

**BY ORDER OF THE SECRETARY  
OF THE AIR FORCE**

**AIR FORCE INSTRUCTION 34-275**

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*Services*

**AIR FORCE NONAPPROPRIATED FUND  
(NAF) GOVERNMENT PURCHASE CARD  
PROGRAM**

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This instruction implements Air Force Policy Directive (AFPD) 34-2, *Managing Nonappropriated Funds* and is used in conjunction with AFPD 64-3, *Nonappropriated Fund Contracting System*. It establishes responsibilities, authorities, and procedures for purchasing with the U.S. Air Force-wide NAF purchase card (NAF P-Card). It applies to all Air Force NAF instrumentalities (NAFIs) as described in AFI 34-201, *Use of Nonappropriated Funds* and all users of NAF P-Cards, including all Air Force Reserve Command (AFRC) units, the Air Force National Guard, and Air Force Reserve Officer Training Corps (ROTC). Air Force NAFIs, Major Commands (MAJCOMs) and Air Force Central Fund NAFIs use the NAF P-Card to purchase supplies, resale items, and services using NAFs, as required, supporting activity needs. MAJCOMs/DRUs send proposed supplements to this instruction to the Air Force Services Agency (AFSVA), Directorate of NAF Purchasing (HQ AFSVA/SVC), for approval before publishing. After publishing, send a copy of the supplement to HQ AFSVA/SVC and another to Headquarters United States Air Force, Director of Services (USAF/A1S). MAJCOMs review and approve or disapprove proposed installation-level supplements before publishing. Content must be consistent with the provisions in this instruction. Refer recommended changes and questions about this publication to the Office of Primary Responsibility (OPR) using the AF Form 847, *Recommendation for Change of Publication*; route AF Form 847s from the field through the appropriate functional's chain of command. Ensure all records created as a result of processes prescribed in this publication are maintained in accordance with AFMAN 33-363, *Management of Records*, and disposed of in accordance with the Air Force Records Disposition Schedule (RDS) located at <https://www.my.af.mil/afrims/afrims/afrims/rims.cfm>

***SUMMARY OF CHANGES***

This document has been substantially revised and must be completely reviewed. It incorporates information from the new online banking system, the changes to the review and approval times for Cardholders (CHs) and Approving Officials (AOs) with their duties and responsibilities, as well as the new responsibilities for the Installation Program Coordinators (IPCs). Further, it clarifies the duties of the MAJCOMs in the NAF P-Card program. Single purchase limits were changed, and the requirement for AF Form 4140 was deleted. It explains how to properly document authorized transactions in the bank's online system, the training used, how to use a Nonappropriated fund (NAF) purchase card as a method of payment against a contract and the limits for span of control for AOs and allows for third party payments.

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## Chapter 1

### INTRODUCTION

**1.1. General Information.** The Air Force Nonappropriated Fund Purchasing Office (AFNAFPO) awarded a contract for Commercial Credit Card Service for NAF purchases. The contractor (hereinafter referred to as the bank) provides commercial credit cards and associated services to military members and federal civilian employees to pay for official NAF government purchases.

**1.2. Requests for Technical Assistance.** Submit requests for clarification or interpretation of this instruction through the MAJCOM/A1SR to HQ AFSVA/SVC.

**1.3. Waivers.** Submit requests for waivers to this instruction through the MAJCOM/A1SR to HQ AFSVA/SVC for HQ USAF/A1S approval consideration.

**1.4. Program Management.** The MAJCOM/A1SR or designee serves as the Installation Program Coordinator (IPC) for the MAJCOM NAF P-Card Program. MAJCOM program responsibilities are defined in paragraph 4.1. Each installation Resource Manager (RM) or designee shall serve as the IPC responsible for the day-to-day operations of the installation's NAF Purchase card program. IPC program responsibilities are defined in paragraph 4.2. The IPC monitors the program for compliance with these instructions, AFMAN 64-302, *NAF Contracting Procedures*; any other applicable Air Force NAF instructions and manuals; and the *How to...Help Guide* provided online by the bank. The card holder (CH) uses the NAF P-Card for purchases according to the limitations set forth in this instruction. **Exception:** In the case of geographically separated units (GSU) without an RM, the supporting main operating base RM designates an on-site individual to work with them in managing the site's program. For those Air Force sites without an RM and the program is centrally managed by the MAJCOM/A1SR, the MAJCOM/A1SR designates an on-site individual to work with the MAJCOM/A1SR in managing the site's program. See Table 4-1 for Roles and Responsibilities within the NAF P-Card program.

**1.5. Program Structure.** The P-Card program's structure is a three-level billing hierarchy: IPC, Approving Official (AO), and CH; and a five-level reporting hierarchy. The NAF P-Card program uses the levels described below to provide a system of checks, balances, and audit controls from the lowest to the highest level within each organization.

1.5.1. Level 1. The first reporting level of the reporting hierarchy represents the Department of Defense as a whole.

1.5.2. Level 2. The second reporting level identifies the military service. The Level 2 reporting level mandating policy for the Air Force government purchase card program is Air Force Contracting (SAF/AQC). A SAF/AQC staff member is designated to administer the Air Force Government purchase card program and serves as a liaison between the USAF and the GSA. This individual also provides statistical reports and program information regarding the USAF Government Purchase card Program to the Agency Program Coordinator (APC) for the Air Force Services NAF purchase card program and forwards recommendations from Level 3 to SAF/AQC. While the NAF P-Card is a government purchase card, it is administered by HQ AFSVA/SVC, but reports through SAF/AQC to OSD.

1.5.3. Level 3. The third reporting level generally identifies the Defense Agency within a Level 2. HQ AFSVA/SVC is the designated Level 3 office responsible for managing the NAF P-Card Program. HQ AFSVA/SVCKB (P-Card Team) serves as the NAF P-Card APC. Level 3 APC primary responsibilities are: administer the AF NAF P-Card Program; recommend policies to Level 2 for approval consideration; recommend guidelines for AF Services-wide NAF implementation to HQ AFSVA/SVC, HQ AFSVA Directorate of Financial Management and Comptroller (HQ AFSVA/SVF), and AF/A1S for approval consideration; serve as liaison for SAF/AQC, and the bank; review AF NAF P-Card Level 3 Summary Statistical Reports; and provide information to MAJCOM and installation IPCs.

1.5.4. Level 4. The fourth reporting level within the NAF purchase card program identifies the installation or MAJCOM program. The Level 4 IPC has overall responsibility for the NAF Purchase card Program at installation and MAJCOM level. (See paragraph 1.5.)

1.5.5. Level 5. The fifth reporting level with the program identifies a particular unit or company. The bank assigns a Level 5 (company number) to each NAF Level 4.

**1.6. Field Communication.** Installation-level IPCs shall first direct questions or issues to their MAJCOM IPC. MAJCOM IPC may forward any issues they are unable to resolve to the HQ AFSVA/SVC (NAF Purchase card Team).

**1.7. Additional Guidance.** The HQ AFSVA/SVC NAF P-Card APC, in conjunction with the MAJCOM IPC, is responsible for developing additional guidance for the NAF P-Card program.

## Chapter 2

### NAF PURCHASING WITH THE NAF PURCHASE CARD

#### 2.1. Authorized Use of the NAF Government Purchase card.

2.1.1. The NAF government P-Card is used to make authorized NAF government purchases. CHs are issued a written delegation of purchase authority from the IPC/CO to use the NAF Purchase card in lieu of AF Forms 2209 or 2209-1, *Nonappropriated Fund Order for Supplies or Services*, to purchase supplies and equipment up to \$5,000 and non-personal services up to \$2,500 where feasible and practical.

2.1.1.1. **Exception:** When specified in a written delegation of authority from the IPC, if warranted, or a warranted contracting officer, cardholders not holding a NAF Contracting Officer warrant can purchase items up to \$25,000 per transaction from the Army and Air Force Exchange Service (AAFES), the Defense Commissary Agency (DeCA), and printing services from the Defense Automated Printing Service (DAPS).

