

**FACT SHEET**

SUBJECT: Proper Purchases with a Government Credit Card

1. PURPOSE. To provide commanders with basic information regarding permissible purchases with a government credit card.

2. FACTS.

a. Use of a government credit card as payment for goods or services constitutes an expenditure of appropriated funds. Appropriated funds, and therefore government credit cards, may only be used for authorized purposes.

b. In regard to the Army, appropriations are generally made for broad purposes. As such, the Army is permitted to exercise reasonable discretion in the expenditure of appropriated funds. The bounds of this discretion are set by whether or not the expenditure is a "necessary expense." A credit card purchase will meet the "necessary expense" requirement if the expenditure bears a logical relationship to the appropriation sought to be charged. It is not necessary that an expense be absolutely indispensable, but must be reasonably expected to substantially contribute to an authorized purpose.

(1) The funds appropriated to the Army for Operation and Maintenance may be used for a variety of purposes, including: morale, welfare and recreation; acquisition of services, supplies and equipment; and all expenses necessary for the operation and maintenance of the Army.

(2) In addition, a particular expenditure must not be otherwise provided for by some other appropriation (e.g. the purchase of computer equipment).

c. Authorization for the expenditure of Operation and Maintenance funds on morale, welfare and recreation may raise substantial questions about whether particular credit card purchases are authorized. Published opinions regarding such purchases are extremely sparse, and determinations about the propriety of purchases must be made on a case-by-case basis. As a starting point, it may be helpful to consider what types of purchases have been found to be unauthorized.

(1) Appropriated funds may not be used for entertainment, except when specifically authorized by law. However, expenditures for entertainment may be authorized if found to be a necessary expense for the morale, welfare, and recreation of soldiers.

(2) With limited exceptions, food may not be purchased using a government credit card. Thus, a credit card could not be used to purchase food for an "organizational day" picnic.

(3) Gifts may not be purchased with a government credit card. A commander wishing to purchase an "award" for a soldier should understand that the award may actually constitute a gift under the law.

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d. Whether or not certain expenditures may qualify as a proper purchase for the expenditure will depend upon the particular circumstances of each case.

Commanders should contact the Office of the Staff Judge Advocate with any questions regarding contemplated purchases with a government credit card.

3. POC is the Administrative Law Division at 4-7414/4668.

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