



# *State of Oklahoma Purchase Card Procedures*

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*Issued by:  
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# 1 PROGRAM DESCRIPTION

## 1.1 Program

The State of Oklahoma Purchase Card (P/Card) Program establishes the use, by designated State employees, of commercial purchase cards to facilitate the acquisition of lower dollar goods and services needed for conducting official State business. State entities are encouraged to use the P/Card in lieu of purchase orders and authority orders. It is intended that P/Cards be issued to selected State employees when the use of the P/Card will enhance Entity effectiveness or economy of operation. Cards are issued in the name of the State but also bear the name of the cardholder and the cardholder's unique account number. Liability for payment to the P/Card provider rests with the State. Employees involved in the program are subject to State ethics laws and directives.

Legislation, passed in 2004, authorized the issuance of a Statewide Contract P/Card entities may use to make purchases of any amount from Statewide Contracts issued by the Department of Central Services (DCS)/Central Purchasing Division, contracts designated by the State Purchasing Director as a statewide contract for agency use, or to pay for regulated utilities. A Travel P/Card is also available allowing entities to purchase airfare pursuant to 74 O.S. §85.45k., DCS Central Purchasing Administrative Rules OAC 580:15-6-14, and these P/Card Procedures. The Travel P/Card may also be used to purchase lodging pursuant to the State Travel Reimbursement Act [74 O.S. §500 et seq.], the Office of State Finance (OSF) State Travel Procedures, and these P/Card Procedures. The number of Travel P/Cards and Statewide Contract P/Cards issued to each entity may be limited by the State Purchasing Director.

## 1.2 Program Benefits

The federal government, the majority of states, and numerous well-known private sector companies successfully use P/Cards. Examples of benefits are reduced paperwork and transaction costs, ease of purchasing, prompt payment to merchants, good audit trail, safeguards against card misuse, and an expanded number of merchants willing to do business with the State. In some cases, use of a P/Card will result in lower prices.

## 1.3 State of Oklahoma Contract

As the result of competitive bidding, DCS awards the prime contract for purchase card services. The contract is a **mandatory** statewide contract. Oklahoma political subdivisions including counties, school districts and municipalities may also use the prime contract. However, they must execute sub-agreements and establish their own method of payment with the issuing bank.

## 1.4 Program Authorization

The program is authorized by the Oklahoma Central Purchasing Act (74 O.S., § 85.5(C.)(15.) & (L.).

## 1.5 Conditions of Participation

State entities, as a condition of participation in the program and use of the statewide contract, shall abide by the terms of these procedures unless a "Request for Exception" form is submitted and approved by the State Purchasing Director. Requests shall cite the specific paragraph(s) of these policies and procedures for which the exception is requested, a description and justification for the exception and the length of time for which the exception is necessary. The State Entity Purchase Card Administrator, State P/Card Administrator, and the Audit Division of DCS shall keep approved exceptions on file. The Request for Exception to State Purchase Card Procedures (DCS/Purchasing- Form 030) is located on the DCS website ([www.dcs.ok.gov](http://www.dcs.ok.gov)).

State Entity P/Card procedures shall be made a part of the entity's internal purchasing procedures. State Entities must submit their revised internal purchasing procedures to the Central Purchasing Division of the Department of Central Services within 6 months of completing the program implementation process (See Section 4.). State Entities should review their internal purchasing procedures and p/card procedures annually and make any revisions necessary to be in compliance with any changes in the State of Oklahoma Purchase Card Procedures; The Central Purchasing Act (Title 74 O.S., Sec. 85.1 et. seq.); the Department of Central Services, Central Purchasing Administrative Rules (OAC 580:15); or any other applicable statutes or entity rules. If any changes are made to the entity's internal p/card procedures, State Entities must resubmit their internal purchasing procedures and internal purchase cards procedures to the State Purchasing Director for approval.

Failure to comply with all conditions of participation may result in a State Entity's removal from the P/Card Program by the State Purchasing Director.

## **1.6 Exemption**

Institutions of higher education and political subdivisions may develop and implement their own procedures in lieu of these procedures.

## **1.7 Transaction Flow**

A typical P/Card transaction consists of the following steps:

- 1.7.1** Cardholder makes purchase from merchant using P/Card and retains all transaction documentation for reconciliation at the end of the cycle.
- 1.7.2** Merchant delivers goods or services and submits transaction to the credit card company.
- 1.7.3** The credit card company
- 1.7.4** Cardholder shall update the note field on the bank's transaction system for each Statewide Contract P/Card and Travel P/Card transaction posted with a brief description of the goods or services purchased. Notes should be updated on a regular basis (at least weekly, but preferably daily) to ensure adequate time for the reconciliation and payment process at the end of the cycle. (See Sections 6.8.2 and 6.8.3.)
- 1.7.5** The issuing bank furnishes State Entity with access to an electronic monthly report (memo statement) for purchases.
- 1.7.6** The issuing bank provides entities access to on-line transaction information for continuous reconciliation and funding verification prior to data transmission to the State accounts payable system.
- 1.7.7** Cardholder reconciles receipts and any other transaction documentation monthly with electronically generated memo statement and forwards to State Entity Approving Official.
- 1.7.8** State Entity Approving Official(s) reviews and approves reconciliation and forwards to entity accounting.
- 1.7.9** Entity makes single monthly payment for the amount of the electronic invoice, which should reconcile with the entity memo statement, to the issuing bank on the scheduled due date.

## 2 DEFINITIONS

**“Acquiring Bank”** means the bank that signs a merchant to accept their credit card (for example: MasterCard, Visa, etc.). Synonymous with “merchant bank.”

**“Cycle”** means a period of time ending on the same date. For example, the State of Oklahoma P/Card closing period ends at midnight on the 27<sup>th</sup> of each month, unless the 27<sup>th</sup> falls on a holiday or other non-banking day, then closing is changed to another day, usually the following banking day. However, occasionally, the day may be before the 27<sup>th</sup> of the month. The State of Oklahoma P/Card Cycle is determined by the issuing bank/contractor. The P/Card cycle dates are posted on the DCS website. Synonymous with “billing cycle.”

**“Invoice”** means a document issued by the issuing bank to an organization to effect payment for goods and services purchased using the P/Card and is available via the bank’s transaction system. For state entities (except institutions of higher education), payment will be made by the entities directly to the bank. (See Sections 0 and 5.4)

**“Issuing Bank”** means the bank issuing the P/Card to an organization. Synonymous with “servicing bank or current Statewide Contract 200 contract holder”.

**“Low Dollar Acquisition”** means an open market acquisition that is fair and reasonable and does not exceed Five Thousand Dollars (\$5,000.00).

**“Memo Statement”** means a document listing P/Card account activity issued to a State Entity by the issuing bank. The memo statement is available via the issuing bank’s transaction system and is used for management and reconciliation purposes as well as the basis for payment.

**“Merchant”** means a business or other organization that may provide goods or services to a customer. Synonymous with “supplier” or “vendor.”

**“Merchant Category Code (MCC)”** means a standard code the credit card industry uses to categorize merchants based on the type of goods or services provided by the merchant. A merchant is assigned an MCC by the acquiring bank.

**“Merchant Category Code Group (MCCG)”** means a defined group of merchant category codes. MCCGs are used to control whether or not cardholders can make purchases from particular types of merchants.

**“Point of Sale Code (POS)”** means a cardholder defined code entered by the merchant at the time of sale that can be used to enhance accounting data.

**“Single Purchase Limit”** means the maximum spending (dollar) limit a cardholder is authorized to charge in a single transaction. Purchases shall not be split with the intent of and for the purpose of evading (1) the Standard P/Card statutory single purchase limit of \$5,000.00; and/or (2) limit(s) established for an individual P/Card; and/or (3) a competitive bidding requirement.

**“Split Purchase”** means dividing a known quantity or failing to consolidate a known quantity of an acquisition for the purpose of evading a competitive bidding requirement. Conviction for making an acquisition by split purchase is a felony pursuant to the Oklahoma Central Purchasing Act.