2.1.1.2. NAF COs (with appropriate purchase limitations) may specify the P-Card as a method of payment on agreements, purchase orders, delivery orders, and contracts up to the limit of their warrant. This includes orders for Prime Vendor or resale tickets and tour packages in Information Ticket and Tours (ITT). The CO can specify any cardholder at their installation, except themselves, as the payer.

2.1.1.3. Consider sources of supply when making NAF P-Card purchases. Sources include:

2.1.1.3.1. NAF requirements contracts (Essential Products Program (EPP)) are mandatory.

2.1.1.3.2. The Javits-Wagner O'Day Act requires the Government to purchase non-resale supplies or services from the AbilityOne "Procurement List" if they are available within the period required. The "Procurement List" is located at the AbilityOne website, [www.abilityone.org](http://www.abilityone.org).

2.1.1.3.3. NAF Purchasing Agreements (NPAs) shall be used as primary source of supply for other requirements.

2.1.1.3.4. COs are encouraged to purchase Federal Prison Industries supplies and services to the maximum extent practicable. ([www.unicor.gov](http://www.unicor.gov))

2.1.1.4. Purchase controlled medical substances for the installation veterinarian only when the veterinarian has a Drug Enforcement Agency (DEA) number. If the veterinarian does not have a DEA number, he or she orders controlled medical substances from installation medical supply, which is reimbursed with NAFs. Request uncontrolled items from installation medical supply and reimburse with NAFs or purchase from the open market. As the transfer of each veterinarian clinic to the Army is completed, the purchase of medical supplies for these clinics will no longer be authorized.

2.1.1.5. The IPC may establish CH accounts as requested by training and education program managers with a single purchase limit of \$25,000. The NAF P-Card is used to pay for non-government and/or government off-the-shelf training and education for an

individual event or planned series of the same training event, activity, service, or course material. The NAF P-Card does not replace SF Form 182, *Request, Authorization Agreement, Certification of Training and Reimbursement*. Training and education program managers must review and approve requests for training. An SF Form 182 must be completed and approved prior to attending any training or education course or program.

2.1.1.6. Purchase of aviation, diesel, or gasoline fuel or oil for aircraft and motorized vehicles is permitted for NAF-owned, government-loaned, or leased vehicles and aircraft or when purchased for resale.

2.1.1.7. When specified in a written delegation of authority from the IPC, NAF ITT activity cardholders not holding a CO warrant may purchase against the Leisure Travel contract up to \$25,000 per transaction. ITT CHs must review and sign the "Statement of Acknowledgement for ITT Cardholders" certificate (**Attachment 5**) before purchasing against the Leisure Travel contract. Signed copies of the "Statement of Acknowledgement for ITT Cardholders" certificate will be kept on file by both the CH and the IPC.

**2.2. Purchases Requiring Coordination.** CHs must be aware there are numerous restrictions on the types of purchases that can be made using NAFs and that these restrictions apply even when the NAF P-Card is being used. In general, NAFs can be used only for purchases that support the mission of the NAFI. Similarly, Appropriated Funds (APFs) will be used for purchases that are authorized APF support. In such cases, the NAF P-Card should not be used. To ensure adherence to these restrictions, purchase of the following commodities or services requires the CH contact the specified controlling/servicing organization before making the purchase. Except where noted below, or contrary to local policy, verbal or telephone approval is sufficient. The CH must annotate in the authorization number for the approval, or if no number available, the name of the individual providing approval in the transaction notes of the transaction detail when the transaction posts to the on-line system.

2.2.1. Hazardous Materials (HAZMAT). Hazardous materials and potentially hazardous materials (e.g., acetone, alcohol, ammunition, benzol, ether, firearms, gasoline, naphtha, pesticides, refrigerants, poisons, radioactive materials, corrosive materials, equipment cleaning solvents, color toner for printers, etc.). The Installation Bioenvironmental Engineer and the Hazardous Material Pharmacy is the single point of authorization for use of hazardous materials on base except for ammunition and firearms. All purchases follow local HAZMAT procedures for single purchases and recurring orders. Transactions notes must annotate that authorization was received prior to purchase (e.g., date of authorization, local control number, etc.). Additionally, the purchase of ammunition and firearms used for resale in rod and gun clubs or on skeet ranges is authorized if proper purchase authority is received from applicable installation, local, state and/or federal entities.

2.2.2. Communication and computer equipment and software. The requesting organization follows established local, MAJCOM and AF procedures when purchasing communication and computer equipment and software. **Note:** Purchase of non-standard AF NAF communications-computer systems also requires HQ AFSVA, Directorate of Management Systems (HQ AFSVA/SVS) and MAJCOM/AISR approval.

2.2.3. NAF travel related purchases. Requires prior approval, coordinated through respective AOs, from the IPC or designee. Use of the NAF P-Card is permitted for travel related expenses in support of an authorized Force Support Squadron NAF activity sponsored event, e.g., it may be used to pay for lodging, meals, fuel, etc., for an ITT trip. Do not use the NAF P-Card for official travel related expenses covered by the official government travel card (see paragraph 2.3.2.).

2.2.4. Rental/lease of motor vehicles. Requires FSS Commander/Director written approval. Approval requests are initiated by AOs and coordinated through the IPC.

2.2.5. Repair services. Use NAFs only when APFs are not authorized for repair services. A written order is required for repairs over \$2,500. Use of the NAF P-Card requires NAF contracting office approval in writing. The AO initiates the request for approval. The CH and AO consult AFI 34-201 and AFI 65-106, *Appropriated Fund Support of Morale, Welfare, and Recreation and Nonappropriated Fund Instrumentalities*, in preparing the request for approval certifying that APFs are not authorized. The CH also verifies the repair is not already covered by an existing preventative maintenance agreement. Enter the names of the persons contacted in the transaction notes. Consult the organizational equipment custodian for warranty information. New equipment may also be covered under warranty and repairs may be performed under these warranties at no cost to the AF.

2.2.6. Construction services. The AO coordinates construction services with the FSS Deputy/construction manager, RM and Base Civil Engineer prior to purchase in writing. Use NAFs only when APFs are not authorized for construction services up to \$2,000 with an approved AF Form 332, *Base Civil Engineer Work Request*. The CH and AO consult AFI 34-201 and AFI 65-106 in preparing the request for approval certifying that APFs are not authorized. The FSS construction manager establishes local policy to ensure all work approved is properly planned and designed, materials used meet current construction standards, the work is properly inspected, and completed work is documented appropriately. (**Note:** The Davis-Bacon Act applies within the 50 states [including all U.S territories] and the District of Columbia).

2.2.7. Civil engineer materials and real property installed equipment. The AO coordinates construction services with the FSS Deputy/construction manager, RM, and Base Civil Engineer prior to purchase in writing. The CH and AO consult AFI 34-201 and AFI 65-106 in preparing the request for approval certifying that APFs are not authorized.

2.2.8. Books, periodicals, and manuals. No specific approvals are required. However, activities are encouraged to check with the library prior to using the NAF P-Card especially for non- technical books. The base library may have funds to support purchase of books or manuals and/or may have books, periodicals, or manuals available.

2.2.9. Purchase of professional services. The local servicing contracting office (SCO) or HQ AFSVA/SVC contracts for professional services, e.g., accountants and auditors. State law may require the services these individuals render be performed or approved by a person licensed, registered or certified to provide such services.

2.2.10. Purchase of non-personal services up to \$2,500. Examples of non-personal services include service contracts for custodial, grass cutting, lawn care, and repair or maintenance of equipment. Before purchasing, contact the NAF Contracting Office or servicing contracting



officer for information on existing contracts. (**Note:** The Service Contract Act applies in the 50 states [including all U.S territories] and the District of Columbia). On contracts performed both inside the U.S and outside the U.S., the Act applies only to the portion of the contract performed inside the U.S.)

2.2.11. NAF fixed assets, bulk purchases, expendable and high-value supplies. Prior to purchase, refer to requirements in AFMAN 34-214, *Procedures for Nonappropriated Funds Financial Management and Accounting*.

2.2.12. NAF employee training. The NAF P-Card may be used to fund NAF employee training. When paying for training using the NAF P-Card, enter "Paid by NAF Purchase card" on the SF 182 (see paragraph 2.1.1.5.).

