

Georgia Department of Public Safety Policy Manual

SUBJECT PURCHASING CARD	POLICY NUMBER 7.17
DISTRIBUTION ALL EMPLOYEES	REVISED DATE 11/21/2023
	POLICY REVIEWED 11/21/2023

7.17.1 Purpose

To establish guidelines for the appropriate use of state issued purchasing cards.

7.17.2 Policy

It is the policy of the Georgia Department of Public Safety (DPS) to ensure that all State of Georgia issued Purchasing Cards are used in accordance with State mandates and Departmental policies.

7.17.3 Introduction

The DPS Purchasing Card (P-Card) Program is designed for DPS members to make small dollar purchases. Per the State Accounting Office (SAO), the P-Card is for payment of unplanned, non-routine, or urgent point of sale purchases. The dollar amount cannot exceed the P-Card holder's approved Single Transaction Limit (STL) amount. Point of sale transactions include purchases made at a physical store, in person, online, or over the phone. This policy can be found on the SAO website at www.sao.georgia.gov.

Purchasing Cards are meant to simplify and streamline the purchasing process and lower overall transaction costs. Cardholders are expected to use good and reasonable judgment to ensure that a competitive price is being obtained. The P-Card shall not be used to circumvent State Policy regarding the use of mandatory sources, statewide contracts, or agency contract purchases. Use of the P-Card does not diminish the need for internal control of expenditures and good record keeping. The policies and procedures set forth in the DPS Purchasing Card Policy must be adhered to at all times.

Cardholders will have limits that are defined by the State of Georgia and DPS. These limits will be enforced at the point of purchase by the purchasing card system. Limitations are established for spending amounts per transaction, types of vendors from whom purchases can be made, and the total dollar amount of purchases per billing cycle.

The DPS Purchasing Card Policy will be reviewed and/or updated on an annual basis. Questions regarding P-Card policies and procedures should be directed to the P-Card Administrator.

7.17.4 Types of Accounts

- A. Standard P-Cards

Cardholders are limited to one active P-Card. P-Cards can only be used for official State of Georgia business. P-Cards must be surrendered and/or accounts closed upon termination of employment for any reason or upon demand.

The P-Card Administrator, including backups and coordinators, and approvers must be permanent, part-time, or full-time State employees. Cardholders must be permanent, part-time, or full-time State employees whose jobs require the use of a P-Card.

1. P-Cards will not be issued in the name of a department or work unit (e.g., Facilities Maintenance) to be shared by multiple members.
2. Only the member whose name is shown on the face of the P-Card is authorized to make purchases with the card, either in person, on-line, or telephone. Use by any other person, even if for State business purposes, is considered misuse of the card.
3. The job titles and/or functions that are allowed to have a P-Card are:
 - a. Post Secretary, Troop Secretary, Region Secretary, Confidential Secretary, Administrative Assistant, Business Support Analyst;
 - b. Trooper (only if there is not a Post or Troop Secretary, if the Post or Troop Secretary does not hold a P-Card, or they are in a specialty unit, such as GTF, SWAT, or CIU);
 - c. Specialty Unit Support Personnel;
 - d. MCCD Officer;
 - e. Pilot, Aviation Mechanic;
 - f. Scale Technician, Electronic Scale Technician;
 - g. Communications Director, Communications Deputy Director, Facilities Director, Assistant Facilities Director, Fleet Manager, Fleet Operations Specialist, Supply Manager, Maintenance Supervisor, and
 - h. Information Technology Director, Help Desk Analyst Supervisor.
4. Each cardholder is responsible for:
 - a. The security of his/her card.
 - b. Keeping receipts and statement copies in his/her assigned office for the required records retention period, which is five years from the transaction date.
 - c. Following state and agency regulations concerning allowable purchases.
 - d. Returning his/her card to the P-Card Administrator when they leave the agency, or transfer to another section/division/office, where they do not need the P-Card or are not in one of the above listed positions.

B. Specific Use Accounts

Specific use accounts are used to consolidate purchases to a single supplier or for a specific purpose under one account, which will aid in reconciliation, oversight, and controls. Specific

use accounts must be approved by State Purchasing Division (SPD) and are limited to:

1. Those designated to pay expenses related to charges made for employee travel through the online Travel and Expense Management System used in conjunction with Travel Inc., in TeamWorks Travel and Expense designated travel agency.
2. Others approved by the State Purchasing Division P-Card Program

Any approvals will be given in writing and will include requirements related to documentation, Merchant Category Code (MCC) restrictions, setup in Works and other systems, and other usage, controls, and reconciliation requirements.

7.17.5 DPS Program Roles and Responsibilities

DPS is required to have an approved P-Card Plan. Amendments must be submitted for approval as business needs change. All P-Card Plans and amendments must be reviewed and approved by the Agency Head and the Chief Financial Officer and submitted to the Department of Administrative Services (DOAS) for approval.