**“Standard Purchase Card or Standard P/Card”** means an electronic transaction device used for making low-dollar acquisitions (See Section 6.).

**“State Entity”** means a unit of state government. It includes, but is not limited to, any agency, office, officer, bureau, board, council, court and associated organizations, commission, institution, unit, division, or other units of state government, whether elected or appointed. It excludes only political subdivisions of the state. Synonymous with “entity.”

**“Statewide Contract Purchase Card or SW Contract P/Card”** means a credit card used to purchase from Statewide Contracts issued by the Department of Central Services/Central Purchasing Division or designated by the State Purchasing Director as a statewide contract for use by agencies, for any amount or to pay for regulated utilities when the monthly amount exceeds \$5,000.00 (See Section 6).

**“Transaction”** means a single purchase. A credit also constitutes a transaction.

**“Transaction Documentation”** means all documents pertaining to a transaction. The documentation is also used for reconciliation at the end of the billing cycle and is to be retained with the monthly reconciliation documentation for review and audit purposes. Examples of transaction documentation include, but are not limited

to: itemized purchase receipts, receiving documents, credits, disputes, written approvals, airline exception justifications, Travel P/Card lodging letter, exception requests (DCS Purchasing Form 030), regulated utility verifications, all transaction correspondence, and any other item referencing the transaction. Synonymous with "Transaction Documents".

**"Travel Purchase Card or Travel P/Card"** means a card allowing entities to purchase airfare pursuant to 74 O.S. § 85.45k., DCS Central Purchasing Administrative Rules OAC 580:15-6-14, and these P/Card Procedures. This card may also be used to purchase lodging pursuant to the State Travel Reimbursement Act [74 O.S. §500 et seq.], the Office of State Finance (OSF) State Travel Procedures, and these P/Card Procedures (See Section 6).

**"Transaction System"** means the web-based tool provided by the Issuing Bank to record and access transaction information.

### **3 ORGANIZATION AND TRAINING**

#### **3.1 Executive Steering Group**

Provides overall guidance and directions for the P/Card Program. It is chaired by the Director of Central Services. Other members are the State Treasurer; the Director of the Office of State Finance, and the State Auditor and Inspector.

#### **3.2 State Purchasing Director**

Responsible for management of the P/Card Program.

#### **3.3 State P/Card Administrator**

The Central Purchasing staff member designated to assist the State Purchasing Director with implementation and operation of the P/Card Program.

#### **3.4 Contracting Officer**

The designated Central Purchasing staff member with authority to contractually commit the State. Assists with program implementation and operation.

#### **3.5 State Entity P/Card Administrator**

The State Entity individual designated by the Entity Chief Administrative Officer to manage, on a day-to-day basis and in detail, the P/Card Program and transaction system for the Entity. This employee and any designated back-up or Authorized Signer are the only employees authorized with the issuing bank to designate or change cardholder and card limits for their State Entity. The State Entity P/Card Administrator is the primary interface with the State P/Card Administrator and the issuing bank. (See Section 6.11.)

Note: The State Purchasing Director and State P/Card Administrator have authority with the issuing bank to make changes, additions, and/or deletions to accounts for program participants.

#### **3.6 State Entity Approving Officials**

One or more Entity staff members designated by the State Entity P/Card Administrator to review and approve cardholder transactions. State Entity Approving Officials must be at least one level above the cardholder's position and be current on P/Card training. The State Entity P/Card Administrator may designate, in writing, Back-up State Entity Approving Officials. The Back-up State Entity Approving Official must be at least one level above the cardholder's position and be current on P/Card training.

#### **3.7 Cardholders**

One or more State Entity staff members designated by the State Entity P/Card Administrator to execute purchases using an assigned P/Card. Cardholder must complete the appropriate P/Card training prior to being issued P/Cards.

#### **3.8 Organization Chart**

A P/Card organization chart is available on the DCS website

#### **3.9 Training**

State Entity P/Card Administrators and designated back-ups, Authorized Signers, State Entity Approving Officials and designated back-ups, and Cardholders must successfully complete the training prescribed by the State Purchasing Director prior to assuming their duties and prior to being issued P/Cards.

Training is required every five (5) years from date of the last training session. State entities are encouraged to send employees to training more often. It is the responsibility of the State Entity P/Card Administrator to ensure employees are re-trained in accordance with DCS requirements.



- 3.9.1 Standard P/Card Training:** All P/Cardholders, their Approving Officials and Entity P/Card Administrators, and any back-ups, must complete a training session for the Standard P/Card and the State Purchase Card Procedures.

If the participant is associated with the Travel/Lodging or Statewide Contract P/Card (cardholder, P/Card Administrator, Approving Official, back-up) additional training is required prior to assuming their duties and prior to being issued P/Cards as follows:

- 3.9.2 In addition to Standard P/Card training,** SW Contract P/Cardholders, their Approving Officials, Entity P/Card Administrators, and any backups must complete a training session covering the use of Statewide Contracts and Statewide Purchase Cards;
- 3.9.3 In addition to Standard P/Card training,** State Entity Travel Coordinators (Travel P/Cardholders), their Approving Officials, Entity P/Card Administrators, and any backups, must complete a travel/lodging training session covering the use of the Travel P/Card and familiarization with travel directives within the DCS Central Purchasing Administrative Rules; State P/Card Procedures; State Travel Reimbursement Act; and, Office of State Finance Travel Procedures.
- 3.9.4 All participants in the Purchase Card Program must complete initial training by attending the appropriate training provided by the Department of Central Services.** Employees attending training as a refresher or to comply with the five-year rule may attend training provided by the Department of Central Services or training approved by DCS and provided by the employee's agency P/Card Administrator or an approved designated instructor. Agencies wishing to provide their employees refresher training must submit proposed training materials to DCS for review and meet the training requirements as determined by the State Purchasing Director.

A DCS P/Card training schedule and P/Card Training Registration form (DCS/Purchasing – Form 058) are located on the DCS website. ([www.ok.gov/DCS](http://www.ok.gov/DCS)).

### **3.10 Purchase Card Employee Agreement**

Entity P/Card Administrators and designated back-ups, Authorized Signers, State Entity Approving Officials and designated back-ups, and Cardholders must sign the State of Oklahoma Purchase Card Employee Agreement form in the appropriate signature block, prior to assuming their duties and being issued P/Cards. If an employee holds multiple positions within the program, a separate agreement must be signed for each role and the position notated on the top of the form. If an employee no longer holds a position within the program, the State Entity P/Card Administrator shall notate the termination date, the card cancellation date, and the transaction system account locked date on page 2 of the Agreement. (See Section 6.1.3. and 6.9) The State Purchase Card Employee Agreement (DCS/Purchasing – Form 059) is located on the DCS website.

### **3.11 Employee Status**

Personnel serving as Entity P/Card Administrators and designated back-ups, Authorized Signers, State Entity Approving Officials and designated back-ups, and Cardholders must be a full time or permanent part time (not temporary or contract) employee of a State Entity.

## **4 IMPLEMENTATION AND MAINTENANCE**

### **4.1 Implementation Instructions**

Each State Entity P/Card Administrator will receive an issuing bank program guide and implementation training. The Guide and these procedures provide the information needed to implement a State Entity program. The State P/Card Administrator will provide p/card usage training schedules (See Section 3.9).

### **4.2 Implementation and Maintenance Submissions**

State entities desiring to participate in the State P/Card Program must prepare and submit a letter on the agency's official letterhead and signed by the Entity's Chief Administrative Officer requesting to join the program. The letter must contain the names and contact information of the appointed Agency P/Card Administrator and back-up P/Card Administrator. The original letter is submitted to the State Purchasing Director and a copy is given to the appointees. See Appendix A for other Issuing Bank Forms that must be submitted when the program is implemented or changes are made. Appendix A is subject to change, make sure you have the most recent version when preparing forms for the issuing bank.

