchase.

If so, are funds available?

Accomplish screening and coordination. For example, if it is a communications equipment coordinate through the communications squadron.

Is the item available from a mandatory source - activity inventories, FPI, NIB/NISH or wholesale supply sources.

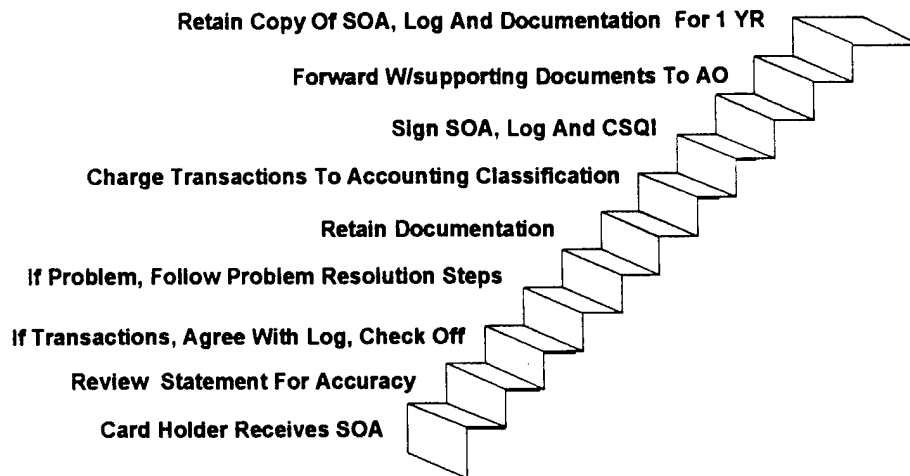
Next contact the vendor and obtain quote.

Is the price fair and reasonable? If so, purchase item. If not contact another vendor to obtain another quote.

Don't forget to document the purchase and get a receipt for your records.

Use your documentation for Monthly reconciliation with the statement of account.

# Reconciliation Procedures



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Each month the Cardholder must reconcile the Statement of Account (SOA) distributed by the credit card company. The SOA itemizes each transaction posted to your account during the past billing cycle. Upon receipt of the SOA:

- Review the entire statement for accuracy, comparing each transaction on the SOA with those recorded on the log
- If the transaction amounts agree and the item(s) have been received or services have been performed, check off the transaction on the SOA
- If there is a problem with any of the transactions on the SOA, such as non-receipt of item or incorrect charge, be sure to follow the problem resolution process.
- Retain documentation in accordance with section 5 of the I.M.P.A.C. Internal Procedures Guide.
- Charge transactions to the default accounting classification which is printed at the top of the SOA. DFAS will initially charge payments to the line of accounting cited on the funding document.
- Sign the original SOA, log, and Cardholder Statement of Questioned Item (CSQI).
- And forward along with all supporting documentation to the AO within three work days. If no transaction documentation is available to send with the statement, attach an explanation that includes a description of the item, date of purchase, merchant's name, and the reason why there is no supporting documentation
- Retain a copy of each month's SOA, log, and supporting documentation (receipts, invoices, etc.) for one year.

# Problem Resolution Process

## ● CSQI Procedures

- Unauthorized Or Erroneous Charges
- Non-receipt Of Item
- Disputed Charges Must Be Resolved Between The Card Holder, Vendor And Credit Card Co.
- Accounting Adjustments
- Disapproved Disputes



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The following procedures apply for submission of card holder statement of questioned item

- Any item appearing on the statement that is unauthorized or erroneous charge must be immediately disputed with the credit card company. The card holder disputes the charge by submission of the CSQI to the credit card company.
- Charges for authorized purchases appearing on the monthly statement for an item that has not been received will not be immediately disputed. The card holder must contact the vendor to resolve non-receipt of the item. If the item is still not received 45 days after the date of receipt of the monthly statement, the cardholder will submit a CSQI to the credit card company to dispute the charge. The CSQI must be received by the credit card company not later than 60 days after the card holder received the statement on which the charge appeared.
- All disputed items must be resolved between the cardholder, the vendor, and credit card company. Disputed charges will be verified by the credit card company and if the dispute is valid, the credit card company will issue a credit to the cardholder's account. Credits for approved disputes will be issued as a credit against the current month's bill for the cardholder. The credit will be processed as a reduction of current month charges.
- Accounting adjustments are not required for credits received in the same fiscal year as the original charge. If the credit is received after the end of the fiscal year, the cardholder and approving official are responsible for preparation and submission of a Standard Form 1081, Voucher and Schedule of Withdrawals and Credits. The SF 1081 will be forwarded to the Financial Services Officer (FSO) for approval. The FSO will submit the 1081 to the paying office for processing the accounting adjustment between fiscal years. Note: This is the same procedures required for prior year charges appearing on a current year statement of account.
- The credit card company will notify the cardholder of disapproved disputes and there will not be any credit issued or accounting adjustments made for disapproved disputes.