- A. Agency P-Card Administrator - The P-Card Administrator serves as the official liaison between DPS and SPD personnel for all matters related to the program. The Administrator performs an annual review of spend analysis to determine if limits are reasonable. The Administrator serves as the main point of contact for all card program personnel.

The State Entity must provide a Designation of Card Program Administrator, Form SPD-CC001, and the Card Program Administrator Acknowledgement form to SPD within 30 days of any changes in Administrators or Coordinators if the coordinator serves as a point of contact with SPD. Information on all official Program forms and how they are to be used can be found on the SPD website: <http://doas.ga.gov/state-purchasing/statewide-card-programs/purchasing-cards>.

The P-Card Administrator is responsible for the following:

1. Complete the relevant DOAS P-Card training to become a Georgia Certified Purchasing Card Administrator (GCPCA).
2. Develops and maintains the internal P-Card policy.
3. Cannot be a P-Card holder.
4. Works with management to identify job titles or positions that require a P-Card.
5. Develops internal procedures for requesting new cards and/or changes to existing cards (e.g., change in spending limits).
6. Develops internal procedures for-reconciliation processes that ensures timely payment and/or allocation of transactions to the General Ledger at least monthly, the use of TeamWorks Financials for reconciliation of transactions, and disputing a transaction with the bank.
7. Works with management and the CFO to determine appropriate spending limits based on budget restrictions, job requirements, historical spending patterns, and overall procurement practices.

8. Evaluates cardholder spending limits against actual usage at least annually to identify cards with little or no usage and determine if cards are needed.
 9. Establishes written procedures to ensure compliance with State procurement laws, the Georgia Procurement Manual, the Statewide Purchasing Card Policy, and the internal P-Card policy. Develops procedures for requesting exceptions to State or internal policies.
 10. Submits all P-Card Plan amendments and requests for exceptions to the State Purchasing Card Policy to the CFO for submission to cardprograms@soas.ga.gov for approval by SPD.
 11. Develops internal controls for P-Card procedures, including ordering and cancelling cards, reporting, and documenting actual or potential cardholder abuse or misuse, and ensures that transactions are audited at least annually.
 12. Develops DPS specific training for all cardholders and approvers. Develops refresher training to be delivered at least annually. Ensures that all card program personnel receive notification of changes in State and internal policies and Official Announcements from SPD.
 13. Processes new card applications and all account changes. Establishes the cardholder's profile in Works Payment Manager and receives and distributes P-Cards after ensuring that the cardholder has successfully submitted the correct forms and completed the required training. Ensure cardholder profiles permit only those MCC groups that contain MCCs a cardholder needs to meet job requirements.
 14. Conducts the annual Self-Assessment and submits to DOAS no later than December 1st each year.
- B. Agency Head – the DPS Commissioner is responsible for reviewing and approving the P-Card Plan and all amendments prior to submission to SPD. The DPS Commissioner cannot be issued a P-Card.
- C. Chief Financial Officer – The CFO is responsible for overseeing the card program. Duties of the CFO include successful completion of the CFO Card Program Training module, submission of the completed CFO Card Program Acknowledgement form, the appointment of a P-Card Administrator, approval of qualified cardholders review and approval of the Annual Self-Assessment of DPS' card program, review and approval of policies in conjunction with the APO and P-Card Administrator, review and approval of the P-Card Plan and all amendments, and submission of the P-Card Plan to the DPS Commissioner.
- D. Supervisors/Approving Officials – Supervisors or approvers responsible for reviewing transactions must have a thorough knowledge of the cardholders' job responsibilities in order to determine if purchases are job-related or otherwise authorized. All approving officials are required to complete the Approver Card Program Acknowledgement form and all required training. Supervisors/approvers are responsible for the following:
1. Before approving the P-Card transactions, by signing a transaction log and statement and signing off on the transactions electronically, the approver must carefully review all documentation to ensure it meets the minimum requirements.
 2. Ensure that passwords are not shared or delegated for others to use to review and approve transactions.