## 5 FINANCIAL OPERATIONS

### 5.1 Encumbering Funds

State Entities shall establish encumbrances as “authority order” purchase orders in the State Purchasing System. Entities are required to create a minimum of one authority order for each type of P/Card in use. Separate authority orders shall be established for the Standard P/Card, the Statewide Contract P/Card, and the Travel P/Card. Change orders to amend these encumbrances may be processed, as necessary.

Please remember to follow the prior encumbrance requirement (sufficient balance implied) to be in compliance with the encumbrance law (62 O.S. § 34.62. - Encumbrance requirements for payment of state funds). The administrative head of an Entity shall be personally liable for obligations incurred in excess of the authorization [funds encumbered]. Accordingly, the Director of State Finance shall never authorize payment of claims [vouchers under Core] for purchases not supported by an encumbrance and any invoice or claim dated prior to the date of the encumbrance shall be rejected. (For more information regarding this statute, please contact the Office of State Finance at 405-521-4679.)

See Appendix B for appropriate vendor information. Appendix B is subject to change, make sure you have the most current information when assigning vendor ID information in PeopleSoft or in the issuing bank's transaction system.

### 5.2 Account Codes

As with any purchase, State Entities shall establish internal procedures to ensure each payment voucher uses valid account (object of expenditure) codes. A generic account code shall not be used with any accounts payable voucher.

Default account codes will be assigned based on the MCC codes for each merchant. However, these default codes may not be appropriate in some circumstances and the correct account codes should be assigned on-line by the purchaser or other Entity personnel. On-line review and correction of account codes should be done using the bank's website at least weekly or possibly daily to permit quick processing during the short payment window at the end of the billing cycle.

**Funding Lines.** Each P/Card will be coded with default funding line information. These default codes may not be appropriate in every circumstance and the correct funding should be assigned on-line by the purchaser or other Entity personnel. On-line review and correction of funding lines should be done using the bank's website at least weekly or possibly daily to permit quick processing during the short payment window at the end of the billing cycle. Payments from a true Agency Special Account (ASA) (accounts beginning with a “1”) should be made through a 700 fund, which can be reimbursed from the ASA.

### 5.3 P/Card Payment

Each State Entity shall make **one**, single monthly payment to the appropriate P/Card vendor to satisfy all transactions listed for the billing cycle, in the time and manner agreed to by the State and the servicing bank regardless of the number of purchase orders utilized. The actual payee will be automatically populated on the voucher payment page with the issuing bank's vendor ID and location. See Appendix B for vendor information.

**Late payment or non-payment of P/Card purchases will result in an entity's cards being frozen or canceled, and may include additional action to obtain the payment and/or any interest accrued.**

### 5.4 Payment Procedures

Entities will create the accounts payable voucher for the full amount of the invoice from the issuing bank's transaction file using the State accounts payable system voucher-build program, and process it for payment. Also, each State Entity P/Card Administrator will be provided access to a separate memo statement by the issuing bank reflecting the amount due from said Entity that should balance to the voucher.

**5.4.1 Processing Schedule.** The P/Card closing period is normally the 27<sup>th</sup> of the month, unless on a holiday or other non-banking day. The P/Card billing and closing cycles are posted on the DCS website. The Office of State Finance (OSF) must receive Entity vouchers by the specified voucher due date. This is to allow OSF appropriate time to process the voucher and for the Electronic Funds Transfer (EFT) payment to reach the servicing by their due date. Agencies should check the P/Card Billing Cycle dates on the

DCS website to ensure they have sufficient time to edit their transactions, prepare vouchers, and make payments within the time frames indicated.

Each Entity will create one accounts payable voucher each month per vendor ID using the PeopleSoft batch voucher request process for "Procurement Card." Entities will review the process error reports online, correct any errors (missing or incorrect data), and rerun the process if necessary. A separate Core training manual is available for this process as well as a monthly training class provided by OSF.

- 5.4.2 Payment in Full.** Entity payments shall be made in full, even though memo statements may contain transactions which are disputed by the State Entity. A dispute must be filed through the proper channels provided for resolutions. Once resolution of the dispute is made, an adjustment will appear on a subsequent memo statement from the bank and an appropriate offset against the current transactions may be taken at that time. State Entities shall assume full responsibility for reconciling and documenting all P/Card transactions.

Payments will not be processed for an Entity with a cumulative credit balance. Nevertheless, the Entity must build the voucher and attach the invoice. Retain the voucher, the invoice, and batch slip until there are debit vouchers sufficient to offset the credit. Once there are sufficient charges to recoup the credit, the batch slip listing the unpaid vouchers from the prior and the current billing cycles should accompany the vouchers with the required invoice documentation.

- 5.4.3 Voucher Documentation.** Vouchers for P/Card transactions shall have the transaction system invoice attached when submitted to OSF. If an Entity has multiple card types, i.e., Standard P/Card, Statewide Contract P/Card and the Travel P/Card, these amounts will all show cumulative on the invoice. Therefore, such entities are required to separate out the totals for each card type and write them on the invoice. Place the original invoice with one of the vouchers and copies of the report can be placed with the other vouchers. These vouchers will be considered similar to those processed under the alternate claim procedure (62 O.S., §34.64) and are subject to post-audit for all State Entities participating in the P/Card Program. Therefore, detailed transaction documentation supporting P/Card transactions shall be retained by the State Entity and made available upon request (See Section 6.8.4).

## **5.5 Cycle Dates**

The issuing bank monthly purchasing cycle dates are posted on the DCS website.

## **5.6 Records Retention**

State Entity P/Card records shall be maintained in a central and secure location. Records may include, but are not limited to, memo statements, transaction receipts, dispute documents, Cardholder and State Entity Approving Official approvals, and any other transaction documentation whether in paper or electronic form. Accounting records shall be maintained in the appropriate State Entity accounting office. Records shall be maintained for seven (7) fiscal years. If audit, litigation or other action is started before the end of the seven year period, the records are required to be retained for two years from the date all issues arising out of the action are resolved or until the end of the seven year retention period, whichever is longer. (See Section 6.8.4.)

## **5.7 IRS Form 1099 Reporting**

Information to meet IRS Form 1099 reporting requirements will not be supported directly by the State P/Card Program. State entities should ensure appropriate review and documentation of 1099 reportable transactions and subsequent submission to OSF for inclusion within the central Form 1099 reporting system and the State Financial System (PeopleSoft) vendor file. Additional guidance regarding these reporting requirements will be provided by the Office of State Finance separately to State entities.

## **5.8 Revenue Sharing**

The contract with the issuing bank requires revenue sharing with contract users. Revenue will be calculated for each Entity by the issuing bank and is based on the contracted formula for the rebate. Payment by the issuing bank can be expected within the time frames established in Statewide Contract 200.

- 5.8.1** State Entities. (See Section 2.). The issuing bank will send a check to the DCS State Purchasing Director to distribute to each State Entity participating in the P/Card program for its share of the revenue sharing rebate.
- 5.8.2** Other Organizations. Generally, other organizations may participate in the State's agreement with the issuing bank. This group will include institutions of higher education and political subdivisions. The servicing bank will send a check directly to these organizations.

## **5.9 Implementation Notice**

The State P/Card Administrator shall provide written notice to the State Comptroller (with a copy to the OSF Transaction Processing Department) in advance of any State Entity beginning use of P/Cards. The notice shall include whether the Entity will be issued the Standard P/Card, Statewide Contract P/Card or Travel P/Card.

## **5.10 Advance (Pre-) Payments**

P/Card purchases are subject to Office of State Finance Procedures Manual, Section 319, Special Procedures, Chapter L., Advance (Pre-) Payments <http://www.state.ok.us/osfdocs/manual/300.pdf>.

## 6 PURCHASE CARD OPERATIONS

### 6.1 Issuing the P/Card

**6.1.1 Cardholders.** The P/Card is typically issued to those employees who have the need to actually purchase goods and services for official use by the State.