# **Regulatory Requirements & Program Policies**

- **Limits**
- **Competition**
- **Rotation Of Sources**
- **Government Tax Exempt**
- **Purchases From Government Employees**



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## **REGULATORY REQUIREMENTS & PROGRAM POLICIES**

We will now go over some regulatory requirements and I.M.P.A.C. program policies. We will be covering

Limits.

Competition.

Rotation of Sources.

Tax Exemption.

Purchases from Government Employees.

# **Regulatory Requirements & Program Policies**

- **Backordering**
- **Delivery Times**
- **Rebates**
- **Processing Equipment Requirements**
- **Contingency/Exercise Operations**



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## **REGULATORY REQUIREMENTS & PROGRAM POLICIES**

Backordering.

Delivery Times.

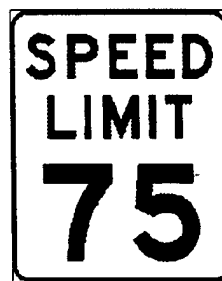
Manufacture or Supplier Rebates.

Processing Equipment Requirements.

And Contingency or Exercise Operations.

## Limits

- Single Purchase Limit
- Monthly Cardholder Limit
- Monthly Office Limit



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### I.M.P.A.C. LIMITS

As for the Single Purchase Limit no single or one time commercial purchase shall exceed \$2,500; unless, the cardholder has been authorized to purchase off of Blanket Purchase Agreements, IDIQ, or pre-priced contracts the single purchase limit may go up to \$25,000.00.

Monthly Cardholder Limit is otherwise known as the credit card limit; this is the limit imposed by the approving official on a cardholder's total purchases in a given month.

Monthly Office Limit is a budgetary limit established by the approving official of the unit; it shall equal the sum of all of the organizational cardholders' monthly purchase limits.

# Competition



## Micro-purchases - FAR 13.106-1 (A)(2)& (3)

- May be awarded without soliciting competitive quotes if price is considered reasonable.
- When to verify price reasonableness

## Purchases Above the Micro-purchase Threshold

- Obtain competition
- Reserved exclusively for small businesses and the Buy American Act Applies



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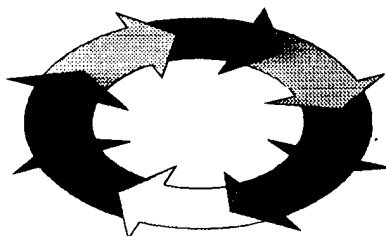
According to the Federal Acquisition Regulation (FAR) Part 13 micro-purchases may be made without competition if the cardholder considers the price fair and reasonable. **FAR 13.106 (2) &(3)**

The administrative cost of verifying the reasonableness of the price for purchases at or below the micro-purchase threshold may more than offset potential savings from detecting instances of overpricing. Therefore, action to verify price reasonableness need only be taken if cardholder suspects or has information to indicate that the price may not be reasonable for example a comparison to the previous price paid or personal knowledge of the supply or service. Or if you are purchasing a supply or service for which no comparable pricing information is readily available you will want go ahead and get competition to determine price reasonableness.

Purchases Above Micro-purchase threshold require competition. Generally, three sources are sufficient to promote competition. If you are using the optional federal supply schedules you'll have to review at least 3 price list in accordance with FAR Part 8 before making a purchase over 2,500.00. Annotate all quotes received and keep this information with the purchase documentation.

Purchases above the micro-purchase threshold are set aside for small businesses and are subject to the Buy American Act.

## Rotation Of Sources



- **FAR Requirement 13.106**
- **Avoids Appearance Of Favoritism**



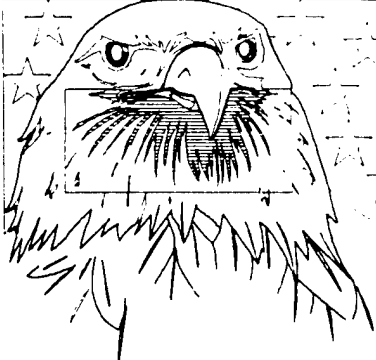
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The policy for rotation of sources is set forth in FAR Part 13.106. To the extent possible cardholders should rotate sources among different vendors as long as the price is fair and reasonable.

By rotating sources you are avoiding the appearance of favoritism to any one vendor.

