**General Purpose**

The purpose of the Procurement Card Program is to establish an efficient, cost-effective method of purchasing and paying for small dollar transactions within established usage limits. The program is designed to complement the use of office purchase orders.

All types of purchases are limited by and must comply with SAM 1552 and with the agency’s purchasing and expenditure policies and procedures. Agency policy will determine if a local Purchase Order must be used in conjunction with this card. The procurement card is NOT intended to be used for services, airline, or other travel expenses, nor is it to be used for purchases not approved by the agency. Agencies applying for the card should obtain a copy of the state’s Tax Exempt letter from the Department of Taxation.

Procedures exist within the WORKS application (p-card website application) to restrict card usage, including requiring real-time approval of the exact amount of transactions and suspending the procurement card for a period of time. **The agency should include procedures for disciplinary action upon determination of inappropriate use of the procurement card.**

Compensating controls must be described and utilized in agencies with limited staff.

See FAQ’s for additional information.

**Definition of Roles**

The **Procurement Card Manager** (PCM) is located at the Purchasing Division, Department of Administration.

The **Procurement** **Point of Contact** (PPOC) is the department contact for Purchasing Division and coordinates with the state’s **Procurement Card Manager** (PCM) for procurement card issues. PPOC may also serve as the agency PCA.

The **Procurement Card Administrator** (PCA) provides program oversight at the agency level and ensures that the Cardholder and agency comply with the state’s procurement card contract and coordinates program activities with the department’s PPOC. PCA may also serve as the agency PPOC.

The **Supervisor** or **PCA** is the agency employee who approves the legitimacy of purchases and exceptions made by the Cardholder. The Supervisor may also serve as the agency PCA.

The **Cardholder** is the agency employee who is issued a procurement card (p-card) and is authorized to use the card on behalf of the agency.

The **Approver** in WORKS is the equivalent of a Pend 3 in Advantage. The Approver/Pend3 may serve as the agency’s PCA.

The **Accountant** in WORKS is the equivalent of a Pend 4 in Advantage.

**WORKS** is the Bank of America application used for managing p-card accounts, including adding and deleting cardholders, adjusting credit limits, and approving transactions.

**Procurement Cards – General**

1. The agency head (or representative) has determined:
   1. The general criteria and purchase limits for cardholders, including both for monthly cumulative (overall) credit limits and for single transaction limits (single transactions should not exceed $4,999.99). *The criteria are as follows:*
   2. The maximum dollar threshold when pre-approval of the purchase is required. *The criteria are as follows:*
2. Each department will appoint a PPOC to assist the with the p-card program. *List the position:*
3. The department will notify Purchasing Division when their PPOC changes.
4. Each agency will appoint at least one PCA and one backup PCA. *List the positions:*
5. Each transaction should be assigned a GL Code either within the WORKS system by the agency or in some other manner agreed upon by agency and agency Fiscal.
6. Billing statements will be paid in their entirety, with disputes/inappropriate charges resolved the subsequent months.
7. If card is in the name of the agency (as opposed to an individual cardholder) then:
   1. The card must be maintained in a secure location.
   2. A check out log for the card must be maintained by the individual securing the p-card.
   3. The individual requesting use of the p-card must fill out check-out log.
8. Upon misuse of card, transfer of cardholder, or separation from state service:
   1. Cardholder accounts will be suspended until the end of the billing cycle and then, revoked or closed.
   2. Cards will be retrieved and rendered unusable.
9. The Controller’s Office VISTA report must be compared to the p-card statement and approved by emailing the completed Electronic Transfer of Transactions document to the Controller’s Office. *List position:*

**Procurement Card Administrator (PCA)/Supervisor Responsibilities**

1. The PCA is prohibited from having a p-card.
2. Upon the agency’s decision to utilize procurement cards, the PCA will submit the completed Procurement Card Internal Controls to the Division of Internal Audits. Upon approval, Internal Audits will notify Purchasing Division and the agency.
3. The PCA is responsible for assigning purchase limits for each Cardholder for the monthly overall credit limits.
4. The PCA is responsible for ensuring that the Cardholder is aware of the single transaction limit of $4,999.99 and that the Cardholder does not exceed that amount.
5. The PCA or Supervisor will also regularly monitor the Cardholder transactions in WORKS for declined or unusual transactions.
6. The PCA or Supervisor will ensure an approved contract is in place when the p-card is used to pay for goods or services requiring a contract.
7. The PCA or Supervisor reviews WORKS for appropriate purchases when the Cardholder is unable to obtain independent verification (“receiver”) of merchandise purchased.
8. There is a process in place for PCA to notify Cardholders of budgetary constraints prior to purchases. *The process is as follows:*
9. The PCA will establish a process for immediate reporting of suspected or actual unauthorized use of a card, including a process for self-reporting by Cardholders. *The processes are:*