**2.3. Unauthorized Use of the NAF Purchase card.** Do not use the NAF P-Card for the following purposes unless otherwise noted in exceptions. (**Note:** NAF contracting offices and RMs may include other unauthorized uses):

2.3.1. Cash advances.

2.3.2. Official NAF government travel-related purchases. Rental/lease of motor vehicles associated with NAF 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 government travel card covers these expenses.

2.3.3. Rental or lease of land or buildings. **Exception:** NAF P-Card may be used to pay a room set-up fee for NAF functions authorized in AFI 34-201.

2.3.4. Purchase of telecommunications services, e.g., major systems such as telephone switches or DSN. **Exception:** NAF Purchase card may be used for cell phones, pagers, etc., when NAFs are authorized, and a monthly statement itemizes information on calls.

2.3.5. Purchase of hazardous/dangerous items such as explosives and toxins.

2.3.6. Purchase of classified items.

2.3.7. Purchase of non-personal services exceeding \$2,500 (Service Contract Act). (**Note:** The Service Contract Act applies in the 50 states [including all U.S. territories] and the District of Columbia). On contracts performed both inside the U.S. and outside the U.S., the Act applies only to the portion of the contract performed inside the U.S.)

2.3.8. Purchase of construction services exceeding \$2,000 (Davis-Bacon Act). (**Note:** The Davis-Bacon Act applies within the 50 states [including all U.S. territories] and the District of Columbia.)

**2.4. Use by Government Contractors.** CHs must be government employees. Do not issue the NAF P-Card to government contractor personnel.

**2.5. Overseas Use of the NAF purchase card.** AF members at overseas installations with NAF P-Cards will use them whenever possible and economical to purchase items locally. (See paragraph 4.4.10. for guidance on paying local taxes.) All CHs must conform to procedures outlined in this instruction. If all avenues for procuring the needed material through local sources are exhausted, then the CH:

- 2.5.1. Provides shipping instructions to Continental United States (CONUS) vendor along with detailed packaging methods for safe transport to the end destination.
- 2.5.2. Ensures purchase of materials from the CONUS include 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.
- 2.5.3. Ensures shipment via the Defense Transportation System (DTS), Air Mobility Command/ Military Sealift Command, includes; 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 move successfully into and through the DTS.
- 2.5.4. Ensures the vendor Free on Board (FOB) destination is the applicable CONUS Aerial/Water port of embarkation when routing via DTS.
- 2.5.5. Considers U.S. Postal Service along with other authorized carriers.
- 2.5.6. Consults DODD 4500.54, Foreign Clearance Guides prior to requisitioning action to ensure compliance with host nation requirements and status-of-forces agreements.

## Chapter 3

### ESTABLISHING NAF PURCHASE CARD ACCOUNTS

**3.1. Approving Officials and Cardholders.** Flight chiefs submit requests for AOs and CHs to the squadron/division IPC in writing. The FSS Commander/Director and the RM provide assistance to flight chiefs and activity managers in identifying CHs and AOs. As the installation NAF P-Card Program Coordinator, the RM or designee prepares a written Letter of Appointment (**Attachment 2**) designating AOs and a Delegation of Purchase Authority (**Attachment 3**) for each CH. The RM or IPC (if the IPC is not the RM) and a warranted CO sign the authorizations if the RM or IPC does not have a contracting warrant. Provide a copy to the CH and the AO and file the original appointment letter and CH delegation in the IPC binder located in the NAF Accounting Office.

**3.2. Cardholder Delegation of Purchase Authority.** This document (**Attachment 3**), issued by the IPC to each designated CH, fully describes the types of purchases authorized and dollar limitations of the NAF Purchase card; identifies the name, rank/grade, duty title, and telephone number of the CH(s) and AO(s); and specifies only use of NAF funds for P-Card transactions.

**3.3. Budget Considerations.** The NAF P-Card is subject to a single purchase limit and a monthly CH limit. CHs, AOs, activity managers and flight chiefs coordinate purchase card limits with the NAF budget analyst to the IPC in writing to ensure sufficient funds are budgeted for and approved for NAF purchases. The IPC establishes the NAF P-Card accounts with the bank according to the single purchase and monthly CH limits. AOs, activity managers, flight chiefs, and the IPC must closely monitor monthly individual activity (office) spending limits to ensure the activity does not exceed budget authorizations. **Note:** Primary responsibility for proper budget execution rests with respective activity managers.

**3.4. Single Purchase Limit.** The single purchase limit is a limitation on the procurement authority delegated to the CH by the IPC and warranted CO. The maximum delegated single purchase limit for non-warranted CHs is \$5,000 (See paragraph 2.1.1.).

**3.5. Monthly (Billing Cycle) Cardholder Limit.** The AO in coordination with the IPC assigns each CH a monthly credit limit. The total dollar value of purchases by the individual CH when using the card for any single month must not exceed the monthly purchase limit.

**3.6. Merchant Category Code (MCC) Groups.** In setting up a NAF P-Card account, the IPC assigns MCC groups based upon MCC Codes used to block purchases from specific merchant types. The IPC chooses MCC groups to identify the spending requirements for the majority of CHs. CHs shall not be permanently assigned the MCC group "999" (permits purchases from all types of merchants) This "999" code should only be used when the merchant is a known vendor (used by the installation before) and should only be in the account for a short time (not to exceed 48 hours).

**3.7. Establishing Credit Card Accounts.** The MAJCOM, installation IPC, or designee use the online banking tool provided by the bank, to establish and maintain CH accounts. These IPCs or designees coordinate single and monthly purchase limits with the designated AO, and use the online system to set these limits in the accounts.

3.7.1. The bank mails the NAF P-Card to the CH's designated distribution point within two business days of the input of the account set-up information in the online system. The installation should receive the card within 7-10 business days.

3.7.2. The bank uses a Voice Response Unit (VRU) to ensure receipt of the NAF P-Card by the CH or the designated distribution point. When the CH receives the NAF P-Card, he or she must immediately access the VRU. The VRU is accessible through the bank's toll free number (or collect call telephone number for foreign users).

3.7.3. The online banking system provides various reports to meet management and administrative needs and includes an ad hoc query option to allow for additional reporting capability.

## Chapter 4

### RESPONSIBILITIES AND PROCEDURES FOR NAF PURCHASE CARD OPERATIONS

**4.1. MAJCOM Responsibilities.** Provide installations with name and contact information of a MAJCOM IPC. The IPC assists installations in resolving issues, providing answers to questions, clarifying guidance or referring questions to the HQ AFSVA/SVC P-Card Team. The MAJCOM IPC also performs all the duties of an IPC for those cardholders at the MAJCOM (see Table 5-1 and paragraph 5.2. below). In addition, the MAJCOM IPC will:

4.1.1. Disseminate information received from Higher Headquarters (HHQ).

4.1.2. Consolidate information received from bases in response to requests for reports from the Office of Management and Budget (OMB) and from the Office of the Secretary of Defense (OSD) to send to HQ AFSVA/SVC for further consolidation and submission to SAF/AQC.

4.1.3. Perform periodic checks of information within the online system to ensure SPLs are acceptable, reviews are timely, approvals are done and transaction notes are completed.

**4.2. IPC Responsibilities.** IPC functions include entering NAF purchase card requests in the online bank system; issuing delegations of contracting authority (when the IPC is a CO); establishing a reporting system; and providing mandatory NAF purchase card training and surveillance. The IPC provides each AO with a written letter of appointment (**Attachment 2**). The IPC issues a written delegation of purchase authority to each CH (**Attachment 3**). The IPC and a CO sign these documents if the IPC does not have a contracting warrant. The IPC is the primary point of contact with the AF Services NAF P-Card Team for all NAF P-Card Program business associated with the installation. In accordance with the nature of the duties and the impacts on the system, neither the IPC nor the alternate IPC can be a CH nor should they be an AO or alternate AO without a waiver from HQ AFSVA/SVC. Waivers to act as an AO will only be considered for alternate IPCs, and then only for short periods such as during outbound and inbound PCS's of the AOs. The request can be either letter or email from the RM with coordination from the FSS deputy. While the IPC may delegate some of these responsibilities, overall program management remains an IPC responsibility. Additional responsibilities include the following:

4.2.1. Ensures NAF P-Card program implementation is coordinated with the AF Services NAF APC.

4.2.2. Ensures the CHs properly set up their accounts in the bank's online system to receive the electronic statement of account report monthly.