Reference: FAR 13.106-1 (a) -(1) To the extent practicable, micro-purchases shall be distributed equitably among qualified suppliers



## Government Tax Exempt

- **Notify Vendor Of Tax Exempt Status**
- **If Merchant Questions Status Or Asks For The Tax Exempt Number, Notify IPC For Assistance**
- **Verify No Sales Tax Was Included**


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When making a purchase advise the merchant that the purchase is not subject to state or local sales tax. (A notice of tax exemption also appears on the purchase card).

If a merchant questions the tax exempt status, notify the IPC who has the tax exempt number and may be able to answer any questions the vendor has on the tax exempt status.

When making an I.M.P.A.C. purchase verify the dollar amount of the purchase is correct and no sales tax has been included.

• **Reference: FAR 29.302 Application of State and local taxes to the Government. (a)**

Generally, purchases and leases made by the Federal Government are immune from State and local taxation. Whether any specific purchase or lease is immune, however, is a legal question requiring advice and assistance of the agency-designated counsel.

(b) When it is economically feasible to do so, executive agencies shall take maximum advantage of all exemptions from State and local taxation that may be available. If appropriate, the contracting officer shall provide a Standard Form 1094, U.S. Tax Exemption Form (see Part 53), or other evidence listed in 29.305(a) to establish that the purchase is being made by the Government.

## **Contracts With Government Employees**



- **Do Not Knowingly Purchase From Government Employees**
- **Far 3.601 - Contracts With Government Employees Or Organizations Owned Or Controlled By Them**



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**Cardholders cannot knowingly purchase from small business concerns owned or controlled by government employees.**

This policy is set forth in the Federal Acquisition Regulation Part 3. It is intended to avoid any conflict of interest that might arise between the employees' interests and their Government duties, and to avoid the appearance of favoritism or preferential treatment by the Government toward its employees.

Note that there are few exceptions to this policy such as special government employees performing services as experts, advisors or consultants. Or if the head of the agency has a compelling reason to authorize such a purchase. If you need further clarification on the exceptions contact you IPC.

**REFERENCE: 3.601 Policy.**

# Backordering



## ✓ Over-the-counter

- ✓ **Must Be Shipped Within Same Billing Cycle In Which They Were Ordered**
- ✓ **If Not, Vendor Is Willing Not To Bill The Bank Until Items Are Shipped**

## ✓ Telephone Purchases

- ✓ **Must Be Delivered By Merchant Within 30- Day Billing Cycle**
- ✓ **If Not, Vendor Is Willing Not To Bill Bank Until Items Are Shipped**



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All items purchased over-the-counter must be available within one billing cycle. The item must be received or the service completed before the item appears on a statement of account. (Except when I.M.P.A.C. is used to pay for delivery of subscriptions, e.g., magazines, periodicals, etc.). Orders will not be made using I.M.P.A.C. when vendors are unable to ship the total quantity of the purchase in the same shipment unless:

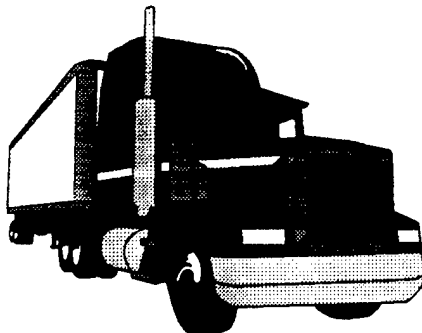
- (1) all items purchased will be shipped within the same billing cycle in which they were ordered; and
- (2) all items purchased will not be shipped within the same billing cycle, but the vendor is willing to not bill the bank until all items are shipped.

## Telephone Purchases

All items purchased by telephone and paid for using the I.M.P.A.C. must be delivered by the merchant within the 30-day billing cycle. The order shall not be placed without this assurance.

If an item is not available immediately, back ordering is allowed only if the vendor is willing to not bill the bank until all items are shipped.

## Delivery



● FREE ON BOARD (FOB) DESTINATION



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- Ensure that the price includes delivery at free on board (f.o.b.) destination. All transportation costs shall be included in the purchase price for I.M.P.A.C. transaction.

## Recovered Materials

- **Resource Conservation And Recovery Act And Solid Waste Disposal Act**

- **List Of Items Available From CEV**

- Paper And Paper Products
- Construction And Transportation Products
- Park And Recreation Products
- Landscaping Products & Non-paper Office Products



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The Resource Conservation and Recovery Act and Solid Waste Disposal Act require agencies to use recovered materials for EPA designated items to the maximum extent possible without jeopardizing the intended use of the item.