**6.1.2 Application.** Application for P/Card(s) shall be made by the Entity P/Card Administrator by submitting the issuing bank's form or by electronic submission using the bank's transaction system. (See Appendix A – Issuing Bank Forms) When ordering new cards, the card limits (Card Limit and Single Purchase Limit) shall be set at \$5.00 and shall be adjusted by the Entity P/Card Administrator upon receipt of the p/card. (See Section 6.1.5). The issuing bank will ship new cards to the State P/Card Administrator for redistribution to the respective Entity P/Card Administrator.

**6.1.2.1 Form Submission.** The issuing bank's form for ordering new cards must be signed by the Entity P/Card Administrator and submitted with original signatures directly to the issuing bank. The address for the issuing bank is posted on the DCS Website and can be found in Appendix B of these procedures. The Entity P/Card Administrator shall retain signed copies of all applications.

**6.1.2.2 Electronic Submission.** The cardholder new card set up from the issuing bank's transaction system must be printed, signed, and dated by the Entity P/Card Administrator prior to electronic submission to the issuing bank. The Entity P/Card Administrator shall retain signed copies of all electronically submitted applications.

**6.1.3 Purchase Card Employee Agreement.** (See Section 3.10) Entity P/Card Administrators and designated back-ups, Authorized Signers, State Entity Approving Officials and designated back-ups, and Cardholders must sign the State of Oklahoma Purchase Card Employee Agreement form in the appropriate signature block, prior to assuming their duties and being issued P/Cards

The State Entity P/Card Administrator shall maintain the original employee signed copy of the Agreement for all participants of the P/Card Program. A copy of the signed agreement shall be provided to the employee. For participants who are cardholders, the form shall also contain card limitations applying to the employee. If an employee holds multiple positions within the program, a separate agreement must be signed for each role and the position notated on the top of the form.

The State Entity P/Card Administrator shall notate changes in employee program role or card status on page 2 of the original employee P/Card agreement when they occur (i.e. card cancelled, termination of employment, or change in program position). The State Purchase Card Employee Agreement (DCS/Purchasing – Form 059) is located on the DCS website.

**6.1.4 Property of the State.** All P/Cards issued under this program are the property of the State of Oklahoma and shall be surrendered to the State Entity P/Card Administrator upon termination of employment with the State Entity whose name is on the card or upon request of the cardholder's supervisor, State Entity Approving Official, Authorized Signer, State Entity P/Card Administrator or designated back-up, or State Purchasing Director. State Entity P/Card Administrators, who are also cardholders, shall surrender their card to the State P/Card Administrator upon termination of employment with the State Entity whose name is on the card or upon request of the State Purchasing Director.

**6.1.5 Card controls and limits.** State entities are required to establish the following categories of controls and limits on each P/Card. These mandatory limits are required by the issuing bank and the card provider, for example MasterCard or Visa. The mandatory categories are:

- Card limit (dollar amount per cycle),
- Single purchase limit (dollar amount per transaction)
- Merchant Category Code Group (MCCG).

When ordering new cards, the State Entity P/Card Administrator shall set the Card Limit and Single Purchase Limit at \$5.00 each. Upon receipt of the P/Card, the State Entity P/Card Administrator shall adjust the limits accordingly. (See Section 6.1.2)

As an option, state entities may establish a dollar amount per day limit, number of transactions (authorizations) per day, and/or number of transactions per cycle. However, use of these additional limits is discouraged as the limits listed above are deemed sufficient for most needs.

**6.1.5.1 Standard P/Card.** The Standard P/Card has a statutory single purchase limit of \$5,000.00. The Entity P/Card Administrator may set the single purchase limit for a cardholder at an amount less than \$5,000.00 if desired; however, the limit may not be set higher than \$5,000.00.

**6.1.5.2 Statewide Contract P/Card.** The Statewide Contract P/Cardholder shall obtain written approval from their State Entity Approving Official or designated back-up **prior** to making a purchase of goods or services with the Statewide Contract P/Card. The Statewide Contract P/Card has no mandatory limit on purchasing amounts. The Entity P/Card Administrator shall set the card limits for Statewide Contract P/Cards based on Entity need or past usage. The limits should not be set inappropriately high. The card is to be used **ONLY** for making purchases from statewide contracts issued by Central Purchasing or contracts designated by the State Purchasing Director as statewide contracts for agency use, or to pay for monthly regulated utility expenses when the monthly invoice exceeds \$5,000.00. (See Sections 2. and 6.8.2)

**6.1.5.3 Travel P/Card.** The Travel P/Card shall be used for the purchase of airfare and/or lodging only (airfare and lodging are considered separate transactions). (See Section 2 and 6.8.3) The Travel P/Card Holder (Entity Travel Coordinator) shall obtain written approval from their State Entity Approving Official or designated back-up **prior** to making a purchase of airfare or lodging. The Travel P/Card was intended for travel or lodging expenses for active state employees or officials of the state; however, the Travel Reimbursement Act allows for reimbursement of travel expenses by persons other than state employees when they are performing substantial and necessary services to the state and have been directed or approved by the appropriate department official. Use of the Travel P/Card may be appropriate when in compliance with the Travel Reimbursement Act. The requirements and procedures for travel expense reimbursement do not apply to contractors or the agents of such contractor firms doing work or providing service under terms of a contract or agreement with the state. As a safeguard against misuse and fraud, any travel or lodging expenses purchased using the Travel P/Card for non state personnel shall be reported monthly to the State Purchasing Director. The report shall be submitted no later than the 15<sup>th</sup> of the month following the month of purchase in the format defined by the State Purchasing Director and shall include at a minimum:

- 1) The name of the agency
- 2) The name of the non-state person(s) for whom airfare or lodging was purchased
- 3) The name of the cardholder
- 4) Justification or purpose of travel or lodging
- 5) The amount of the transaction
- 6) To and from destinations and dates of travel for airfare; dates of stay for lodging.
- 7) The name of the vendor.
- 8) Written approval of the agency director or chief administrative officer. (Written approval shall be provided in a form determined by the State Purchasing Director.)

The Travel P/Card has a statutory **single purchase limit of \$5,000.00** pursuant to the following:

- **Airfare.** The card allows entities to purchase airfare:
  - With a travel agent listed on the Statewide Contract for Travel Agent Services (SW100) issued by DCS/Central Purchasing Division.

If a transaction for airfare purchased through a travel agent listed on the Statewide Contract for Travel Agent Services (SW100) exceeds \$5,000.00, the State Entity P/Card Administrator has authority to increase the single purchase limit to the amount necessary to cover the transaction. Once the transaction posts, the State Entity P/Card Administrator shall decrease the single purchase limit to \$5,000.00 or less. The State Entity P/Card Administrator shall document in writing the: (1) date the cardholder's single purchase limit was increased; (2) cardholder's name; (3) revised single purchase limit amount; (4) justification of the increase; and (5) date the cardholder's single purchase limit was decreased to \$5,000.00 (or less). The State Entity P/Card Administrator shall forward the documentation to the Travel P/Cardholder to retain with monthly reconciliation as well as forward a copy of the documentation to the State P/Card Administrator.

- Without using a travel agent listed on the Statewide Contract for Travel Agent Services (SW100) issued by DCS/Central Purchasing Division, when an exception to airline ticket purchases applies pursuant to 74 O.S. § 85.45k.B.(1-4) and DCS Central Purchasing Administrative Rules OAC 580:15-6-14(4). The Travel P/Cardholder shall document the reason for the exception in the issuing bank's transaction system.

If the transaction for airfare purchased directly exceeds \$5,000.00 per employee per transaction, the Travel P/Card shall NOT be used. In this instance, airfare may be purchased: (1) through a travel agent listed on the Statewide Contract for Travel Agent Services (SW100) issued by DCS/Central Purchasing Division (as stated above); or (2) by the traveler who may seek reimbursement pursuant to the State Travel Reimbursement Act and the OFS State Travel Procedures. The State Entity P/Card Administrator does not have authority to increase the single purchase limit greater than \$5,000.00 for direct airfare. Failure to follow this guideline could result in suspension of the Entity's Travel P/Card.