4.2.3. Provide initial and refresher training to CHs and AOs in accordance with paragraph 4.8.

4.2.4. Maintains a current listing of all CHs and AOs under his/her jurisdiction including written, semiannual AO verifications that their respective cardholders are in possession of their NAF P-Cards.

4.2.5. Randomly surveys newly appointed CHs during the first three months to ensure they are effectively performing their duties and following all procedures.

4.2.6. Suspends or terminates NAF P-Card privileges for NAF CHs and AOs where justified.

4.2.7. The IPC follows procedures in AFI 34-202, *Protecting Nonappropriated Fund Assets*, for any loss of NAF assets resulting from misuse of the NAF P-Card.

4.2.8. The IPC retains documents generated at the IPC level supporting CHs and AOs (e.g., training records, surveillance records, etc.), as long as the CH and AO are performing that function and makes disposition IAW AF Records Disposition Schedule (AF RDS) located on the AF Portal in the AF Records Information Management System (AFRIMS), Table 64-4, Rule 26. **Note:** If the IPC determines the files have future value to the NAFI, requiring retention beyond that authorized by AF RDS, the IPC will contact the installation records manager and obtain approval for extended retention.

**4.3. AO Responsibilities.** The AO is the CH's immediate supervisor or a higher level official (activity manager or flight chief or higher level supervisor). A CH cannot be his or her own AO, nor can the CH be an AO for his or her immediate supervisor. The AO shall not delegate his or her authority. An alternate AO must be designated during leave or temporary duty (TDY) of the primary AO to avoid transactions exporting without approval. AOs are responsible for the performance and compliance with applicable guidance by their CHs, and submit requests in writing to the IPC to instruct the bank to cancel the NAF Purchase card for any of his/her CHs at any time. A primary AO will never have more than seven CHs assigned. Alternate AOs with more than seven CHs assigned will need approval by their applicable MAJCOM IPC supported by a letter on file showing the business case for the expanded numbers. An alternate AO will never have more than 10 CHs assigned.

4.3.1. The AO monitors all CH transactions for compliance with these instructions AFMAN 64-302, any other applicable AF NAF instructions and manuals, and the *How to....Help Guide* the bank provides online.

4.3.2. The AO recommends the number of CHs and the names of the designated CHs for their activity/office. Semiannually, not later than the 15th calendar day following 31 March and 30 September, the AO provides the IPC a list of their CHs certifying that they are in possession of their P-Cards.

4.3.3. The AO, in coordination with their respective activity manager, recommends NAF P-Card SPL and monthly dollar limits to the IPC in writing for all of his/her CHs and ensures established limits are not exceeded. AOs, activity managers, and flight chiefs coordinate P-Card limits with the NAF budget analyst and IPC in writing to ensure sufficient funds are budgeted for and allocated for NAF purchases. CH's activity managers and flight chiefs, in coordination with the FSS Commander/Director, establish these limits through the normal quarterly budget review and approval process. The AO tracks NAF P-Card purchases to avoid exceeding approved NAF budgetary ceilings.

4.3.4. Daily, the AO will approve the items awaiting approval in the online banking system. For accountable property, the AO is responsible for verifying and entering the name of the individual (i.e., Property Custodian, assuming they are not the CH) who signed for acceptance of the property. At least three times each week, the AO will run a query to ensure CHs are reviewing transactions prior to the transactions exporting for payment. This ensures

the items are reviewed/approved within four business days of the items posting to the online system. Each month the AO obtains and reviews each of their CH's SOA report with copies of receipts attached ensuring purchases were appropriate, given the duties of the CH and type of activity, and were made according to this instruction and AFMAN 64-302. The AO also ensures an "outstanding items list" of items purchased in the month or credits received, but not posted in the SOA, is sent to the RM by the second duty day after the end of month. When sales tax is included in the online transaction detail, the AO ensures the original amount and the settlement amount are the same and the sales tax was not paid (check the receipt to ensure no sales tax is listed as well). Some vendors cannot completely suppress this function. It is not misuse on the part of the cardholder as long as the receipt shows no tax was paid. The AO signs the bottom of the CH statement and keeps the original with copies of receipts or credit vouchers. The signed statement and copies of receipts will be maintained along with appointment letters and training certificates in his/her AO binder IAW AF RDS.

4.3.5. AO ensures the IPC has sufficient time to act on CH designation requests, CH termination requests, and purchase approval requests as identified in Chapter 3 of this AFI. Coordinate with the IPC and respective offices in determining appropriate timelines. **Note:** Expedite CH termination requests (verbal followed up with written request) if circumstances warrant immediate action.

4.3.6. AOs and their respective activity managers/flight chiefs will ensure they and their CHs are proficiently cognizant and comply with the content of the regulatory guidance referenced in this AFI, as well as all Services appropriated fund and nonappropriated fund financial management, contracting, and accounting guidance.

4.3.7. AOs and their respective managers will ensure procedures are in place within their activities that provide an approval mechanism for CH purchases prior to purchases being initiated. **Note:** Dollar thresholds, individual purchases, and budgeted amounts determine this. It is important that a management decision as to how and when to initiate purchases is known and that their respective cardholders are cognizant of those procedures.

4.3.8. AOs and their respective activity managers and flight chiefs ensure timely receipt of merchandise and services is documented on invoices and/or delivery tickets by their staff, and that the person receiving the merchandise compares the order form to the invoice or delivery ticket.

4.3.9. AOs and their respective activity managers provide training and assistance to their CHs on accounting document maintenance, account reconciliation, certification procedures, and activity purchase approval procedures.

**4.4. Cardholder Responsibilities.** The NAF P-Card bears the CH's name and may only be used by the named CH for authorized NAF purchases in compliance with this instruction and other applicable AF NAF regulations and procedures. Issuing the NAF P-Card to a named individual will not affect the individual's credit rating as the bank will not list the account in the individual CH's name for credit reporting purposes. A CH who makes unauthorized purchases with the NAF P-Card will be liable to the NAFI for the total dollar amount of unauthorized purchases made to include any penalties or fees charged by the bank for these purchases. He or she may also be subject to disciplinary action under applicable law and/or policy. (The NAF P-Card is specially imprinted with the words "USAF SERVICES" and a large red band with

PURCHASING in white letters to avoid being mistaken for a personal credit card. It is also imprinted with US Government Tax Exempt for additional clarification.) The NAFI is liable for use of the NAF P-Card by authorized CHs.

4.4.1. CHs ensure they do not exceed the purchase limits established for their accounts. The total of a single purchase may include multiple items, but cannot exceed the authorized single purchase limit. Purchases are denied at the point-of-sale if they exceed the established single purchase limit. Splitting purchases in order to stay within the single purchase limit is unauthorized.

4.4.2. All items purchased over-the-counter must be available within the billing cycle. (1st of month to end of the month (EOM)). The item must be received or the service completed before the item appears on a statement of account. CHs must not place orders using the NAF purchase card if 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; or (2) all items purchased will not be shipped within the same billing cycle but the vendor is willing to delay billing the bank until all items are shipped.

4.4.3. All items purchased by telephone and paid with the NAF P-Card must be delivered by the merchant within 30 days. Orders must not be placed without this assurance. If an item is not available immediately, back ordering is allowed only if procedures stated above are in effect. **Exception:** The NAF P-Card may be used to pay for delivery of subscriptions, e.g., magazines, periodicals, and training seminars.

4.4.4. CHs may use the NAF P-Card to purchase goods or services within the same NAFI or from another NAFI. Payment of labor costs for employees to cover short-term personnel needs is not authorized.