A list of EPA Guideline Items can be requested from the Environmental Management function at the base (CEV). Items include paper and paper products, vehicular products, construction and transportation products, park and recreation products, landscaping products and non-paper office products.

Items include:

- Paper and paper products.
- Constructions and transportation products.
- Park and recreation products.
- Landscaping and non-paper office products.

## Recovered Materials



- **Buying Item Which Do Not Meet EPA Recovered Material Standards Must Be Approved**
  - **Not Available Within A Reasonable Period Of Time**
  - **Unreasonable Price**
  - **Not Available From Sufficient Number Of Sources**
  - **Fail To Meet Performance Standards Of Specifications**
- **An Annual Blanket Determination May Be Approved**



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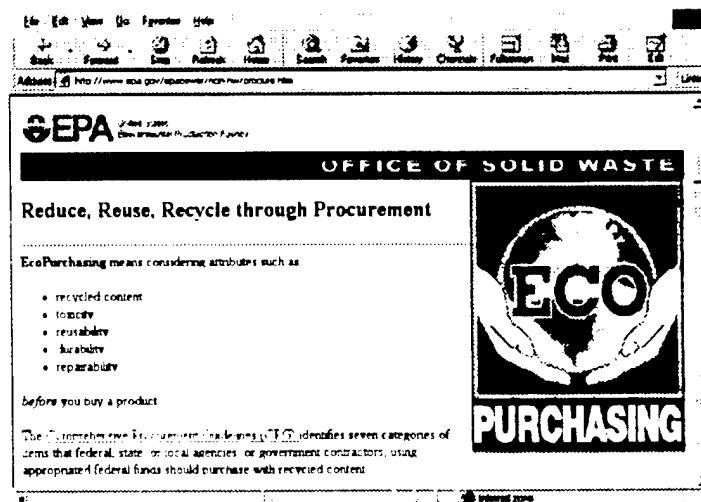
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Acquisition of EPA designated items which do not meet the EPA minimum recovered material standards must be approved by the cardholder's squadron commander or equivalent. A written determination based upon one of the following reasons must be maintained by the cardholder organization:

- Items containing EPA recommended recovered content standards are not available within a reasonable period of time.
- Items are only available at an unreasonable price.
- Items are not available from a sufficient number of sources to maintain a satisfactory level of competition.
- Items based upon technical verification fail to meet performance standards of specifications.

An annual blanket determination may be approved and maintained by the cardholders' organization for repetitive purchases of the same item.

## Recovered Materials



*Click on picture for EPA WEB SITE*



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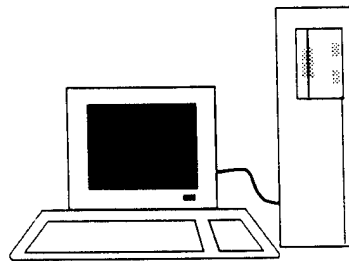
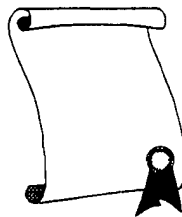
Visit this EPA site to get information on the Comprehensive Procurement Guidelines (CPG) which identifies the seven categories of recovered items that federal agencies using appropriated federal funds should purchase with recycled content.

Also on this site EPA has compiled lists of manufacturers and suppliers of products containing recovered materials.

To visit this site click on the picture (<http://www.epa.gov/epaoswer/non-hw/procure.htm>) or click on the next slide text to continue. Remember, to return to this module after completing your review of the site go to file and then close.

## Processing Equipment Requirements

- Automated Data Processing Equipment (ADPE)
- Fund Code 9 Equipment
- Preventative Maintenance Agreement (PMAs) and Warranties



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We will now cover processing equipment requirements.

The Communication Squadron or ADPE Custodian assists users to identify ADPE needs. They also develop, obtain, and implement technical solutions for user requirements. They are responsible for the ADPE base inventory. So, it is important to keep them informed of the ADPE purchased so that it is added to the base inventory.

I.M.P.A.C. purchases of non-expendable budget code 9 equipment and supplies must be coordinated with the organization's equipment monitor to ensure accountability records are established.

Before acquiring repair services, the cardholder will contact the base contracting contract repair office to verify that the repair is not already covered by an existing preventative maintenance agreement. The name of the person contacted in base contracting shall be entered on the I.M.P.A.C. purchase log. New equipment may also be covered under warranty and repairs may be performed under these warranties at no cost to the AF. Consult the organizational equipment custodian to ensure warranties are enforced.