- **Lodging.** The card allows entities to purchase lodging with a single purchase limit of \$5,000.00 per employee per transaction. The purchase of lodging must follow the guidelines of the State Travel Reimbursement Act, the OSF State Travel Procedures, and these P/Card Procedures.

If a transaction for the purchase of lodging would exceed \$5,000.00, the Travel P/Card shall NOT be used. In this instance, the traveler must purchase the lodging and seek reimbursement pursuant to the State Travel Reimbursement Act and the OFS State Travel Procedures. The State Entity P/Card Administrator does not have authority to increase the single purchase limit greater than \$5,000.00. Failure to follow this guideline could result in suspension of the Entity's Travel P/Card.

## 6.2 Using the P/Card

- 6.2.1 Methods of purchase.** The P/Card may be used for walk-in, telephone, and internet purchases. It is recommended internet purchases be made from a merchant with a secured internet site (for example, lockbox is present or URL contains https) and emails not be sent disclosing full account information. (Note: The issuing bank does not send e-mail requiring a cardholder to enter personal information directly into the e-mail.)

- 6.2.2 Split purchases.** *Split purchases are prohibited. See Section 2. Definitions.*

- 6.2.3 Other prohibited purchases.** The Standard P/Card, Statewide Contract P/Card, and Travel P/Card shall NOT be used for the following types of purchases unless such use is approved by the State Purchasing Director in accordance with Section 1.5.(Conditions of Participation):



- 6.2.3.1 Transportation (vehicle rental when purchased through the Statewide Contract for Vehicle Rental, SW771, issued by DCS/Central Purchasing Division, and Airfare when purchased pursuant to 74 O.S. § 85.45k., DCS Central Purchasing Administrative Rules OAC 580:15-6-14, and these P/Card Procedures are not prohibited. The Standard or Statewide P/card would be used for vehicle rental when using Statewide Contract 771. The Travel P/card would be used to purchase airfare. Use of a P/card for all other forms of transportation is prohibited);
- 6.2.3.2 Entertainment;
- 6.2.3.3 Per diem food and beverages as authorized by the State Travel Reimbursement Act, OSF State Travel Procedures, and any other statute pertaining thereto;
- 6.2.3.4 Cash, cash advances, automatic teller machine (ATM) transactions.
- 6.2.3.5 Purchase of any goods or services for personal use
- 6.2.3.6 Purchase of any goods or services not for official State use.
- 6.2.3.7 Any transaction or series of transactions, which exceed the limits established on an individual P/Card.
- 6.2.3.8 Motor fuel.
- 6.2.3.9 Automotive general maintenance, ancillary items, and emergency repairs pursuant to Statewide Contract (SW101) for Automated Fleet Fuel Management System. (Maintenance, repairs, or parts for equipment is not prohibited.)
- 6.2.3.10 Automatic Drafts.
- 6.2.3.11 Postage and Post Office Box Rental (statutorily prohibited 74 O.S. § 90.2).
- 6.2.3.12 Gift certificates. This does not apply to gift certificate purchases made pursuant to 74 O.S., § 4121 (Employee Recognition). Gift certificates are a taxable, reportable item for the recipient.
- 6.2.4 **Certain conference and training fees.** The P/Card may be used for expenses required to host a conference, as well as for conference registration and training course fees. Goods and services prohibited by 6.2.3 are not considered certain conference and training fees. If advance (pre-) payment is contemplated, please see 5.10.
  - 6.2.4.1 **Conference Host.** The P/Card may be used to contract for conference equipment (such as audio or video equipment), conference/training rooms, conference/training set-up services, or conference/training materials.
  - 6.2.4.2 **Conference Attendance.** The P/Card may be used to register for conference attendance and for payment of training course fees. (Please refer to 5.10 for Advance (Pre-) Payment Information.)
- 6.2.5 **Merchant preferences.** P/Card purchases shall comply with the following preferences for certain merchants or types of contracts.
  - 6.2.5.1 **State Use Committee.** State entities shall make P/Card purchases from merchants on the State Use Committee procurement schedule. State Use Committee statewide contracts are mandatory for use. State entities shall reference the State Use Committee procurement schedule to ensure P/Card purchases are pursuant to 74 O.S. § 3007.
  - 6.2.5.2 **Oklahoma Corrections Industries (OCI).** State entities shall make purchases from OCI pursuant to 57 O.S., § 549.1, if the vendor is deemed lowest and best. The cardholder shall

obtain a quote from OCI to substantiate compliance and retain with the monthly transaction documentation.

**6.2.5.3 Mandatory statewide contracts.** State entities shall make purchases from mandatory statewide contracts regardless of the purchase price unless the State Purchasing Director has issued a waiver to the entity.

**6.2.5.4 Additional information.** Additional information on the above preferences may be obtained from an entity Certified Procurement Officer and are found in the Oklahoma Purchasing Division codified rules (580:15-6-5) ([http://www.ok.gov/DCS/documents/CP\\_rules.pdf](http://www.ok.gov/DCS/documents/CP_rules.pdf)).

**6.2.6 Utility Bills.** Utility bill payments shall comply with the following:

**6.2.6.1 Regulated Utilities.** State entities may pay regulated utilities with the Standard P/Card if each individual invoice is less than \$5,000.00. There is no **yearly** mandatory limit on purchasing amounts for regulated utilities. If the individual invoice amount for a regulated utility exceeds \$5,000.00, then the Statewide P/card shall be used. A note indicating the transaction was for a regulated utility must be made in the bank's transaction system.

**6.2.6.2 Non-Regulated Utilities.** State entities may pay non-regulated utilities with the Standard P/Card if the **yearly total** is less than \$5,000.00.

**6.2.6.3 Identification of Regulated and Non-Regulated Utilities.** Regulated utilities and non-regulated utilities can be found at the Oklahoma Corporation Commission website located at [www.occc.state.ok.us](http://www.occc.state.ok.us). Non-regulated services are listed on the "Home" page. Regulated utilities are listed under the Public Utility Division > Public Utility Information. Listings are updated monthly. It is recommended the Entity verify the utility is regulated or non-regulated at the time of payment, print the page for your records, and pay accordingly.

**6.2.7 Prices Paid.** Cardholders shall ensure prices paid for P/Card purchases are fair and reasonable.

**6.2.8 OSF Agency Acquisition Request, Form 115.** Information Technology and telecommunication acquisitions pursuant to the following require prior approval from OSF and execution of OSF Form 115 in accordance with 62 O.S. §34.12 and §34.21 (OSF Form 115, located on the OSF website at [http://www.ok.gov/OSF/Information\\_Services/Information\\_Services\\_Forms.html](http://www.ok.gov/OSF/Information_Services/Information_Services_Forms.html)):

**6.2.8.1 Information Technology.** Computer acquisitions (via SW Contract P/Card) exceeding \$10,000.00 in value.

**6.2.8.2 Telecommunication Acquisitions.** Telecommunication acquisitions at any dollar amount.

**6.2.9 Oklahoma Information Technology Accessibility Standards.** Electronic and Information Technology (EIT) procurement, agreements, and contracts shall comply with the applicable Oklahoma Information Technology Accessibility Standards issued by the Oklahoma Office of State Finance at [http://www.ok.gov/OSF/documents/isd\\_itas.doc](http://www.ok.gov/OSF/documents/isd_itas.doc) (62 O.S. §34.28). Also, please refer to DCS Administrative Rules OAC 580:15-6-21 for rules and procedures regarding information technology acquisitions and exceptions.

## **6.3 Inventory**

State entities shall establish procedures to ensure items acquired using the P/Card and exceeding \$500.00 in cost, or a different amount if approved by the Director of the Department of Central Services, are added to the entity's inventory schedule.

## 6.4 Receipts for Purchase

Receipts shall be obtained for all purchases regardless of the order method. The receipt shall give an itemized and detailed description of the purchase and must include at a minimum: (1) vendor; (2) date of purchase; (3) description; (4) unit price and quantity; and (5) transaction total. A detailed and itemized carbon copy is acceptable.