4.4.5. CHs are required to document all purchases within the bank's online system transaction notes. Use a locally devised "outstanding items list" to record transactions made prior to the end of the month, that do not post in the system before the end of the month. Submit a copy of this log to the AO and the RM by the third duty day of the month. Within the online system, CHs record the appropriate General Ledger Account Code (GLAC), cost center and activity within four business days of the items posting in the system. CHs must also ensure the transaction notes include the items purchased and reason for the purchase as well as the inventory stock number, if applicable if not recorded elsewhere in the transaction. CHs retain copies of all documents until receipt and reconciliation of their monthly electronic statement of account (SOA) report. CHs attach copies of receipts for items reflected on the SOA and submit the SOA to their AO within three days after receipt of the monthly SOA. (See paragraph 4.4.18.) If sales tax is shown in the online transaction detail, check the sales receipt to ensure the original amount excludes sales tax and the online settlement amount matches the original amount.

4.4.6. Ensure the supply or service is not one that must be purchased from mandatory NAF requirements contracts. If required sources provide these products or services, the CH must use these sources. Most of the required sources accept the NAF P-Card.

4.4.7. Ensure the price includes delivery at Free on Board (FOB) destination. All transportation costs shall be included in the purchase price for NAF P-Card transactions.



4.4.8. Rotate sources. Purchases of \$5,000 or less are made without securing competition if the CH considers the prices to be fair and reasonable. Whenever practical, solicit suppliers other than the previous vendor before placing repeat orders. If suppliers furnish standing price quotations or catalog prices on a recurring basis, competition on individual purchases is not necessary, but CHs will periodically confirm the prices as current. When determining the number of sources to solicit, consider the nature of the item or service to be purchased and whether it is highly competitive. Use information from recent purchases of the same or similar items or services. Consider the urgency of the purchase, the dollar value of the purchase, and past experience concerning dealer prices. Distribute these purchases equitably among qualified vendors.

4.4.9. Verify the quantity and quality of the items or services furnished are in accordance with the agreement (verbal or written) with the vendor. CHs ensure what they receive is in accordance with what they are being charged.

4.4.10. For over-the-counter transactions, advise the merchant the purchase is exempt from state or local sales tax. (A notice of tax exemption also appears on the purchase card.) If a merchant questions tax-exempt status, notify the IPC for confirmation of the tax-exempt number. **Reference:** FAR 29.302, Application of State and local taxes to the Government. Overseas purchases may include the tax if vendors do not acknowledge tax-exempt status and circumstances make it impractical to buy from a local vendor which does not charge the tax or order from a U.S. vendor.

4.4.10.1. Verify the dollar amount is correct and sales tax is not included.

4.4.10.2. Sign the sales draft and retain a copy for record purposes and for verification of the posted transaction in the online system.

4.4.11. When placing a telephone order using the NAF P-Card, the CH:

4.4.11.1. Notifies the vendor the purchase is for official government purposes and is tax-exempt. If a merchant questions tax-exempt status, contact the IPC for the tax-exempt number. Purchases may include tax if vendors refuse to acknowledge tax-exempt status and circumstances make it impractical to order from another vendor.

4.4.11.2. Confirms the vendor agrees not to bill the NAF P-Card account until items are shipped.

4.4.11.3. Instructs the vendor to include the following information on the shipping document or packing slip to alert the receiving office and the NAF Accounting Office supplies were purchased with the purchase card: CH's name and office symbol address; building number, room number, street address, city, and state; CH telephone number; and the term "NAF P-Card purchase."

4.4.12. When the NAF purchase card is used as a payment method for a purchase using one of the purchase order or contract forms, provide the vendor the necessary contract information orally, either in person or by telephone, and include the statement "payment to be made by NAF P-Card " on the contract form. Request the vendor not process the transaction until the item is shipped. Upon notification of shipment from the vendor, provide the vendor with the NAF purchase card account number. For internal control purposes, do not include the NAF P-Card account number on the purchase order.

4.4.13. CHs take advantage of any manufacturer/retailer rebates offered. Rebates are payable or endorsed to the purchasing NAFI. The CH forwards all rebates in the form of checks or cash to the activity cashier for deposit and processing as miscellaneous income to general ledger account code GLAC 8120000 on AF Form 1876, *NAF Consolidated Cost Center Report* in the purchasing activity's cost center.

4.4.14. When a purchase is made using the NAF P-Card, whether over the counter or by telephone, the CH must retain a document as proof of purchase. The document is later used to verify the purchase shown on the CH monthly SOA.

4.4.15. For purchases made over the counter, the CH obtains the customer copy of the charge slip (make sure all carbons are destroyed). The CH documents the transaction in the transaction notes on the online system and keeps a copy of the charge slip to help in reconciling the CH SOA.

4.4.16. For purchases made by phone, the CH may document the transaction on a locally devised form telephone purchase log to help in reconciling the CH SOA. They may also request the vendor provide some sort of document via email or fax. If a local form is used and someone other than the CH will receive the merchandise, the cardholder completes an itemized record of the order (such as an order entry form or locally devised form) to verify the accuracy of the order when received. The cardholder keeps a copy of this order with the log and provides the original to the person at the activity receiving the merchandise. The person receiving the merchandise compares the order form to the invoice or delivery ticket; annotates the appropriate GLAC and inventory stock number, if applicable; signs the document; and forwards it to the NAF AO no later than the next business day after receipt. If the item is an asset, submit the ticket with a filled out fixed asset form. The receiver gives a copy of the invoice or delivery ticket to the CH to use to annotate receipt of the merchandise and attaches to the log.

4.4.17. The CH must reconcile their transactions in the online banking system, daily. Additionally, on the fifth day of the month, a SOA CH report for the previous month should be run (it can be set to run automatically), downloaded and printed. The SOA itemizes each transaction posted to the CH's account during the past billing cycle.

4.4.17.1. CHs must verify each purchase on the SOA for accuracy. Ensure the transaction amounts agree with receipts/documentation the CH has for the purchase. CHs and AOs must verify the statements and work any irregularities through the dispute process. CHs resolve disputes with the vendor to the maximum extent possible and will document information on disputes or variances on the SOA. CH will use the dispute button in the bank's system to dispute transactions within 60 days from the post date. Dispute button is not used until after the CH has contacted the vendor and the vendor has refused to provide a refund.

4.4.17.2. For returned items with a credit slip from the vendor, the CH verifies the SOA reflects the credit. If purchased items and credits are not on the next monthly SOA, the CH retains the transaction documentation until the purchase or credit appears on the SOA. If a purchase or credit does not appear in the online banking system before the next SOA is due, the CH or AO contacts the IPC and RMFC.

4.4.17.3. The CH attaches copies of the outstanding items list, telephone purchase log and sales receipts, checks the SOA for accuracy, signs the document where indicated and forwards it to the AO within three business days of the 6th of the month.

4.4.18. The cardholder will maintain a copy of the SOA and supporting documentation signed by both themselves and their AO in their cardholder binder IAW AF Records Disposition Schedule (AF RDS). The official copies of the SOA and supporting documentation may be maintained as part of the activity's official file plan. In that case, the CH should have a page in their binder that states: "signed SOA and original receipts are maintained in official files located at", then name where the files are located.

#### **4.5. Resource Management Responsibilities.**

4.5.1. The IPC or designated individual(s) within the NAF Accounting Office provides initial and annual training for CHs and prepares certificates, letters or other documentation for attendees at the time of satisfactory completion of training. The documentation is provided to each attendee, and a copy is provided to respective AOs and activity managers. Minimum training requirements for initial and annual training are provided in paragraph 4.8. See Attachment 4 for a sample training letter. Flight chiefs and activity managers will consolidate training requirements whenever possible.

4.5.2. The NAF Accounting Office is not required to maintain AO certified CH statements, purchase logs, and receipts. The NAF Accounting Office also reconciles the CMIP draws with Cash in Bank (CIB) and accrues for outstanding purchases that did not post to the online system at the end of the month to ensure transactions are entered into the correct accounting month.

4.5.3. The NAF Accounting Office accrues for items when those items do not post in the online system prior to the EOM in which they were purchased. The cardholder will send the locally devised "outstanding items" log to the NAF Accounting Office within one business day after EOM.

**4.6. Refunds or Rebates.** Quarterly, the bank provides rebates to AFSVA based on sales and prompt payment. These rebates are then distributed to the installation/unit by AFSVA Treasury Division.