## Contingency/Exercise Operations

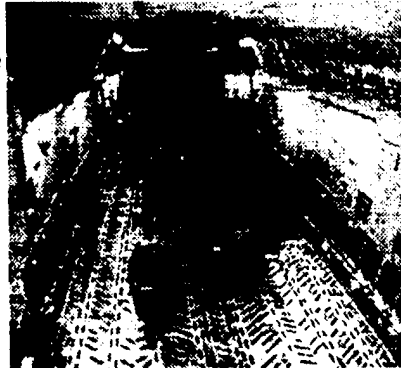
### ✓ Cardholders May Continue To Use Their Cards When Deployed

#### ✓ Short Duration And Unit Funds Will Be Used

#### ✓ AO Remains The Same

#### ✓ No Delays In Review And Verification Of Monthly Statement

#### ✓ MDD Funded Cards



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With the exception of the information contained in I.M.P.A.C. Procedures Guide Section 3.4, all other Air Force I.M.P.A.C. procedures apply to the use of the I.M.P.A.C. for contingency/exercise operations.

I.M.P.A.C. cardholders may continue to use their cards when deployed with their unit only for exercises of short duration when their unit's funding will be used. An example of a short duration exercise would be a Red Horse organization deploying for a two-week period and then returning to their home station.

And the approving official will remain the same person.

Also, cardholders and approving officials must ensure there are no delays in review and verification of the monthly statement provided by the credit card company.

Medical Dental Division (MDD) funded cards for which purchases will be reissued through Mobile Medical Logistics Computer System MOMEDLOG may be used regardless of the duration of the deployment or exercise.

## Contingency/Exercise Operations

- **Coordinations Are Not Required If Not Collocated With Servicing Organization Except HAZMART And Weapon Systems Parts**
- **Prohibited Purchases Also Apply To Contingency Operations**



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Except for purchases of HAZMAT and weapon systems parts, the coordinations listed in Section 3.2 of the I.M.P.A.C. Internal procedures guide, are not required during contingency/exercise operations if the cardholder is not collocated with the controlling/servicing organization.

Unauthorized purchases listed in section 3.3 of the I.M.P.A.C. Internal Procedures guide also apply to contingency operations. With the exception of travel related purchases and printing or copying services.

## Rebates



- Take Advantage Of Any Rebates Offered
- Rebates Shall Be Payable To US Air Force
- Rebates In Cash Or Check Forward To The FSO
- Processed As Appropriation Refund To The AO's Organization - Credited To Applicable Funding Document



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Cardholders should take advantage of any Manufacturer/Retailer Rebates offered.

Manufacturer/retailer rebates shall be made payable or endorsed to the U.S. Air Force.

Rebates in the form of checks or cash should be forwarded to the FSO for deposit with Treasury.

Rebates will be Processed as an appropriation refund to the AO's organization and should be credited to the applicable funding document.

## Lessons Learned

- Ensure Merchant Accepts Card
- Unauthorized Purchase
- Splitting Requirements
- Document Purchase Log
- Ensure Funds
- Unauthorized Purchases
- Secure Card



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Subj: Lessons Learned

In one case the cardholder ordered portable toilets, intending to pay for their use with the I.M.P.A.C. card. Unfortunately (for the cardholder) he failed to ask the contractor if he accepted the purchase card for payment prior to the services being performed. The contractor didn't...and, as we all know, used toilets are not the sort of thing that can be returned for credit. The "lesson learned" is to be sure your vendor accepts the I.M.P.A.C. BEFORE accepting goods or services, especially if they are "non-returnable".

At one of the bases, there was a requirement of pepper mace to be issued to custodial workers who were working in a remote area. The cardholder got approval from the bio-environmental folks to buy it, and used the I.M.P.A.C. to make the purchase at the local K-MART automotive department. What the cardholder did not know was that pepper mace is classified as munitions (and is, therefore, a non-authorized purchase). The pepper mace was returned and a credit obtained.

At other bases recent surveillance and audits performed found a considerable amount of splitting requirements, poor documentation, non-availability of funds prior to purchase (Anti-deficiency Act violation), unauthorized purchases and other than the cardholder using the card. All mentioned deficiencies were objectionable but the violation of the Anti-deficiency Act and someone else besides the cardholder placing orders with the I.M.P.A.C. card are a grave reprehensible deficiency. The I.M.P.A.C. card should be removed immediately from the custody of these cardholders. Cardholders and approving officials need to understand I.M.P.A.C. guidelines to ensure they do not incur the same mistakes again. Certain abuses of the card privilege can not be tolerated.

## Quick Reminders

- Don't Split Requirements
- Maintain Purchase Log
- Do Not Permit Anyone To Use Your Card



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- You may not split (purchase one item and then a few hours later purchasing the **same** item at a different source) requirements to remain below \$2,500. If your requirements when combined exceed \$2,500, submit your purchase request to the Contracting Squadron.
- Each cardholder must maintain a purchase log to document card activity.
- DO NOT permit anyone to use your card.