**6.4.1 Receipts not furnished by Merchant.** If a receipt is not furnished by the merchant (as may be the case with a phone or internet order), an order confirmation or packing slip shall be obtained and shall contain an itemized and detailed description of the purchase;

**6.4.2 Itemized Receipt Unobtainable.** If the receipt is not a detailed and itemized receipt, the cardholder shall:

**6.4.2.1** Request the vendor attach a written itemization of the charges to the receipt showing at a minimum: (1) vendor name; (2) transaction or purchase date; (3) description of each item purchased, including unit price and quantity; and (4) transaction total. The written itemization shall be signed by the vendor or its authorized designee.

**Or, in the event all attempts to obtain an itemized receipt from the vendor have failed,**

**6.4.2.2** Attach a written itemization of the charges to the receipt showing at a minimum: (1) vendor name; (2) transaction or purchase date; (3) description of each item purchased, including unit price and quantity; (4) transaction total and (5) statement explaining why all other methods of obtaining an itemized receipt were not available. The written itemization shall be signed by the cardholder's Approving Official or designated back-up.

**6.4.3 Multiple Receipts Provided.** If the merchant provides two receipts – one with the total amount and one itemized - the cardholder shall attach the itemized receipt to the total amount receipt.

The receipt shall be retained by the cardholder for the monthly reconciliation process.

**Effective 03-01-2008, the "Missing Receipt Form" will NOT be accepted.** Note: Cardholder may contact the issuing bank's Customer Service at the phone number printed on the back of their card to obtain a missing or lost receipt. There will be a charge for this service (Check the terms of SW Contract 200 for applicable fees.) The agency may pass this charge to the cardholder. The charge will appear on the next memo statement as a bank fee (there will not be a receipt for this fee).

## 6.5 State Sales Tax

State Entity purchases are exempt from the State of Oklahoma sales tax. Cardholders should use care to ensure they are not being charged nor paying such tax. Cardholder shall obtain a credit from the vendor for any sales tax charged. The sales tax identification number is provided on the face of each P/Card. A copy of the Oklahoma Tax Commission letter citing state sales tax exemption is located on the DCS website.

State Entity purchases made out of state are not exempt from that state's sales tax; however, it is possible some states may not charge state sales tax on a transaction depending on reciprocal statutes, tax laws, etc.

## 6.6 Receiving Goods and Services.

**6.6.1 Goods or services received at the time of purchase.** The receipt for purchase shall serve as the receiving document. The receipt must contain the cardholder's signature and date. A carbon copy of the receipt containing the cardholder signature and date meets this requirement. (Annotating the document "Received" is NOT required.) The receiving document shall be retained by the cardholder for the monthly reconciliation process. Although not required, it is recommended the Entity have a second person verify receipt of goods or services upon cardholder's return to the Entity.

**6.6.2 Goods or services received subsequent to the time of purchase.** The document accompanying the goods or services (such as a packing slip or service order) serves as the receiving document. The receiving document shall be annotated "Received" (or its abbreviation) and shall be signed and dated by the receiving employee. A carbon copy of the receipt containing the receiving employee signature, date, and the annotation of "Received" (or its abbreviation) meets this requirement. The itinerary shall serve as the receiving document for airfare (traveler's signature is not required). The receiving document shall be retained by the cardholder for the monthly reconciliation process.

## **6.7 Returns, Credits and Disputed Transactions**

**6.7.1 Processing returns, credits, and disputes.** In most cases, disputes can be resolved directly between the cardholder and the merchant. If an item needs to be returned for any reason, return the goods to the merchant in the manner agreed upon. The merchant should issue a credit for items that are returned. This credit will appear on a subsequent memo statement. Documentation of the credit receipt should be issued by the merchant. Keep on file all documentation pertaining to returns, credits, and disputes for reconciliation to the memo statement.

**6.7.2 Issuing Bank assistance.** If the cardholder and merchant cannot resolve the issue, contact the issuing bank's Customer Service (See Appendix B – Vendor Information). Disputed transactions which cannot be quickly resolved between the cardholder and merchant shall be reported to the issuing bank immediately and, at the latest, no more than 30 days after the original transaction date. The issuing bank will investigate the dispute on the cardholder's behalf and assist in resolution. A Transaction Dispute Form must be completed and transmitted to the bank. The form contains mailing and fax information. Keep the Transaction Dispute Form on file for reconciliation to the memo statement. The Dispute Form is located on the DCS website.

## **6.8 Cardholder and State Entity Approving Official Responsibilities by P/Card Type.**

NOTE: A Transaction Log is no longer required by DCS; however, the state entity may require the use of transaction logs as an internal procedure, if desired.

### **6.8.1 Standard P/Card**

#### **6.8.1.1 Cardholder responsibility**

- The standard P/Cardholder shall make purchases of goods or services in compliance with these procedures and retain all transaction documentation for reconciliation at the end of the cycle.
- The cardholder shall generate, from the bank's transaction system, an electronic memo statement after closing of the bank's monthly billing cycle.
- The memo statement shall be reconciled by the cardholder. In reconciling the statement, cardholders shall use transaction documents to verify purchases and returns are accurately listed on the memo statement.
- The memo statement shall be signed and dated by the cardholder verifying responsibility for purchases and proper reconciliation (signature stamps are not acceptable).
- Once signed and dated, the reconciled memo statement and transaction documentation must be submitted to the cardholder's designated State Entity Approving Official or designated back-up. All cardholders (including State Entity P/Card Administrators and State Entity Approving Officials for other cardholders) must have their reconciliation approved by an approving official who is at least one level above their position and is current on their P/Card training.
- If no transactions are processed during the billing cycle, no action is required.

#### **6.8.1.2 State Entity Approving Official(s) responsibility**

- State Entity Approving Official(s) shall review the Standard P/Cardholder's reconciled memo statement and transaction documentation for accuracy, completeness, appropriateness of the purchase and whether the transactions were conducted according to State statutes, rules, these procedures, and sound business practice.
- Any issue that cannot be resolved between the State Entity Approving Official and the cardholder shall be brought to the attention of the cardholder's immediate supervisor and the State Entity P/Card Administrator for resolution.
- To indicate concurrence with the reconciled statement, the State Entity Approving Official shall sign and date the memo statement. (Signature stamps are not acceptable.)
- The State Entity Approving Official shall forward the memo statement and transaction documentation for payment as required by Entity P/Card procedures. The memo statements and transaction documentation shall be securely retained for review and audit purposes pursuant to "Section 6.8.4. – "Entity Retention of Statements".

### **6.8.2 Statewide Contract P/Card**

#### **6.8.2.1 Cardholder Responsibility**

- The SW Contract P/Cardholder shall obtain written approval (handwritten, letter, email, form, etc.) from their State Entity Approving Official or designated back-up **prior to** making a purchase of goods or services with the SW Contract P/Card. The written approval must be retained for and included with the reconciliation at the end of the cycle.
- The SW Contract P/Cardholder shall make purchases of goods or services in compliance with these procedures and retain all transaction documentation for reconciliation at the end of the cycle.
- The cardholder shall update the note field on the issuing bank's transaction system for each transaction posted with a brief description of the goods or services purchased including the Statewide Contract number. This should be done on a weekly basis to ensure adequate time for the reconciliation and payment process at the end of the cycle.
- The cardholder shall generate an electronic memo statement after closing of the bank's monthly billing cycle from the issuing bank's transaction system.
- The memo statement shall be reconciled by the cardholder. In reconciling the statement, cardholders shall use transaction documents (see Section 2.) to verify purchases and returns are accurately listed on the memo statement.
- The memo statement shall be signed and dated by the cardholder verifying responsibility for purchases and proper reconciliation (signature stamps are not acceptable).
- Once signed and dated, the reconciled memo statement and transaction documentation must be submitted to the cardholder's designated State Entity Approving Official or designated back-up. All cardholders (including State Entity P/Card Administrators and State Entity Approving Officials for other cardholders) must have their reconciliation approved by an approving official who is at least one level above their position and is current on their P/Card training.
- If no transactions are processed during the billing cycle, no action is required.