**4.7. Document Retention.** The cardholder, AO, IPC and Resource Manager retain documents according to AF RDS Table 64-4, Rule 26.

**4.8. Training.** All personnel must complete all required NAF P-Card program training in program management office instructions on the HQ AFSVA NAF P-Card website prior to card issuance. The Resource Manager, CO, or the IPC conducts the orientation/training providing information and basic instructions on how to use the NAF P-Card to cardholders and Approving Officials according to this instruction. All CHs and AOs must read and be familiar with the requirements of this instruction and other applicable regulatory guidance.

4.8.1. Annually, all CHs and AOs must take the online refresher training on the HQ AFSVA NAF P-Card website and provide a copy of their completion to the IPC. At the discretion of the Resource Manager, CHs and AOs can be required to attend an annual classroom training session conducted by the IPC, CO, or Resource Manager, which will include a review of this instruction and a discussion of issues noted at their installation. They will receive and sign a

document certifying they received this training. A sample training record is provided in [Attachment 4](#). The IPC retains this document while the cardholders and AOs are active users in the bank's online system.

**4.9. Resolving Disputed Purchases.** Disputed purchase items must be resolved between the CH, the vendor, and the bank. In most cases, CHs are able to resolve problems by contacting the vendor. If problems cannot be resolved with the vendor within 45 days of the charge appearing on the CH's statement, the CH must click the "dispute" button within the bank's online system. The bank allows up to 60 days to submit a dispute.

4.9.1. The following paragraphs explain when to complete and submit a dispute:

4.9.1.1. Merchandise/service not received. CHs do not immediately dispute charges when an authorized purchase appears in the online system, but was not received. Instead, the CH contacts the vendor to verify shipment was made or service rendered. Make a note of non-receipt in the "Outstanding Items List". If the vendor states the items were shipped and they are not received after 45 days, the CH clicks the dispute button in the transaction detail in the bank's online system. The CH will need to put in their email address and the reason for the dispute in the system and click the submit button. The cardholder must dispute the transaction not later than 60 days after the item posted to the bank's online system.

4.9.1.2. Merchandise returned, credit not received, or duplicate processing. CHs attempt to resolve disputes with the vendor. If no resolution is reached, the CH clicks the dispute button in the original transaction for the returned merchandise. The CH must dispute the transaction no later than 60 days after the item posted to the online banking system.

4.9.1.3. Unauthorized mail, internet, phone orders, alteration of amount, or unrecognized charges. CHs immediately attempt to resolve these disputes with the vendor. For disputes that cannot be resolved or if the vendor has no number, CHs immediately call the bank to report the problem and to determine if they have a number to contact the vendor. **Note:** If the charge appears to be fraudulent, the bank will close the CH account and open a new account.

4.9.1.4. Defective items. CHs obtain replacement or correction item(s) for defective items from the vendor as soon as possible. If, after 45 days items are not replaced or corrected, CHs dispute the transaction in the bank's online system by opening the transaction and clicking on the dispute button, inputting their email address, the reason for the dispute, and submitting it to the bank. The transaction must be disputed within 60 days of posting in the bank's online system.

4.9.1.5. Sales tax and transportation costs. Sales tax or transportation costs erroneously charged by a vendor cannot be disputed through Visa Chargeback Regulations. CHs make every effort to obtain a credit to their account for the amount of the tax or transportation costs from the vendor. If a credit is not obtained, ordering agencies must pay the tax or transportation costs. Do not submit a dispute for tax or transportation costs.

4.9.2. Upon receipt of a dispute, the bank places the charge in dispute until resolved. The bank verifies disputed charges. For valid disputes, the bank issues a credit against the CH's SOA for the disputed amount.

4.9.3. The bank notifies the CH of any denied disputed amounts.

4.9.4. The CH records any resolved dispute credits received to the same expense GLAC and cost center used to record the original expense.

**4.10. Card Reissue.** The bank reissues a NAF P-Card every 36 months to each active CH.

**4.11. NAF P-Card Program Surveillance Requirements.**

4.11.1. AFI 65-107, *Nonappropriated Funds Financial Management Oversight Responsibilities*, requires the Nonappropriated Fund Financial Analyst (NAFFA) conduct an annual review of the NAF P-Card program. Additionally, the IPC will perform periodic reviews of the NAF P-Card program using this checklist and in conjunction with their random reviews of newly appointed CHs to ensure all CHs are effectively performing their duties and following all procedures.

4.11.2. The IPC takes advantage of bank automated systems which provide capabilities to examine reports of denied transactions for purchases from unauthorized merchants, violations of limits, and other irregular activities. The system also provides capabilities to determine non-use or low use of the card. The IPC will terminate those cards with no use in a three-month period, unless given specific justification as to why the card is required. The IPC uses these capabilities as part of the surveillance program and conducts on-site reviews immediately on CHs where violations are noted.

4.11.3. The IPC maintains surveillance results on file in the NAF Accounting Office according to AF RDS. Copies of the surveillance results are forwarded to the FSS Commander/Director, the CH's AO, and the CH. The IPC will meet with the CH to discuss each finding of noncompliance.

**4.12. Violation of Air Force NAF P-Card Program Procedures.** If, as a result of findings from a surveillance visit or by any other means, it is discovered the CH is in violation of the procedures contained herein, appropriate actions must be taken to preclude a reoccurrence. Action taken will be commensurate with the violation(s). If a loss of NAF assets results from a CH's simple negligence, gross negligence, or willful misconduct, the IPC takes action according to procedures in AFI 34-202, Chapter 6, to determine pecuniary liability to recoup the loss. If deemed necessary, a memo describing the violation and any remedial action(s) taken, and signed by the FSS Commander/Director, is sent to the CH and AO. Depending upon the circumstances of the violation, the IPC also takes appropriate action to reduce the CH's monthly purchase limit to \$1.00 and suspends the card until the CH receives remedial training or the IPC cancels the account and revokes NAF P-Card privileges for the CH.

**4.13. Canceling Accounts.** Upon reassignment, separation, retirement of the CH, or non-activation of the card, the IPC will ensure the following actions are taken:

4.13.1. The CH surrenders his/her card(s) for destruction and all documentation to the AO to be maintained by the IPC.

4.13.2. AOs must notify the IPC in a timely manner (five calendar days upon receipt of notification from appropriate authority or the CH) to close accounts of CHs who have retired, separated, been reassigned, or who no longer have CHs responsibilities.

4.13.3. The IPC closes the account in the bank's online system and documents the reason in the system account and employee records and adds notes prior to changing the card status to "closed".

**4.14. Lost or Stolen Cards.** CHs immediately report lost or stolen P-Cards to the bank, their AO, and the IPC. The AO submits a written report (can be email) through the IPC to the HQ AFSVA NAF Purchase card Agency Program Coordinator within five workdays of discovery of a lost or stolen purchase card. The report includes the last four digits of the NAF purchase card account number, the CH's complete name, date and location of the loss, and the date reported to police; the date and time the bank was notified; information about any purchase(s) made on the day the NAF P-Card was lost or stolen; and any other pertinent information.

**4.15. Replacement Cards.** Upon notification of a lost or stolen card, the bank mails a new NAF Purchase card within 24 hours (Monday through Friday). For international card replacement, the bank mails a lost or stolen card within 48 hours of the reported loss or theft. If the CH finds the original NAF P-Card, he or she cuts it in half and gives it to the IPC who destroys it and notifies HQ AFSVA NAF P-Card Team via email regarding the destruction.

**4.16. Foreign Purchases.** Transactions initiated in a foreign currency post to an account in U.S. dollars and may differ from the amount quoted by the vendor. The difference is the currency conversion rate in effect for that purchase period and it may be higher or lower than the rate in effect on the date of actual purchase. A VISA currency fee of 1% is also applied to the transaction amount.

**4.17. Base Closure.** Use of the NAF P-Card should decrease and eventually terminate as activities close. Follow procedures in AFI 34-201 on dissolving a NAFI prior to base closure.