3. Sign off on all transactions in TeamWorks Financials, within the timeframe established by the P-Card Administrator.
 4. Ensure all documentation is submitted according to internal procedures and State requirements.
 5. Maintain knowledge of State and internal procurement policies and procedures related to use of the P-Card.
 6. Coordinate with the P-Card Administrator for ordering and cancelling cards for members and establishing reasonable spending limits.
- E. Cardholders – all cardholders are de facto purchasing agents for the State of Georgia and DPS and must have a minimum understanding of State procurement laws and the requirements of the Georgia Procurement Manual. Under no circumstances is a cardholder permitted to use the P-Card for personal purchases. Using the state P-Card for personal purchases may result in disciplinary action, up to and including termination from state employment and criminal prosecution. Cardholders are responsible for the following:
1. Ensure that no other persons have access to any card information (card number, expiration date, security code). Ensures the security of the card and maintains it in a secure location. Does not lend the card to another person for use.
 2. Ensure that all purchases comply with State and internal policies. Maintains knowledge of State and internal procurement policies and procedures related to use of the P-Card.
 3. Completes all required training prior to receiving or using the P-Card. Completes a mandatory credit check at issuance and renewal.
 4. Ensures that all invoices and receipts meet minimum requirements for adequate documentation of transactions. Signs off on all transactions in TeamWorks Financials as appropriate, within the established timeframe. Reconciles the monthly credit card statement to the Purchasing Card Activity Log.
 5. Notifies Bank of America immediately of a lost, stolen, compromised or damaged P-Card at 1-888-449-2273. Customer Service hours are 24 hours a day, 365 days a year. Also, the P-Card Administrator should be notified immediately of this occurrence during normal business hours.

7.17.6 Card Program Training

The P-Card Administrator is responsible for developing and implementing training for cardholders and supervisors or other approving officials specific to DPS's needs. Training must include relevant portions of the Georgia Procurement Manual, the Statewide Purchasing Card policy and the internal procurement and P-Card policies. The P-Card Administrator is also responsible for developing and implementing refresher training to be conducted at least annually for P-Card holders and approvers.

- A. All cardholders must sign a cardholder agreement (Exhibit #7.17-3) that contains the terms and conditions for use of the P-Card.
- B. The applicant requesting a purchasing card must complete the following DOAS SPD online classes prior to receiving their P-Card;
 1. Navigating PeopleSoft TeamWorks Financials and Supply Chain Management Systems

(TGM10W)

2. Introduction to State Purchasing (1000W) and test (1000T)
3. Introduction to Purchasing Card Principles (6600W) and test (6600T)
4. TGM Procurement Card Reconciliation and Approval (TGM100W) and test (TGM100T)

The applicant should forward all certificates to the P-Card Administrator. They must also review DPS' Purchasing Card Policy, which will be provided to them by the P-Card Administrator.

- C. The supervisor or approver must also complete DOAS SPD online classes. They must complete:
 1. Navigating PeopleSoft TeamWorks Financials and Supply Chain Management Systems (TGM10W)
 2. Introduction to State Purchasing (1000W) and test (1000T)
 3. Introduction to Purchasing Card Principles (6600W) and test (6600T)
 4. eProcurement for Approvers (TGM30W), Exercise Activities (TGM30E), and test (TGM30T)
 5. TGM Procurement Card Reconciliation and Approval (TGM100W) and test (TGM100T)
- D. The P-Card Administrator must complete the following DOAS SPD online classes:
 1. Navigating PeopleSoft TeamWorks Financial and Supply Chain Management Systems (TGM10W)
 2. Introduction to State Purchasing (1000W) & Test (1000T)
 3. Introduction to Purchasing Card Principles (6600W) & Test (6600T)
 4. P-Card Program Management (8850L) and Test (8850T)
 5. P-Card Administrator Hand-On (TGM70H)
- E. The CFO must take the Chief Financial Officer Card Program Training Module which provides an overview of the P-Card program and the CFO's roles and responsibilities related to the program.

7.17.7 Internal Controls

A. General Requirements

A strong system of internal controls is essential for detection and deterrence of fraud, cardholder misuse, or cardholder abuse of the P-Card. Internal controls include policies, procedures, and training in addition to spending limits and MCC restrictions.

DPS has established an internal control structure that ensures compliance with State Procurement laws, the Georgia Procurement Manual, the Statewide Purchasing Card Policy, sound accounting practices, and an internal policy including:

1. Separation of duties between ordering cards (P-Card Administrator), making transactions (cardholders), and review or approval of transactions for payment (supervisors/approving officials).
2. A minimum of two approvers before a purchase is made.
3. Reconcilers are limited to one per card and cannot be a subordinate of the cardholder. Each card must have only one reconciler.
4. The P-Card Administrator, backup P-Card Administrator, or anyone with administrator-level access cannot be a cardholder.
5. Approvers cannot be subordinates of cardholders for whom they are responsible.
6. Sharing of log-in information or passwords is strictly forbidden.
7. Delegation of approver duties is unallowable. Should an approver be on leave or otherwise unavailable to approve a purchase or transaction, another trained approver already assigned approver responsibility may assume those duties temporarily.
8. Cardholders cannot approve their own transactions, but they will reconcile their own transactions.

B. Approval Memos

An approval memo through the chain of command to the appropriate Adjutant is only required for a purchase of \$5,000 or more. Troops, Regions or other, can establish an approval process (memo) for a lower dollar amount but this does not need to be routed to the appropriate Adjutant.