## **Sources For Assistance**

- **Previous Viewed Sites**
- **Major Command I.M.P.A.C. Internet Sites**
- **SCO I.M.P.A.C. Internet Sites**

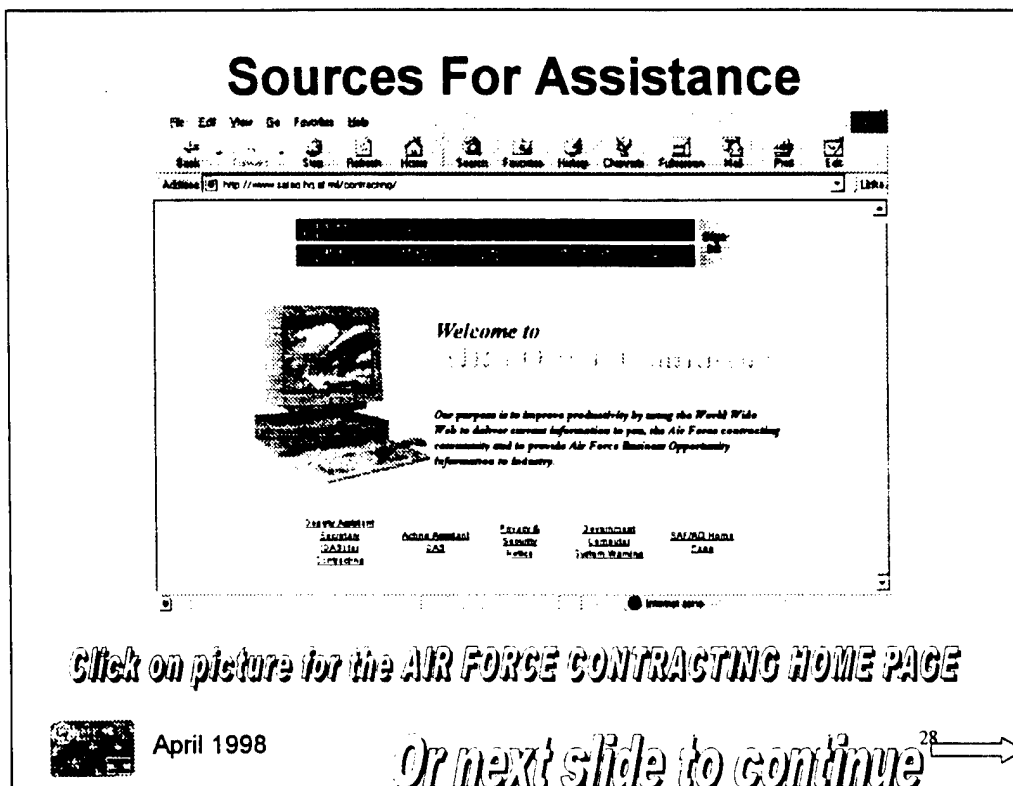


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We will now review some of the internet sites that provide information on the I.M.P.A.C. Program that were provided in the two previous modules.

In addition we will introduce you to some of the Major Command and Service Contracting Offices I.M.P.A.C. internet sites.



The Air Force Contracting Home Page provides links to assist you in your duties as a cardholder.

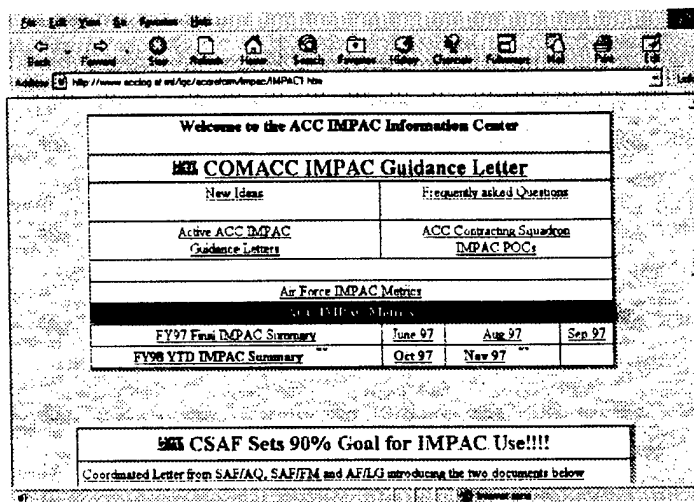
The contracting tool kit button has a link to the Air Force I.M.P.A.C. Web Site. You can find the AF I.M.P.A.C. Internal Procedures Guide there along with other valuable I.M.P.A.C. Program Information.