**Table 4.1. Roles and Responsibilities within the NAF P-Card Program**

NAF P-Card Roles & Responsibilities	MAJCOM	IPC	AO	CH
<b>Account Establishment</b>				
<b>Determines Activity CHs, account limits, and budget</b>			X	
<b>Ensures Limits comply with Budget requirements</b>		X	X	
<b>Account and Employee Set Up &amp; Maintenance</b>		X		
<b>Requires Delegation Letter</b>		X	X	X
<b>Issues Delegation/Appointment Letter, maintains documentation IAW AF RDS</b>		X		
<b>Provides training IAW AFI 64-XXX, maintains documentation IAW AF RDS</b>		X	X	
<b>Operational Responsibilities</b>				
<b>Disseminates information received from Higher Headquarters (HHQ).</b>	X	X		
<b>Consolidates and submits information received from bases in response to requests</b>	X	X		

<b>from HHQ</b>				
<b>Performs periodic checks in on-line system to ensure program compliance</b>	<b>X</b>	<b>X</b>		
<b>Ensures property accountability requirements are met</b>			<b>X</b>	<b>X</b>
<b>Validates purchases are in compliance with AF NAF Purchasing guidelines</b>			<b>X</b>	<b>X</b>
<b>Daily transaction review/approval in on-line system (within 4 days of posting)</b>			<b>X</b>	<b>X</b>
<b>Includes all pertinent purchase information in transaction notes</b>			<b>X</b>	<b>X</b>
<b>Verifies merchant name and amount against receipts</b>			<b>X</b>	<b>X</b>
<b>Validates transactions are allocated to appropriate lines of accounting</b>			<b>X</b>	<b>X</b>
<b>Coordinates accruals and necessary documentation with Resource Management</b>			<b>X</b>	<b>X</b>
<b>Reconciles Monthly Statement of Accounts (SOA)</b>			<b>X</b>	<b>X</b>
<b>Maintains SOA and supporting documentation for current FY plus 3 prior years IAW AF RDS</b>		<b>X</b>	<b>X</b>	<b>X</b>
<b>Coordinates assistance from HQAFSVA</b>	<b>X</b>	<b>X</b>		
<b>Conducts Installation Program Oversight</b>	<b>X</b>	<b>X</b>		
<b>Recommends Purchase card disciplinary actions</b>	<b>X</b>	<b>X</b>	<b>X</b>	
<b>Executes P-Card disciplinary actions</b>		<b>X</b>		

DARRELL D. JONES  
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## Attachment 1

### GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION

#### *References*

AFPD 34-2, *Managing Nonappropriated Funds*, 7 January 1994

AFPD 64-3, *Nonappropriated Fund Contracting System*, 1 December 2005

AFI 34-201, *Use of Nonappropriated Funds*, 17 June 2002

AFI 34-202, *Protecting NAF Assets*, 27 August 2004

AFI 34-209, *NAF Financial Management and Accounting*, 10 January 2005

AFI 65-107, *NAF Financial Management Oversight Responsibilities*, 1 December 1999

AFI 65-106, *Appropriated Fund Support of Morale, Welfare, and Recreation (MWR) and Nonappropriated Fund Instrumentalities (NAFIs)*, 6 May 2009

AFI 64-301, *Nonappropriated Fund Contracting*, 12 February 2002

AFMAN 34-214, *Procedures for Nonappropriated Funds Financial Management and Accounting*, 14 February 2006

AFMAN 64-302, *Nonappropriated Fund Contracting*, 3 November 2000

DoDD 4500.54E, *DoD Foreign Clearance Program*, 28 December 2009

FAR 29.302, *Application of State and Local Taxes to the Government*

#### *Adopted Forms*

AF Form 847, *Request for Change to Publication*

SF Form 182, *Request, Authorization Agreement, Certification of Training and Reimbursement*

AF 332, *Base Civil Engineer Work Request*

AF Form 1876, *NAF Consolidated Cost Center Report*

#### *Abbreviations and Acronyms*

**AAFES**—Army and Air Force Exchange Service

**AFNAFPO**—Air Force NAF Purchasing Office

**AF RDS**—Air Force Records Disposition Schedule

**AFSVA**—Air Force Services Agency

**APC**—Agency Program Coordinator

**APF**—Appropriated Fund

**AO**—Approving Official

**ATCMD**—Advance Transportation Control and Movement Document

**DAPS**—Defense Automated Printing Service



**DEA**—Drug Enforcement Agency

**DeCA**—Defense Commissary Agent

**DRU**—Direct Report Unit

**DTS**—Defense Transportation System

**EFT**—Electronic Funds Transfer

**EPA**—Environmental Protection Agency

**FAR**—Federal Acquisition Regulation

**FOA**—Field Operating Agency

**FOB**—Free on Board

**FPI**—Federal Prison Industries

**GSA**—General Services Administration

**HQ AFSVA/SVF**—Headquarters Air Force Services Agency, Directorate of Financial Management and Comptroller

**HQ AFSVA/SVFA**—Headquarters Air Force Services Agency, Directorate of Financial Management and Comptroller, Field Activities Division

**HQ AFSVA/SVC**—Headquarters Air Force Services Agency, Directorate of Contracting

**HQ AFSVA/SVS**—Headquarters Air Force Services Agency, Directorate of Management and Systems

**HQ USAF/A1S**—Headquarters United States Air Force, Director of Services

**IPC**—Installation Program Coordinator

**ISC**—Individual Services Contract

**ITT**—Information, Ticket, and Tours

**LOF**—Life of the Fund

**MAJCOM**—Major Command

**MCC**—Merchant Category Classification

**NAF**—Nonappropriated Funds

**NAF AO**—NAF Accounting Office

**NAFFA**—Nonappropriated Fund Financial Analyst

**NAFI**—Nonappropriated Fund Instrumentality

**NPA**—Nonappropriated Purchase Agreements

**OUSD**—Office of the Undersecretary of Defense

**PPA**—Prompt Payment Act

**RMAN**—Recovered Material Advisory Notice

**RM**—Resource Manager

**SOA**—Statement of Account

**TCMD**—Transportation Control and Movement Document

**TDY**—Temporary Duty

**TMO**—Traffic Management Office

**VRU**—Voice Response Unit

*Term*

**Air Force NAF Purchasing Office (AFNAFPO) (HQ AFSVA/SVC)**—The central NAF purchasing office which oversees NAF contracting procedures throughout the Air Force.

**Air Force Services NAF Purchase card Team (NAF Purchase card Team)**—The HQ AFSVA's point-of-contact within HQ AFSVA/SVC responsible for managing the AF Services NAF Purchase card Program and interfacing with the NAF Installation and MAJCOM IPCs, and the SAF/AQC Agency Program Coordinator (APC).

**Alternate Approving Official**—The individual responsible for approving purchases made by CHs in the absence of the AO.

**Approving Official (AO)**—The individual responsible for approving purchases made by CHs. The NAF Purchase card Program requires one AO per seven cardholders.

**Authorization**—The process of verifying a purchase being made is within the established CH limits. The merchant receives authorization at the point of sale through the bank verification of the NAF Purchase card.

**Air Force Services Treasury Division**—The HQ AFSVA's point-of-contact within HQ AFSVA/SVF responsible for the central payments of NAF purchase cards.

**Billing Cycle**—The period of time, usually 30 days, in which the bank posts all accumulated merchant charges or credits to CH accounts. The billing cycle period for the AF, for statement purposes, is from the first of each month through the end of the month. For payment purposes, the billing cycle is four business days.

**Cardholder (CH)**—Person to whom a NAF purchase card is issued for purposes of making purchases on behalf of his/her assigned NAFI activity.

**Electronic Funds Transfer (EFT)**—A mandatory payment process used to transfer payments of funds electronically. EFT is a faster, more secure method of transferring funds than using checks. EFT includes credit card transactions.

**Environmental Protection Agency (EPA) Guideline Item**—An item that is, or can be, made with recovered materials. EPA lists these items in a procurement guideline for which EPA provides purchasing recommendations in a related Recovered Material Advisory Notice (RMAN).

**Installation Program Coordinator (IPC)**—The installation official responsible for managing the installation Force Support Squadron's (FSS) or MAJCOM directorate's NAF Purchase card Program including establishment, training, and surveillance. The IPC is usually the RM (or

designee). The MAJCOM/AISR (or designee) serves as the MAJCOM IPC. (See paragraph 5.1.)