1. The PCA is responsible for ensuring that the total number of cards in use by the agency is verified and reconciled, at least semi-annually, and retained for review purposes.
2. The PCA will also ensure that the vendor and Cardholder work to resolve any billing discrepancies.
3. The PCA or Supervisor will ensure each purchase is supported by invoices, receipts, or packing slips, and includes and an independent receiver signature.
4. The PCA or Supervisor will:
   1. Verify purchase documentation to billing statement.
   2. Sign off on billing statement indicating verification.
5. All transactions are reviewed to verify:
   1. No “splitting of transactions” occurred
   2. No transactions occurred with disallowed merchants or vendors
   3. Transactions were within approved limits, or appropriate documentation of exceeding limits exists
   4. Frequently purchased items and/or unusual items are verified to be necessary
   5. Credits are appropriate and have the required vendor supporting backup documentation for justification
6. The billing statement will be signed off as approved for payment by a supervisor.

**New Cardholder - PCA Responsibilities**

1. When obtaining cards, the Procurement Card Administrator (PCA):
2. Completes and signs the Cardholder Agreement Form.
3. Ensures the Cardholder reviews and signs the Cardholder Agreement Form.
4. Ensures that the Cardholder’s Supervisor signs the Cardholder Agreement Form.
5. Maintains copies of the signed forms for both activated and inactivated agreements.
6. Creates, or notifies PPOC to create, Cardholder User account in WORKS.
7. After receiving each procurement card, the PCA will:
8. Verify the information on the card, including the Cardholder’s name, agency, and tax exemption number.
9. Deliver the card to the appropriate Cardholder and verify that the card is subsequently signed on the back.
10. Instruct the Cardholder on the proper use of procurement cards, the consequences of unauthorized use, and provide updated training as needed.
11. Assign, update, and monitor the limits for each of the individual Cardholders, as well as the specific merchant and vendor categories which are disallowed for each Cardholder and for the agency in general. This information, and any other applicable information, will be documented for each Cardholder.

1. The PCA is responsible for ensuring that purchasing limits assigned for each Cardholder comply with the restrictions of SAM 1552.0, including the limitation of $4,999.99 for each purchase unless otherwise specified, or unless State Purchasing has granted specific authorization for certain items at higher limits.

**Cardholder Responsibilities**

1. Each Cardholder is required to:
2. Abide by all the conditions noted on the Cardholder Agreement Form**.**
3. Ensure that the card is not used by another individual.
4. When purchasing, cardholders will:
5. Comply with all agency purchasing and expenditure policies and procedures, as well as SAM 1500 and other relevant state regulations and statutes.
6. Ensure that no sales tax is charged on purchases.
7. Ensure that purchases do not exceed assigned limits or budgeted amounts for that category and that individual limits are not circumvented by splitting purchases.
8. Upon receipt of each purchase, verify that the correct number of items was received and that all merchandise is in good condition, and, if applicable, sign the accompanying packing slip attesting to the quantity and condition of the merchandise.
9. Ensure that an independent receiver sign receipt/packing slips as verification of the item(s).

*If the cardholder is unable to obtain independent verification of goods, the cardholder provides invoices or other backup documentation (as applicable) as soon after purchase for each transaction to their Supervisor for initial review.*

1. Cardholders will also:
2. Report any disputes or discrepancies to the PCA or PPOC.
   1. Work with vendor, PCA/PPOC, and financial institution to resolve issues.
3. Immediately report any unauthorized use of the card to the PCA/Supervisor.
4. Report any lost or stolen cards to the issuing financial institution within 24 hours and to their PCA or Supervisor at the first opportunity during business hours.
5. Return their card to the PCA upon termination of employment and/or transfer to a different position and/or agency.

**Fiscal Responsibilities**

1. Fiscal staff who review p-card transactions are prohibited from having procurement cards.
2. Fiscal staff updates and monitors budget accounts to ensure purchases remain within available funding.
3. At least monthly, fiscal staff will ensure that:
4. Card purchases received appropriate supervisor approvals**.**
5. Transactions have appropriate supporting documentation.
6. Purchases are not assessed sales tax**.**
7. Fiscal staff will reconcile transactions and receipts with the billing statement and inform the PCA of any discrepancies.
8. Fiscal staff will ensure that the Approver (Pend 3) and Accountant (Pend 4) approvals are completed for each transaction? If using WORKS application, is this completed no later than the 9th day of the month following the end of the billing cycle.
9. Fiscal staff will facilitate billing statement payment according to agency and Controller’s Office procedures.