

# 10-1. Policy and Use

a. Convenience checks provide activities with the flexibility to issue checks for payment of supplies and services to support mission needs when the vendor doesn't accept payment by GPC. The Army does not receive refunds or retain dispute rights on convenience check purchases. The authority to maintain a convenience check account will be justified on an individual basis. The number of convenience check accounts per installation must be kept to a minimum. Convenience check accounts are available only to organizations that maintain active GPC accounts in good standing.

b. Convenience checks must not be used to avoid the normal GPC payment process. Before a check is issued, the paying agency must make every effort to use the GPC, including making maximum efforts to find and use merchants that accept the GPC. Before writing a convenience check, the checkwriter must obtain an IRS Form W-9 to ensure possession of all information required for tax form issuance.

c. DFAS recommends not writing checks to foreign vendors. When writing a check to a foreign vendor, an IRS Form W-8 is required before payment. To determine which W-8 form is used, see IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities. To determine if tax withholding and tax deposits to the IRS are required, see IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities and/or IRS Publication 901, U.S. Tax Treaties.

d. If a U.S. vendor refuses to provide their TIN and it is a tax reportable payment, the checkwriter will choose another vendor.

## e. **Restrictions.**

1) Checkwriters must not use checks for employee reimbursements, cash advances, cash awards, travel-related transportation payments, or meals.

2) Convenience check purchases must not require detailed specifications or an inspection report.

3) Convenience checks should not be used for recurring payments.

4) Convenience checks must not be used as a method of payment against existing contract instruments.

5) Checks will not be issued as an "exchange-for-cash" vehicle to establish cash funds. If merchants issue credits or refunds by cash or check, the funds must be immediately credited to the account against which the purchase was originally made.

6) The same purchase prohibitions that apply to the GPC apply to convenience checks.

f. **Micro-purchase Threshold.** The MPT for convenience checks is half the open market and contingency MPT per Section 806 of Public Law 115-91. See Table 1-2. Splitting payments across multiple checks is prohibited if the total requirement will exceed the applicable convenience check MPT. Checkwriters may use checks for purchases in support of declared contingency events up to the applicable convenience check MPT.

g. **Processing Fee.** Convenience checks must be written for the exact payment amount. The payment amount for a check does not include the servicing bank's administrative processing fee. The check processing fee is added by the servicing bank during processing of the transaction, and

the addition of the processing fee is not considered a split requirement. Checkwriters should ensure that the total funds obligated include both the payment amount and the processing fee. The convenience check MPT is for the payment amount of the good or service, which does not include the processing fee (e.g., a check may be written up to \$5,000; the processing fee is accounted for separately and is charged separately on the billing statement).

h. **Security and Oversight.** Convenience checks are negotiable instruments and must be stored in a locked container, such as a safe or locking filing cabinet. Checks must be accounted for appropriately to prevent loss, theft, or potential forgery. Review convenience check accounts annually. Accounts with checks written above the allowable limit will be subject to suspension or termination. Commands with oversight responsibility will consider cancellation of convenience check privileges of cardholders who improperly use convenience checks (e.g., exceeding the convenience check limit).

i. Convenience checks are pre-numbered, and their use is controlled with a separate convenience check purchase log for each account. Check purchases are reconciled just as other GPC transactions, as part of the monthly statement billing cycle in the servicing bank's EAS. Retain copies of voided checks in the bank's EAS as part of the file documentation.

j. **Disputes.** The normal GPC dispute process is not applicable to convenience checks. Concerns over a check purchase must be resolved directly with the merchant. The checkwriter is responsible for securing credits or resolving problems with the merchant. Each organization is responsible for all checks written on an account, unless it is determined fraud is involved. In some cases, payments can be stopped on a convenience check that has been written if the check has not yet been posted to an account. To stop payment on a check, the checkwriter must call the servicing bank's customer service department to receive instructions on processing the action.

**Parent topic:** [CHAPTER 10 - CONVENIENCE CHECKS](#)