Also included on the Air Force Contracting Home Page is the catalog shopping button. This link takes you to sources for on-line shopping.

To visit any of these sites click on the picture (<http://www.safahq.af.mil/contracting/>) to visit the Air Force Contracting Home Page or click on the next slide text to continue.

To return to this module after completing your review of the site go to file and then close.

## Sources For Assistance



*Click on picture for HQ ACC I.M.P.A.C. WEB SITE*



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Some of the Major Commands have established Internet Sites to bring I.M.P.A.C. information to their bases.

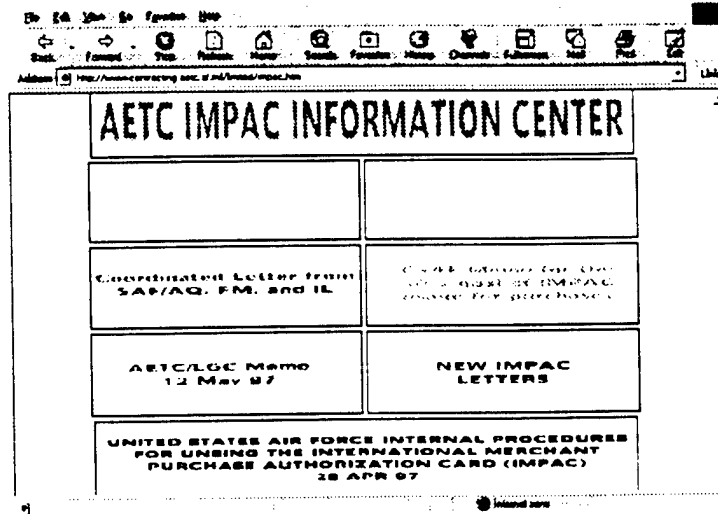
For example here is Air Combat Command's I.M.P.A.C. Information Center.

To visit this site click on the picture

(<http://www.acclog.af.mil/lgc/acqreform/I.M.P.A.C./I.M.P.A.C.1.htm>) or click on the next slide text to continue.

To return to this module after completing your review of the site go to file and then close.

## Sources For Assistance



*Click on picture HQ AETC I.M.P.A.C. WEB SITE* ↑



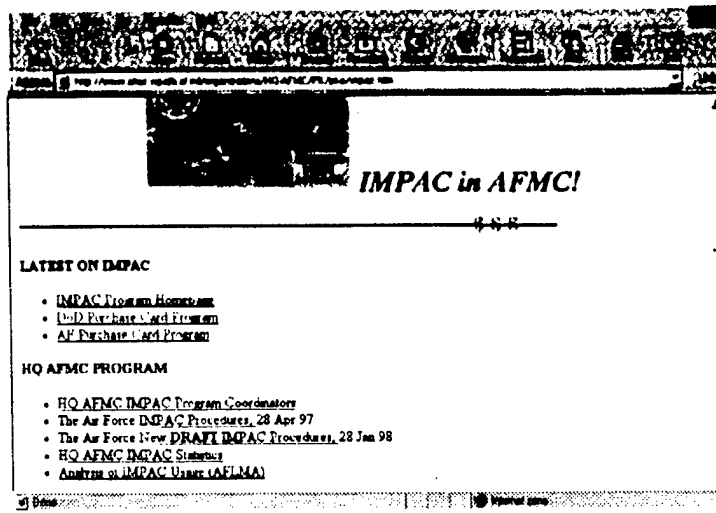
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To visit Air Education & Training Command's I.M.P.A.C. Information Center click on the picture (<http://www-contracting.aetc.af.mil/limited/impac.htm>) or click on the next slide text to continue.

To return to this module after completing your review of the site go to file and then close.

## Sources For Assistance



Click on picture for HQ AFMC I.M.P.A.C. WEB SITE ↑



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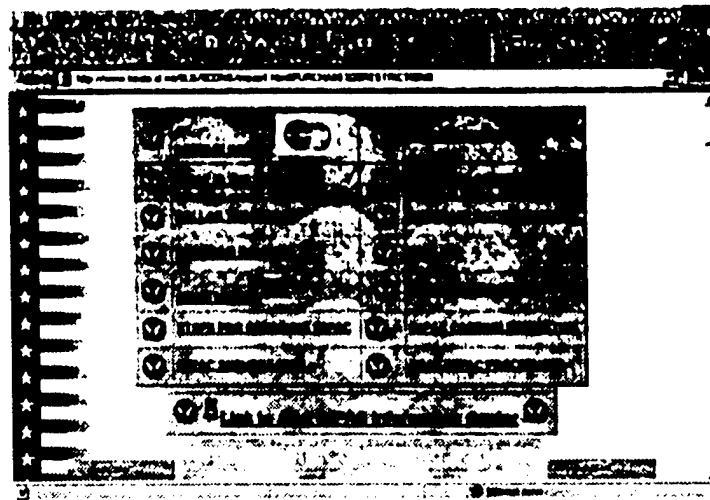
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To visit Air Force Material Command's I.M.P.A.C. Information Center click on the picture <http://www.afmc.wpafb.af.mil/organizations/HQ-AFMC/PK/pko/impac.htm> or click on the next slide text to continue.