7.17.8 Cardholder Policies and Procedures

A. Obtaining a State Purchasing Card

1. The potential cardholder must complete SPD-PC002 P-Card Cardholder Profile Form (Exhibit #7.17-2). This form should be turned in to the P-Card Administrator, who will verify that the potential cardholder's title is one that allows a P-Card and that the form is complete and accurate. The P-Card Cardholder Profile Form must be complete and have the required signatures (employee, supervisor, P-Card Administrator, and Chief Financial Officer).
2. O.C.G.A. §50-5-83 requires credit checks on all members issued a purchasing card. Credit checks are conducted through existing statewide contract suppliers and procedures, including standardized reports that indicate acceptance or denial of the request for a card based on predefined criteria. Potential cardholders will be notified of denials by the P-Card Administrator to provide them an opportunity to dispute inaccurate data found on their credit report.
3. The CFO, card approvers, and potential cardholders must meet all training requirements as described in this policy. Approver and cardholder training must be completed prior to receiving the P-Card.
4. Documents related to the issuance of accounts to members (*e.g., profile forms*) are accounting records and must be maintained according to the requirements of Credit Card

Administration Records, as listed in the official Records Retention Schedule for the State of Georgia.

B. Renewal of State Purchasing Cards

Credit checks will also be run at the time of account renewal, and the cardholder must complete SPD-PC002 P-Card Cardholder Profile Form.

C. Legal Issues

All procurement laws in the O.C.G.A., and administrative rules found in the Georgia Procurement Manual apply to the use of the P-Card. Any cardholders, program users, CFOs, or supervisors/approving officials who knowingly, or through willful neglect, fail to comply with the following may be subject to suspension or termination of account privileges or other disciplinary action, up to and including termination of employment and criminal prosecution to the fullest extent of the law.

1. **Personal Purchases Prohibited** – Cardholders and other program personnel are prohibited from using the P-Card for the purchase of any goods or services not directly or indirectly related to official State of Georgia business. Intentional use of or approval for the use of the card for personal purchases will result in disciplinary action, up to and including termination from State employment and criminal prosecution.
 - a. O.C.G.A. §50-5-80 states that any person who knowingly uses state funds for personal purchases under \$500 is guilty of a misdemeanor.
 - b. A person who knowingly uses state funds for personal purchases of \$500 or more is guilty of a felony punishable by one to 20 years in prison.
 - c. Supervisors or other approving officials who knowingly, or through willful neglect, approve personal or fraudulent purchases are subject to the same disciplinary actions as those making the purchases.
2. **Split Purchases Prohibited** – Cardholders are prohibited from splitting a transaction between two or more transactions on a single P-Card, two or more transactions on multiple P-Cards, or two or more transactions using the P-Card and a purchase order to circumvent the Single Transaction Limit (STL) or Cycle Limit (CL) imposed on the card regardless of the amount of the STL or CL, or to circumvent the competitive solicitation requirements. It is our policy, however, to pay individual invoices from the same vendor separately instead of combining multiple invoices from the same vendor into a single transaction.
3. **Payment of Sales and Use Tax** - §O.C.G.A. 48-8-3 exempts purchases made by State Agencies from State Sales and Use Tax when payment is made with appropriated funds. Cardholders must present the Department of Revenue Sales and Use Tax exemption, Form ST-5, to suppliers upon request.
 - a. The requirement for out-of-state suppliers to charge Sales and Use Tax on shipments to purchasers in the State of Georgia does not apply to tax-exempt State Entities. In order to avoid confusion, the cardholder must provide out-of-state suppliers with a copy of the ST-5 prior to placing an order to be shipped into the State of Georgia. If the supplier refuses to remove taxes, the cardholder must make the purchase from a different supplier whenever possible. If a supplier refuses to remove taxes and no other suppliers are available to make the purchase, the taxed amount must be itemized on the invoice in currency, not percentages.