**Merchant Category Classification (MCC) Code**—A code the bank uses to categorize each merchant according to the type of business and the kinds of goods and services provided.

**MCC Groups**—A set of MCC codes grouped together under one heading is an MCC Group. The MCC Group controls the type of merchants available to the CH for purchases related to his or her duties and the mission of his or her organization. The MCC groups are a part of the purchase authorization process at the point of sale.

**NAF Contracting Office**—The office or individual responsible for local NAF purchase support to the installation FSS squadron or MAJCOM NAFIs. The office or individual designated by the IPC to assist with the overall management of the installation's NAF Purchase card program and serve as the disputes processing office.

**Post Date**—Date a transaction posts in the bank's online system. The vendor must batch the purchase to the bank in order for an item to post in the online system.

**Purchase card Contractor**—The financial institution (bank) under AFNAFPO contract providing NAF Purchase card services to AF NAF activities. The bank maintains all NAF Purchase card accounts; issues purchase cards to CHs; provides monthly statements to cardholders through an online secure website; pays merchants in a timely manner; and receives payment from the AFSVA Treasury Division.

**Reactivation**—The activation of NAF purchase card privileges after suspension. This is accomplished by the IPC at the base.

**Single Purchase Limit (SPL)**—The maximum amount authorized by a delegation of authority from the NAF IPC/warranted contracting officer (CO) for a single purchase card transaction. This limit cannot be exceeded unless a revised delegation of authority raising the limit is requested by an AO and subsequently approved, signed, and issued to the CHs by the IPC. A "single purchase" is the total amount of the transaction and may include multiple items. (**Exception:** Temporary increases to the SPL, but not over the \$5000 limit may be made without issuing a revised delegation of authority letter if requested in writing/email by the AO. For increases over the \$5000, the CH must be using "method of payment authority" (MoPA) against an award written by a warranted CO. The IPC can raise the SPL for a short period to pay against that award only. The SPL must be lowered after the payment for the award is made. The IPC shall note in the account record in the bank's online system that the cardholder has MoPA and the name of the CO who signed the award when increasing the SPL.)

**Servicing Contracting Office (SCO)**—An installation, central, or regional appropriated fund contracting office supporting one or more installations.

**Statement of Account (SOA)**—A monthly listing of all purchases made by the CH and all bank-authorized credits.

**Suspension**—The process by which an ordering office loses its authority to make purchases with the NAF purchase card due to violation of NAF Purchase card program policy or procedures.

**Transaction Date**—Actual date an item is purchased by a CH.

## Attachment 2

**APPOINTMENT OF NAF PURCHASE CARD PROGRAM APPROVING OFFICIAL  
(AO)**

MEMORANDUM FOR \_\_\_\_\_  
(Name of AO)

FROM: (IPC/RM and/or Warranted Contracting Officer)

SUBJECT: Nonappropriated Funds (NAF) Approving Official (AO) Appointment

1. You are hereby appointed as the AO for the cardholders(s) (CHs) assigned to your flight/activity. AFI 34-275, *AF Nonappropriated Funds Government Purchase card Program*, provides detailed instructions on your responsibilities and procedures as an AO. Only commit NAFs through this delegation.
2. As an AO, you must review and approve each of your subordinate CH's transactions at least three times each week, and once a month, certify their statement of account reports to determine if items purchased were for official use and purchased according to policy in AFI 34-275, AFI 64-301, *Nonappropriated Fund Contracting* and AFMAN 64-302, *Nonappropriated Fund Contracting*. You are responsible for following-up on questionable purchases and ensuring conformance with applicable policy. You must notify the HQ AFSVA/SVC NAF Purchase card Program Coordinator and the bank if you find any violation of stated policies and procedures.
3. After reading this delegation and affirming below, sign and return this original document to the Installation Program Coordinator (IPC) in the NAF Accounting Office.

"I have reviewed, understand, and will carry out my responsibilities as an AO for use of the NAF government purchase card."

_____ Signature of AO	_____ Date
_____ Signature of IPC/RM	_____ Date
_____ Signature of Warranted Contracting Officer (if IPC/RM not warranted)	_____ Date

cc: Respective Activity Manager and/or Flight Chief

## Attachment 3

**AF NAF PURCHASE CARD CARDHOLDER DELEGATION OF PURCHASE  
AUTHORITY**

MEMORANDUM FOR [ Cardholder's (CH's) name and title]

FROM: [Name and title of Installation Program Coordinator (IPC)/Resource Manager (RM) and/or warranted contracting officer]

SUBJECT: Appointment of Nonappropriated Funds (NAF) Purchase cardholder (NAF Purchase card) – Delegation of Purchase Authority

Effective \_\_\_\_\_, you are authorized to obtain supplies and non-personal services and pay for them with the NAF Purchase card issued by the contractor bank using nonappropriated funds (NAFs). Any single purchase may not exceed [insert CH's single purchase limit], nor may your total monthly purchases exceed [insert CH's monthly limit].

Purchase requirements must be consistent with your assigned responsibilities and your card purchase limits, set by your approving official (AO). The supplies and non-personal services you obtain with the NAF Purchase card must be for the express purpose of providing essential NAF procurement support to NAF activities in accordance with AFI 34-275, *AF NAF Government Purchase card Program*, AFI 64-301, *Nonappropriated Fund Contracting*, AFMAN 64-302, *Nonappropriated Fund Contracting*, and AFI 34-201, *Use of Nonappropriated Funds*. Use of the NAF Purchase card for appropriated fund (APF) requirements as identified in AFI 65-106, *Appropriated Fund Support of Morale, Welfare, and Recreation (MWR) and Nonappropriated Fund Instrumentalities (NAFIs)* is not authorized. [MAJCOMs and local contracting offices may insert additional references here].

This delegation does not authorize you to purchase prohibited supplies and services. Those restrictions are listed in AFI 34-275, Chapter 3. If you purchase such supplies or services, you will be subject to disciplinary and other appropriate action for misusing the NAF Purchase card.

Your AO periodically reviews your use of the NAF Purchase card and may determine you no longer need to use the card and cancel it. That official may also confiscate your card or reduce your monthly purchase limit to \$0.00 if you misuse the card, such as allowing someone else to use your card or failing to perform timely reconciliation or to resolve disputed charges.

When you separate from [insert name of activity] through dismissal, retirement, transfer or for any other reason, this delegation is automatically terminated and the NAF Purchase card must be returned to your AO for destruction.

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Appointing Official (IPC/RM)

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Date

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Warranted Contracting Officer  
(if IPC/RM not warranted)

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Date

cc: Respective Activity Manager and/or Flight Chief

**Attachment 4**

**SAMPLE TRAINING RECORD**

1. I have received, read, and understand the Cardholder Instruction Guidebook.
2. I have received, read, and understand AFI 34-275, *AF Nonappropriated Fund Government Purchase card (Purchase card) Program*.
3. On [date], I received training by [NAF accounting or contracting office personnel] on NAF Purchase card Program procedures. I understand how to properly use the NAF Purchase card to obtain micro purchase supplies and non-personal services. I understand the card has restricted use and agree to abide by those restrictions.
4. I understand the reconciliation requirements and the disputes processing.
5. I understand improper use of the NAF Purchase card will result in appropriate disciplinary action.

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Cardholder signature

Date

**Attachment 5****STATEMENT OF ACKNOWLEDGEMENT FOR ITT CARDHOLDERS (CHS)**

1. When specified in a written delegation of authority from the Installation Program Coordinator (IPC), NAF Information Ticket and Tours (ITT) activity CHs may use their NAF Purchase card (Purchase card) for resale purchases against the Leisure Travel contract up to \$25,000 per transaction.
2. The exception applies only for resale purchases against the Leisure Travel contract.
3. ITT CHs must ensure other purchases on their NAF Purchase card do not exceed the \$5,000 maximum single purchase limit allowed by law.

Statement of Acknowledgment:

By signing this statement, I acknowledge I have read and understand the above restrictions on use of my NAF Purchase card for ITT resale purchases.

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Signature

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Date

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Print Name