



ACQUISITION AND  
TECHNOLOGY

## OFFICE OF THE UNDER SECRETARY OF DEFENSE

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WASHINGTON DC 20301 3000

AUGUST 13, 2001

DP(EB)

MEMORANDUM FOR DIRECTORS OF DEFENSE AGENCIES  
DEPUTY ASSISTANT SECRETARY OF THE ARMY  
(PROCUREMENT), ASA(AIT)  
EXECUTIVE DIRECTOR, ACQUISITION AND BUSINESS  
MANAGEMENT, ASN(RD&A)  
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE  
(CONTRACTING), SAF/AQC  
GOVERNMENT PURCHASE CARD JOINT PROGRAM  
OFFICE

SUBJECT: Government Purchase Card Internal Controls

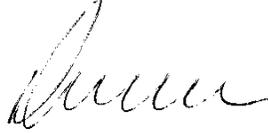
A recent Congressional hearing highlighted the need to ensure proper oversight of DoD's purchase card program at all levels, but especially at the post/camp/station level. Request your assistance in ensuring that the purchase card program under your control observes the following controls:

- Billing officials/approving official must review each cardholder's billing statement every month to verify the card holder was authorized to buy the items on it, the items have been received by the Government, and all pilferable items and other qualifying items have been properly recorded on government property records.
- Only those personnel with a continuing need to purchase goods or services as part of their job should be cardholders.
- Not every cardholder needs to have the maximum transaction or monthly limit. Supervisors should set reasonable limits, based on what the person needs to buy as part of his/her job.
- Ideally, the billing or approving official should be the cardholder's direct supervisor. Each billing official should have a reasonable span of control over cardholders so the official can completely review the monthly billing statements within 5 days after receipt. The DoD average is 4 cardholders per billing official.
- The same person should not buy and receive the item.
- Finally-- make sure you obtain any earned rebate!



I encourage you to perform frequent spot checks of the internal controls, including using the audit activities and inspector's general assigned to your organizations.

Thank you for your assistance and cooperation in creating a reliable government purchase card program. My action officer for purchase card issues is Melissa Rider, melissa.rider@osd.mil or (703) 695-1098.

A handwritten signature in black ink, appearing to read "Deidre A. Lee". The signature is fluid and cursive, with a large initial "D" and "A".

Deidre A. Lee  
Director, Defense Procurement