DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
ACQUISITION LOGISTICS AND TECHNOLOGY
U.S. ARMY CONTRACTING AGENCY
5109 LEESBURG PIKE SUITE 302
FALLS CHURCH VA 22041-3201

SEP 21 2004

SFCA-PC

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY
(ACQUISITION, LOGISTICS AND TECHNOLOGY)
ASSISTANT SECRETARY OF THE NAVY (RESEARCH,
DEVELOPMENT AND ACQUSITION)
ASSISTANT SECRETARY OF THE AIR FORCE
(ACQUISTION)
DIRECTORS, DEFENSE AGENCIES

SUBJECT: Convenience Checks

A recent audit by the DoD Inspector General's (IG's) office and periodic reviews by the Purchase Card Program Management Office's (PCPMO's) of convenience checks continue to identify improper use. In particular, we continue to see unauthorized checks written greater than $2,500 and split purchases and/or payments. In addition, the DoDIG's office found many instances where a check was written when the purchase card or a purchase order (and subsequent EFT payment) should have been utilized.

The DoD Financial Management Regulation (FMR), Volume 5, Chapter 2, Section 0210, Convenience Checks, defines the requirements and limitations for use of convenience checks. Therefore, effective immediately, any convenience check written over $2,500 will not be paid by the bank. These checks will be returned to the vendor and any resultant bank fees will not be borne by the Government. In those cases where a convenience check would be authorized greater than $2,500, i.e., to support contingency operations, multiple checks should be written, however, the total shall not exceed the DoD FMR limit of $10,000. Senior program officials in the Components and the PCPMO will be closely monitoring convenience checks, particularly if this policy change triggers an increase in unauthorized split payments. Therefore, it is important that adequate documentation be maintained justifying the multiple checks used in support of contingency operations.

LeAntha Sumpter
Director, Purchase Card Joint
Program Management Office