- b. Cardholders are responsible for ensuring that merchants do not charge tax or provide a credit for inadvertent charges. If taxes are charged, the cardholder must contact the merchant to obtain a credit to the account. Sales tax cannot be disputed with the Bank.
 - c. Credits cannot be obtained by any other method, including, but not limited to cash, gift cards, or store credit.
 - d. Documentation of attempts to obtain credit for any State Sales and Use Tax charged in error must be maintained with the documentation for the transaction where the tax was charged.
 - e. State Entities may apply to the Georgia Department of Revenue for a refund of sales taxes paid in error or because a supplier/merchant refused to remove taxes. The form to use for this request is the Department of Revenue's Claim for Sales and Use Tax Refund, Form ST-12. In addition to the ST-12, the State Entity must also submit either (1) a Waiver of Vendor's Rights, Form ST-12A, or (2) a Purchaser's Claim for Sales Tax Refund Affidavit, Form ST-12B. These forms contain instructions for their use and are located at <http://dor.ga.gov>.
4. E-verify – The Georgia Security and Immigration and Compliance Act, O.C.G.A. 13-10-91, requires suppliers to file an affidavit that the supplier and its subcontractors have registered and participate in the federal work authorization program known as E-verify. This program is intended to ensure that only lawful citizens or lawful immigrants are employed by the supplier or subcontractor. All State Entities are required to obtain this signed and notarized affidavit from suppliers prior to entering into any service contract \$2,500 or greater involving the supplier's physical performance of services within the State of Georgia. The State of Georgia Attorney General's Office has interpreted this to include one-time P-Card transactions for services.

For Pcard transactions that meet this definition, the cardholder is responsible for ensuring receipt of this affidavit. A copy of this affidavit must be included with all transaction documentation, including uploading a PDF version to TeamWorks Financials.

D. Card Management and Reconciliation Systems

All transaction reconciliation is to be completed electronically in TeamWorks Financials (Procurement module of TeamWorks). Reconciliation must be performed before payment is made and must be completed in time to ensure timely monthly payment. The billing cycle closes on the 27th of each month.

Transactions must be reconciled and allocated to the General Ledger within 30 days of the statement billing date. DPS must use the Works Payment Manager system provided by the Bank for card administration and account maintenance.

After making a purchase, the cardholder must record the transaction on the DPS Purchasing Card Activity Log (Exhibit #7.17-4). The Purchasing Card Activity Log should be signed by both the cardholder and his/her supervisor and uploaded to the first transaction of the statement period in TeamWorks Financials. Cardholders should begin a new log at the start of each billing cycle. Additional details provided below.

E. Documentation and Accounting

Cardholders must maintain documentation for all transactions, including an itemized receipt, or invoice. The receipt or invoice must contain the complete supplier/merchant information

(name, location), line-item details, including quantity, description, unit price and total price, and a line showing no sales tax. All documentation must be legible (e.g., not too dark, not too light).

1. Cardholders must maintain a manual log (Exhibit #7.17-4) of all transactions. The activity log and the monthly billing statement must be signed by the cardholder and supervisor or approver. Signature stamps are not permitted. All invoices/receipts must be attached to the log and maintained at the location in accordance with the state records retention policy for Accounts Payable records of 5 years.
2. Monthly Reconciliation in TeamWorks Financials - a copy of the signed activity log and signed billing statement must be attached to the first transaction of the statement period in TeamWorks Financials. Cardholders, supervisors, or approvers **MUST** enter comments for each transaction. Comments should include the purpose of the purchase, for whom the purchase was made, and other relevant information to allow outside parties to determine that the expense was business related. A copy of the receipt or invoice for each transaction must be uploaded to the corresponding transaction in TeamWorks Financials. In addition, the P-Card holder should ensure the correct account code and charging information is entered for each transaction. Additionally, some transactions require additional documentation related to the purchase. If the transaction requires additional documentation to support the purchase, that additional documentation must be kept with the transaction documentation and uploaded to TeamWorks Financials.
3. Timely allocation of charges to the General Ledger is essential to ensure compliance with State accounting and budgetary policies. DPS must ensure that all transactions are allocated to the General Ledger within 30 days of the statement billing date.

F. Purchasing Card Statements

1. By default, cardholders can access hi/her Bank of America VISA statement electronically each month through Bank of America Payment Center or Global Card Access. If the cardholder does not receive or cannot access his/her statement, they should contact Bank of America or the P-Card Administrator for help with obtaining a copy.
2. All charges that were electronically received and processed by Bank of America during the billing cycle (XX/28/XX to XX/27/XX) will appear on the statement.
3. The cardholder must review statements each cycle to ensure that a receipt or other acceptable documentation supports each purchase. Failure to have the appropriate supporting documentation, authorization signatures, etc. may result in revocation of the card. Each P-Card transaction and all documentation will be audited for compliance to this P-Card Policy and all other procedures.

G. Lost Receipt and/or Invoice

If the original receipt or invoice is lost and a duplicate cannot be obtained, the cardholder must complete the SPD-PC005 Lost Receipt Affidavit (Exhibit #7.17-6). The Lost Receipt Affidavit must be signed by both the cardholder and the Supervisor identifying the charge, who purchased it, what item(s) was purchased, and the results of the contact with the vendor to obtain a duplicate slip. A pattern of missing invoices will result in revocation of purchasing card privileges.