#### **6.8.2.2 State Entity Approving Official(s) responsibility**

- The State Entity Approving Official must provide written approval (handwritten, letter, email, form, etc.) to the SW Contract P/Cardholder **prior to** cardholder making a purchase of goods or services in compliance with these procedures.
- The State Entity Approving Official shall review the Statewide Contract P/Cardholder's reconciled memo statement and supporting documentation for accuracy, completeness,

appropriateness of the purchase and whether the transactions were conducted according to State statutes, rules, these procedures, and sound business practice.

- Any issue that cannot be resolved between the State Entity Approving Official and the cardholder shall be brought to the attention of the cardholder's immediate supervisor and the State Entity P/Card Administrator for resolution.
- To indicate concurrence with the reconciled statement, the State Entity Approving Official shall sign and date the memo statement. (Signature stamps are not acceptable.)
- The State Entity Approving Official shall forward the memo statement and transaction documentation for payment as required by Entity P/Card procedures. The memo statements and transaction documentation shall be securely retained for review and audit purposes pursuant to "Section 6.8.4. – Entity Retention of Statements".

### 6.8.3 Travel P/Card

#### 6.8.3.1 Cardholder Responsibility

The Travel P/Cardholder (Entity Travel Coordinator) shall obtain written approval (handwritten, letter, email, form, etc.) from their State Entity Approving Official or designated back-up prior to making a purchase of airfare or lodging in compliance with these procedures. The written approval must be retained for and included with the reconciliation at the end of the cycle.

- **Airfare.** The Travel P/Cardholder shall purchase airfare through a travel agent listed on the Statewide Contract for Travel Agent Services (SW100) issued by DCS/Central Purchasing Division or shall purchase airfare directly when an exception to airline ticket purchases apply pursuant to 74 O.S. § 85.45k.B. (1-4) and DCS Central Purchasing Administrative Rules OAC 580:15-6-14(4). (See Section 6.1.5). The cardholder shall retain all transaction documentation, including exception justifications, for reconciliation at the end of the cycle.
- **Lodging.** Lodging purchases for state employees or authorized non-state personnel traveling on official business shall be made in compliance with the State Travel Reimbursement Act, OSF State Travel Procedures and these P/Card Procedures. The cardholder shall retain all transaction documentation for reconciliation at the end of the cycle. (See Section 6.1.5)
  - The Travel P/Cardholder (Entity Travel Coordinator) shall verify lodging establishment and price is in compliance with the State Travel Reimbursement Act and OSF State Travel Procedures (i.e., designated hotel, GSA established per diem rates, etc.).
  - The Travel P/Cardholder shall supply the lodging establishment, directly upon making reservations, with a letter on Entity letterhead, verifying Travel P/Card account information and identifying the traveler's name. This form letter shall be provided by DCS to the Entity Travel Coordinator and is located on the DCS website. Unauthorized modifications to this letter could result in disciplinary action or suspension of the Entity's Travel P/Card.
  - When required by the lodging establishment, no more than one night's stay may be posted to the Travel P/Card in advance, provided there is a full refund cancellation policy in place. The lodging establishment's cancellation policy shall be retained by the Travel P/Cardholder for reconciliation at the end of the cycle.
  - The lodging establishment must provide a final detailed receipt to the traveler once lodging services have been provided. It is the traveler's responsibility to obtain the receipt. Traveler shall forward the receipt to the Travel P/Cardholder for reconciliation at the end of the cycle.
  - The cardholder shall communicate with the traveler, travel agent, and lodging establishment to ensure all services are performed and all transaction documentation is obtained for reconciliation.

Except for airfare and lodging, all other travel-related expenses are prohibited on the Travel P/Card. State employees and authorized non-state personnel traveling on official business are responsible for paying out-of-pocket for all other travel-related expenses. A travel claim may be submitted by the traveler for reimbursement of travel-related purchases prohibited on the Travel P/Card which are directly associated with State official business in accordance with the State Travel Reimbursement Act (i.e., meals, cabs, etc.).

In the case of inadvertent personal charges, the traveler shall reimburse the State for any and all personal expenses charged to the Travel P/Card (i.e., phone calls, room service, movies, etc.). Such repayment can be by actual check or cash returned to the Entity, or by an adjustment reducing a subsequent travel voucher. Deposits must be cross-referenced to the related P/Card voucher with the erroneous charge, and the voucher Comments field must reference the deposit number and a brief description. If the reimbursement will be made as an adjustment on a travel reimbursement, the reduction will be made as a negative amount on the travel voucher to the appropriate hotel account code for the expense overpaid (i.e., in-state 521150 or out-of-state 521260). Entities must use the Comments field on the Invoice Information page to give a brief description of the negative adjustment (e.g., erroneous room service charge on a P/Card payment) and put the voucher number of the P/Card voucher having the overpayment. Also, the Entity must use the Comments field on the original P/Card voucher to give a description of the error and to put the voucher number of the travel voucher having the adjustment. Non-repayment of personal expenses to the State by the traveler shall result in the traveler's loss of Travel P/Card lodging privileges and other disciplinary or criminal actions.

- The cardholder shall update the issuing bank's transaction system note field with a brief description of the services purchased to include at a minimum:
  - Airline purchases:  
Traveler's name, employee ID number, itinerary number, date of travel, and purpose of travel; For travelers that are authorized non-state personnel include the traveler's name; the justification for the travel, to and from destination; and, dates of travel.
  - Lodging purchases:  
Traveler's name, employee ID number, number of nights, City/State, purpose of travel, and room rate stating 1) designated hotel; or 2) standard GSA lodging rate; or 3) federal high GSA lodging rate.

This should be done on a weekly or daily basis to ensure adequate time for the reconciliation and payment process at the end of the cycle.

- The cardholder shall generate an electronic memo statement after closing of the bank's monthly billing cycle from the issuing bank's transaction system.
- The memo statement shall be reconciled by the cardholder. In reconciling the statement, cardholders shall use transaction documents (see Section 2) to verify purchases and returns are accurately listed on the memo statement.
- The memo statement shall be signed and dated by the cardholder verifying responsibility for purchases and proper reconciliation. (Signature stamps are not acceptable.)
- Once signed and dated, the reconciled memo statement and transaction documents must be submitted to the cardholder's designated State Entity Approving Official or designated back-up. All cardholders (including State Entity P/Card Administrators and State Entity Approving Officials for other cardholders) must have their reconciliation approved by an approving official who is at least one level above their position and is current on their P/Card training.
- If no transactions are processed during the billing cycle, no action is required.

#### **6.8.3.2 State Entity Approving Official(s) responsibility**

- The State Entity Approving Official must provide written approval (handwritten, letter, email, form, etc.) to the Travel P/Card holder **prior to** cardholder making a purchase of goods or services in compliance with these procedures.
- The State Entity Approving Official shall review the Travel P/Cardholder's reconciled memo statement and transaction documentation for accuracy, completeness, appropriateness of the purchase and whether the transactions were conducted according to State statutes, rules, these procedures, and sound business practice.
- Any issue that cannot be resolved between the State Entity Approving Official and the cardholder shall be brought to the attention of the cardholder's immediate supervisor and the State Entity P/Card Administrator for resolution.
- To indicate concurrence with the reconciled statement, the State Entity Approving Official shall sign and date the memo statement (signature stamps are not acceptable).
- The State Entity Approving Official shall forward the memo statement and supporting documentation for payment as required by entity P/Card procedures. The memo statements and transaction documentation shall be securely retained for review and audit purposes pursuant to "Section 6.8.4 – "Entity Retention of Statements".