If we have not shown your Major Command's I.M.P.A.C. Web Site, check with your Installation I.M.P.A.C. Program Coordinator to see if your MAJCOM has established a web site.

To return to this module after completing your review of the site go to file and then close.

## Sources For Assistance

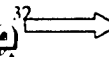


Click on picture for 9 CONS (Beale AFB) I.M.P.A.C. WEB SITE



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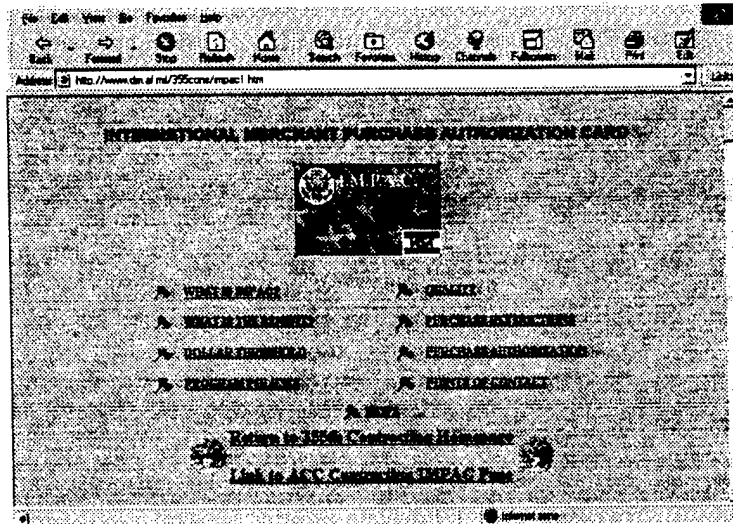
Some Servicing Contracting Offices (SCO's) are also using the internet to provide information to cardholders and approving officials.

We will now show a few of the sites that have been established.

To visit Beale AFB's 9th Contracting Squadron's I.M.P.A.C. Information Center click on the picture (<http://www.beale.af.mil/9LG/9CONS/impac1.htm>) or click on the next slide text to continue.

To return to this module after completing your review of the site go to file and then close.

## Sources For Assistance



**Click on picture for 355TH CONS (DAVIS- MONTHAN AFB) LM.P.A.C. WEB SITE**



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**Or next slide to continue** 33 

To visit Davis-Monthan AFB's 355th Contracting Squadron's I.M.P.A.C. Information Center click on the picture (<http://www.dm.af.mil/355cons/impac1.htm>) or click on the next slide text to continue.

If we have not shown your bases I.M.P.A.C. Web Site, check with your Installation I.M.P.A.C. Program Coordinator to see if your base has established a web site to provide information to cardholders and approving officials.

To return to this module after completing your review of the site go to file and then close.

## Summary



- Definitions
- Steps Required  
Before Card Is Issued
- I.M.P.A.C. Processes
- Regulatory Requirements And  
Program Policies
- Lessons Learned
- Quick Reminders
- Sources For Assistance



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The major topics covered in this module were:

Definitions

Steps needed before the card can be issued

I.M.P.A.C. Processes

Regulatory Requirements and I.M.P.A.C. Program Policies

Lessons Learned

Quick Reminders

Sources For Assistance

## Module 3 Quiz

**Click here to begin Module 3 Quiz  
(Quiz may take a few minutes to load.  
Enable macros to run the quiz if asked.)**



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*Or next slide to continue* →

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Click this button to begin Module 3 Quiz. There will be 15 questions and will take you approximately 15 minutes to complete.



**Comments?  
E-Mail Us!**



*Click This Icon  
To E-mail Us!*

CLICK HERE TO EXIT



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Thank you for viewing module 3 of I.M.P.A.C. Cardholder Training. We at the Air Force Logistics Management Agency would love to hear from you. Please e-mail us any comments (<http://www.il.hq.af.mil/aflma/lgc/lgcpoc.html>)! We're always trying to provide solutions today for a better tomorrow's logistics.