H. Merchant Category Code Authorization

MCCs are codes assigned by a supplier's merchant bank based on the types of goods and/or services provided. By allowing or blocking certain codes, the State has some protection against unauthorized or prohibited purchases. The Bank creates MCC groups upon request by the State Purchasing Division. State Entities can request activation of additional MCC's for inclusion in a State authorized group and/or approval to create an MCC group to meet specific needs. The P-Card Administrator can make these requests using the Special Approval Request form SPD-PC003.

I. Cardholder Spending Limits and Utilization

To reduce financial exposure to DPS, spending limits are established for each cardholder based on job responsibilities. Cardholder spending limits must be reviewed at least annually to determine if actual usage is consistent with spending limits and increases with SPD approval or decreases made as needed.

Cardholders are prohibited from splitting a single purchase between one or more cards or a card transaction and a purchase order to circumvent the card's Single Transaction Limit and/or bid requirements. If needed, the P-Card Administrator may use the Special Approval Request form SPD-PC003 to request prior written approval.

1. Cycle (Credit) Limit (CL) – Mandatory spending limit that restricts the total value of purchases a cardholder can make in one billing cycle. DPS cardholder CLs are based on the position of the cardholder.
2. Single Transaction Limit (STL) – Mandatory limit that restricts the amount of a single purchase regardless of the cycle limit on the card. DPS cardholder STLs are based on the position of the cardholder.
3. Dormant Cards – The P-Card Administrator will review card usage at least annually to determine if cards that have been dormant for one year or more should be terminated.
4. Suspected Fraudulent Use of Purchasing Card – Should any individual suspect that a DPS employee is misusing a State P-Card, they should report it through their chain of command or may contact the Office of Professional Standards directly with their suspicions. Misuse of the P-Card will result in disciplinary action, up to and including termination from State employment and criminal prosecution.
5. Procedures – When a cardholder is terminated from employment or transfers to another position within DPS that does not require a P-Card, the employee or supervisor should return his/her card to the P-Card Administrator. The P-Card Administrator will close the account in Works, shred the card, and will remove TeamWorks Financials access that is no longer needed.

J. Use of the Purchasing Card

All purchases made through the program must be for official State business. Only the employee whose name appears on the face of the card is authorized to initiate transactions with the card. Use of the card by any other person, even if the purchase is for legitimate State business, is considered misuse of the card.

K. Allowable Purchases

1. All purchases must be within assigned spending limits unless prior written approval is received to exceed those limits. The P-Card can be used for official purchases of supplies, materials, equipment, or services where not otherwise prohibited or restricted.

Allowable purchases include goods and services used in the furtherance of DPS's mission and the purchase of goods or services intended for official State of Georgia work-related use that are not otherwise excluded by the prohibited purchases section of this policy. DPS is adopting the Statewide Purchasing Card Policy from DOAS for allowed and prohibited purchases.

2. P-cards can be used to purchase items that are hard to plan for but may be routine. The following lists provides DPS specific examples of allowable purchases. It is not intended to be an all-encompassing list, but rather to provide guidance. If you have questions about an item or if a purchase is allowable, please contact the P-Card Administrator. Examples include:
 - a. Blood or urine test kits;
 - b. Intoximeters supplies and repairs;
 - c. Thermal paper;
 - d. Car DVDs;
 - e. Radar repairs and calibrations;
 - f. Small car parts (batteries, wipers, brake pads – under \$1,000);
 - g. Repair of small equipment (lawnmowers, hedge trimmers);
 - h. Emergency post/station repair;
 - i. Stamps and other mailing costs;
 - j. Training/conference registrations;
 - k. US/State Flags;
 - l. Cameras for use at accident scenes;
 - m. Software, Data Plans, and "Apps;"
 - n. Software, unless prohibited by other DPS policy, can be purchased with the following restrictions:
 - 1) Data plans, software, or applications (apps) for State-issued computers, smart phones, and tablets only (e.g., iPhone, Android, iPad).
 - 2) Purchases cannot be made for personal devices even if used for DPS purposes.
 - o. Aviation fuel in situations when the WEX card cannot be used, and
 - p. Alcoholic beverages for instructional use by the Training Division for Trooper School and Motor Carrier Officer School.

L. Prohibited Purchases

The following types of purchases are strictly prohibited either by O.C.G.A., or to meet reporting requirements of the State or specific State Entities:

1. Goods or services not directly related to job responsibilities or other official State of Georgia business (*i.e.*, personal purchases).
2. Data plans, software, or applications (apps) for non—DPS issued devices, including, but not limited to, smart phones, laptop computers, and tablets.
3. Memberships at wholesale warehouses and shopping clubs (*e.g.*, Sam's, Costco, Amazon Prime).
4. Gift cards, stored value cards, calling cards, and similar products.
5. Employee travel expenses related to lodging and meals (unless approved by SPD under a Specific Use Account).
6. Entertainment (*e.g.*, in-room movies for State employees traveling on business.)
7. Tobacco products.
8. Fuel, mechanical repairs, and maintenance for State-owned or rental vehicles. This restriction does not apply to non-mechanical body shop repairs (*e.g.*, dented bumper) not covered under the State's vehicle maintenance contract. This restriction does not apply to auto parts for in-house use (*e.g.*, DPS operated repair shops) or for teaching purposes.
9. Airline tickets.
10. Routine office supplies.
11. Post cleaning supplies.
12. Car cleaning supplies.
13. Light bulbs – mandatory state contract.
14. Small dollar furniture, linens, pillows, etc. for sleeping quarters.
15. HVAC filters.
16. Cash advances.
17. Classroom supplies.
18. Alcoholic beverages except as permitted in section K above.

M. Declared Emergencies and Natural Disasters

The Georgia Procurement Manual grants authority to forego standard procurement requirements for needs arising from unforeseen causes. In cases involving the welfare of the general public, extreme weather conditions, or official declared emergencies, the P-Card Administrator is allowed to obtain after-the-fact approval for exceptions to this policy.

1. The P-Card Administrator must submit the Form SPD-PC003, Special Approval Request, to notify the State Purchasing Division within 72 hours of any actions taken in response to these emergencies and the nature of the actions taken.

2. Documentation for transactions must follow guidelines for emergency purchases as contained in the *Georgia Procurement Manual*, including use of and retention of Form SPD-N1004, Emergency Justification Form, available on the State Purchasing Division website.

N. Surcharges, Convenience Fees, and Services Charges

1. Surcharges and convenience fees – many suppliers charge a credit card processing fee or convenience fee for accepting credit cards, including the P-Card. These types of fees are strictly regulated by Visa and MasterCard. These must be clearly labeled in the documentation as the amount and include which fee was charged. A supplier cannot charge both a surcharge and a convenience fee.

Credit card surcharges are allowed but cannot be more than the amount the supplier's bank charges them for processing the transaction. The maximum allowable surcharge is 4% and must be shown as a line item on the detailed invoice or receipt. Whenever a supplier charges a surcharge, the supplier must have provided Visa and their merchant bank at least 30 days' notification of intent to impose surcharges and the fact that the supplier imposes these charges must be clearly posted on the door and at point of sale for physical locations and on websites for internet sales, and they must inform the customer of the exact percentage, that it is being assessed by the supplier and is only applicable on credit transactions, and that it is not greater than what the supplier pays to Visa.

For any transaction where the supplier has charged a surcharge, the cardholder must obtain a copy of the acknowledgement letter sent to the supplier by Visa authorizing the supplier to impose a surcharge. This copy must be maintained with the invoice and all other documentation for the transaction, including uploading to TeamWorks Financials.

2. Convenience Fees

Convenience fees for certain transactions can be paid if they are charged in compliance with Visa rules. The State of Georgia P-Card and other accounts are Bank of America Visa accounts; therefore, Visa regulations apply.

Convenience fees are allowed if they are charged in compliance with Visa rules. For suppliers who offer an alternate payment channel (i.e., mail, telephone, or e-commerce) for customers to pay for goods or services, a convenience fee may be added to the transaction amount. If the supplier chooses to assess a convenience fee to its customers, the supplier must adhere to the following rules.

- a. The fee is being charged for a bona fide convenience of using an alternative payment channel outside the supplier's normal business practice.
- b. The fee:
 - 1) Must be disclosed to the customer as a charge for the alternative payment channel convenience.
 - 2) Is applied only to transactions that are not face-to-face.
 - 3) Must be a flat or fixed amount, regardless of the amount of the payment due.

- 4) Is applied to all forms of payment products accepted in the alternative payment channel.
 - 5) Is included as part of the total transaction amount.
 - 6) Cannot be added to a recurring transaction.
 - 7) Is assessed by the supplier that provides the goods or services to the cardholder and not a third party.
- c. The customer must be given the opportunity to cancel prior to the completion of the transaction.

Visa is very clear about what a convenience fee is and how and when it can be charged. As a result, many suppliers that charge fees do so incorrectly and are therefore out of compliance with Visa regulations.

Examples of common violations of Visa's convenience fee policy include, but are not limited to, the following:

- 1) Charging a tiered or percentage based fee. Only a flat fee regardless of the transaction amount is allowed.
- 2) Charging a fee for a transaction below or above a certain dollar amount. Convenience fees must be charged on all transaction regardless of amount.
- 3) Charging the fee in person for face-to-face or point of sale transactions. The fees can only be applied to transactions via the mail, telephone or internet.
- 4) Charging only for Visa or credit card transactions. Convenience fees must be applied to all payment methods accepted via that channel.
- 5) Calling the fee a processing fee, credit card fee, surcharge or anything other than a convenience fee. The fee is designed to offset the cost of the convenience, not the cost of accepting credit cards.
- 6) Charging higher prices for credit card purchases versus checks or cash. Note: Suppliers may offer a cash discount to customers paying with cash in person.
- 7) Charging a convenience fee via the internet when that is the supplier's only normal business practice. If the supplier sells only on the internet, there is no convenience versus coming in to a retail location; therefore, no convenience fee can be charged.