**6.8.4 Entity retention of statements.** Entity P/Card procedures shall designate where the State Entity shall securely retain reconciled statements and supporting documents and to make available upon request by OSF and/or DCS for review and audit purposes. Entities are designated the official State Entity of record for said documents by the State Archives and Records Commission. (See Section 5.6)

State entities may be requested, at any time or for any period of time, to submit copies of Travel P/Card transaction and reconciliation documentation to the Office of State Finance/Transaction Processing Division for review to ensure compliance with the State Travel Reimbursement Act and the OSF State Travel Procedures. OSF shall notify the State Purchasing Director of any Entities found not to be in compliance, and the Entity may have their Travel P/Card frozen, canceled, or may be required to obtain additional travel related training.

### **6.9 Card Security**

**Use of the Standard P/Card, Travel P/Card and Statewide Contract P/Card is limited to the person whose name is embossed on the card. The card shall not be loaned to another person.** In the event a cardholder will be absent from work for an extended period of time, the Entity may wish to request a P/Card for another individual for the duration of the absence and place the existing card on a temporary hold on the issuing bank's transaction system. However, the interim cardholder must attend training and sign the State P/Card Employee Agreement prior to receiving a P/Card. The cardholder shall assure the card is kept in a secure manner and the P/Card account number on the card is not posted or left in a conspicuous place. Although not required, it is recommended the cardholder not carry the P/Card on their person outside of normal duty hours unless required and justified by the Entity. The Entity is responsible for maintaining adequate security of purchase card account numbers and related information.

In the event a cardholder becomes no longer employed by the issuing state entity, the P/Card shall be returned to the State Entity P/Card Administrator. In the event the State Entity P/Card Administrator who is also a cardholder is no longer employed by the issuing state entity, the P/Card shall be returned to the State P/Card Administrator. State Entities shall establish a written internal procedure to ensure a P/Card held by a terminated or separated employee or an employee who no longer has a job function requiring a P/Card is promptly provided to the State Entity P/Card Administrator.

The State Entity P/Card Administrator shall document on page 2 of the Employee P/Card Agreement, the date a P/Card is canceled with the issuing bank and the date the user identification in the issuing bank's transaction system is locked. The State Entity P/Card Administrator shall notify the State P/Card Administrator when a P/Card is canceled or closed within ten (10) days of such action.



## 6.10 Lost or Stolen Cards

If a cardholder's P/Card is lost or stolen, the cardholder shall immediately notify the issuing bank at the phone number posted on the DCS website and in Appendix B of these procedures. This number is available 24 hours per day. Cardholders should keep this phone number in a readily available place but separate from the card location. When you call, you will be asked by a customer service representative for the cardholder name and/or the last six digits of the card number. Upon notification, a customer service representative will block the use of the card. The cardholder shall record the date and time the issuing bank was notified as well as the name of the customer service representative contacted. Next, the cardholder shall complete a Lost or Stolen P/Card Notification form and provide it by the fastest possible means to the State Entity P/Card Administrator with a copy to the appropriate State Entity Approving Official. The "State Purchase Card Lost or Stolen Card Notification" form (DCS/Purchasing – Form 031) is located on the DCS website ([www.dcs.ok.gov](http://www.dcs.ok.gov)).

**The Entity is responsible for purchases on lost or stolen P/Cards until the issuing bank has been notified.**

## 6.11 P/Card Management and Reports.

**6.11.1 P/Card Management.** The State Entity P/Card Administrator is responsible for performance or appropriate delegation of the following duties:

- 6.11.1.1 Establishing written program policies and procedures;
- 6.11.1.2 Processing authorized requests for procurement cards, maintaining control over active cards (i.e., card controls and limits, card maintenance, etc.) with adjustments being made as needed, and closing accounts in accordance with operating procedures;
- 6.11.1.3 Establishing and maintaining usage controls (i.e., creating/designating MCCGs, setting transaction limits, etc.) for each card as well as determining if cardholder still has a justified need for the P/Card;
- 6.11.1.4 Processing and retaining program reports and State P/Card Employee Agreements;
- 6.11.1.5 Periodically reviewing list of cardholders and summary reports to identify unauthorized use;
- 6.11.1.6 Exercising control over the program by periodically auditing a random selection of cardholder's monthly bank memo statements and transaction documentation for accuracy, cardholder signature, state entity approving official signature, etc.

**6.11.2 Information via the Internet.** Account information may be viewed and reports generated at the issuing bank's transaction system (The website is posted on the DCS website and in Appendix B.) The length of time that accounting information is maintained on the issuing bank's accounting system is stated in Appendix B.

**6.11.3 Records Management.** State entities shall establish a procedure for maintaining necessary data before it is removed from the transaction system server. (See Section 5.6) Upon completion of the monthly reconciliation process, the Entity shall generate a Transaction Detail Report from the bank's transaction system to be retained for auditing purposes (paper and electronic copies).

## 6.12 Expiring Card Renewal

Prior to a P/Card's expiration date, the issuing bank will prepare a replacement card and send it to the State P/Card Administrator.

### **6.13 Replacement of Defective, Lost, Stolen Cards**

P/Cards may be replaced when the original P/Card is defective or mutilated or when the P/Card has been lost or stolen. The State Entity P/Card Administrator shall submit to the issuing bank their form for ordering new p/cards (See Appendix A) The issuing bank will prepare a new card with a new account number and forward it to the State P/Card Administrator. Additionally, in the case of a defective or mutilated P/Card, the card shall be cut down the center of the magnetic stripe and forwarded to the State Entity Approving Official. The State Entity Approving Official shall forward the cut card to the State Entity P/Card Administrator for final disposal. State Entity P/Card Administrators, who are also cardholders, shall cut their card as indicated above and forward to the State P/Card Administrator for final disposal.

## **APPENDIX A**

### **BANK FORMS (Effective 09-01-2009)**

#### **1) COMMERCIAL CARD AUTHORIZED SIGNER FORM**

Include as “Authorized Signers” only the Entity P/Card Administrator and back-up. Do not include State Entity Approving Officials, back-ups or cardholders. A new form to add, change, or delete an Authorized Signer must be submitted by the Entity P/Card Administrator when necessary. – Submit the original form to the State P/Card Administrator for signature by the State Purchasing Director.

#### **2) COMMERCIAL CARD COMPANY RECORD FORM**

This form is used to add, change, or delete an Entity P/Card Administrator. The form is signed by the Entity P/Card Administrator and the original is submitted to the State P/Card Administrator who will forward it to the issuing bank.

#### **3) COMMERCIAL CARD CARDHOLDER ACCOUNT FORM**

This form is used to order new P/Cards. This form is signed by the Entity P/Card Administrator and the original is mailed or faxed to the issuing bank. Electronic submission for ordering new cards is available on the issuing bank’s transaction system. The Entity P/Card Administrator shall retain signed copies of all mailed, faxed or electronically submitted new card applications.

#### **4) ISSUING BANK DISPUTE FORM**

This form is submitted to the issuing bank to dispute a transaction made in error.

## APPENDIX B

### VENDOR INFORMATION (Effective 09-01-2009)

1) **SW CONTRACT 200**

Awarded to JP Morgan Chase, Vendor ID 0000097137, LOC 0003.

2) **OVERNIGHT MAIL**

JP Morgan Chase

Corporate Products

2500 Westfield Drive Dept. B3

Elgin, IL 60124

3) **REGULAR MAIL:**

JP Morgan Chase

Corporate Products

PO Box 2015

Elgin, IL 60121

4) **CUSTOMER SERVICE:**

JP Morgan Chase (800) 316-6056

5) **AUTHORITY ORDER P/CARDS**

Type of P/Cards	PeopleSoft Vendor ID	PathwayNet Vendor ID
Standard Card	0000001101	1
Statewide Contract Card	0000001105	2
Travel Card	0000001108	3

6) **PATHWAYNET REPORTS:**

REPORT 500 – Invoice

REPORT 121 – Memo Statement

REPORT 161 – Transaction Detail Report

PathwayNet Accounting Information is maintained on the website for 13 months.

7) **PATHWAYNET WEBSITE:**

<https://pwnet.procard.com/stateofoklahoma/default.asp>

8) **JP MORGAN CHASE FAX NUMBERS FOR NEW CARDS:**

(847) 622-2495

(847) 497-8298

(847) 488-3024