There are many ways a supplier's actions can fall outside Visa's guidelines. As such, only suppliers in compliance with the guidelines are allowed to receive convenience fees via the P-Card and/or other accounts.

One example of an allowable convenience fee is a utility that charges a convenience fee for paying a bill via the phone or internet versus having to come to an office and drop off a payment. As long as the convenience fee is a flat fee and is charged to all transactions accepted via the phone or internet (such as all card types, electronic checks, etc.), it is acceptable on a P-Card transaction.

Convenience fees charged in accordance with the Visa guidelines quoted above are permitted on the P-Card or other accounts. For clarifications, please consult with the P-Card Administrator. Violations of the Visa guidelines should be reported to the P-Card Administrator who will report to the State Purchasing Division as suppliers can be reported to Visa through Bank of America.

3. Service Charges

A service fee may be charged by a supplier in countries specified by Visa and for specific purposes. If a supplier charges a service fee, that supplier must follow Visa's requirements including but not limited to:

- a. Accept Visa as a means of payment in all channels where payments are accepted (for example: in a face-to-face environment and a card-absent environment, as applicable)
- b. Be authorized to process tax payment transactions if the service fee is charged by a government taxing authority or its third party.
- c. Disclose the fee clearly to the cardholder as a service fee, or local language equivalent, before the transaction is completed and provided the ability for the cardholder to cancel the transaction without incurring a fee or penalty
- d. Not represent the service fee as a fee charged by visa
- e. Ensure the service fee amount is:
 - 1) A reasonable reflection of the costs associated with completing the transaction (such as the Merchant Discount Rate, Merchant service fee, or any other costs paid to third parties for services directly related to accepting a card) and, where possible, capped.
 - 2) A flat, fixed, banded, or ad valorem amount, regardless of the value of the payment due, as required by applicable laws or regulations.
 - 3) Assessed only on the final transaction amount, after all discounts and rebates have been applied during the transaction
 - 4) Not charged in addition to a surcharge of convenience fee

Merchants or suppliers located in the United States, and which have the following MCC codes are permitted to charge a service fee provided Visa's rules for Merchants are followed:

- 8211 (Elementary and Secondary Schools)
- 8220 (Colleges, Universities, Professional Schools, and Junior Colleges)
- 8224 (Business and Secretarial Schools)
- 8249 (Vocational and Trade Schools)
- 9211 (Court Costs, Including Alimony and Child Support)
- 9222 (Fines)
- 9311 (Tax Payments)
- 9399 (Government Services [Not Elsewhere Classified])

O. Renewal of the State Purchasing Card

The P-Card does not expire until the last day of the month of the expiration date. A new P-Card will be mailed to the cardholder approximately every five years. O.C.G.A. §50-5-83 requires a new credit check on the cardholder with each renewal of the purchasing card. Prior to renewal, the cardholder will receive an email from the P-Card Administrator with information and instructions for completing the credit check. If the cardholder passes the credit check, they are eligible to receive a renewed P-Card.

P. Changing Card Limits & Updating Cardholder Information

The purchasing cards will be reviewed annually by the P-Card Administrator and CFO. The P-Card Administrator and CFO will determine if the cardholder's limit needs to be lowered, increased or canceled due to infrequent use.

Q. Change of Position, Leave of Absence or Termination

Should a cardholder leave State employment, change positions, or not need the P-Card for any other reason, they should request cancellation of his/her State P-Card through his/her Supervisor. His/her Supervisor shall collect the P-Card and notify the P-Card Administrator so the account can be closed.

R. How to Use the Purchasing Card

1. P-Card Transaction Steps

- a. Determine whether the P-Card is the most appropriate tool to use for the purchase (check the authorized and unauthorized list in Section 7.17.8, K and L of this policy) to make sure it is not a restricted item, and then determine the order of precedence to purchase the item (Exhibit #7.17-1).
- b. Only the cardholder should use the P-Card to make the purchase.

2. Ensure that no sales tax is charged. Should the cardholder have a dispute related to sales tax charged, the bank will not credit the account. A sales tax dispute can only be resolved by getting the vendor to issue a credit to the cardholder's P-Card.

- a. Obtain a receipt at the time of purchase. The receipt must be itemized and provide prices for each item and a total for the sale.
- b. When receiving the goods, always retain all boxes, containers, special packing slips, etc. until you are certain you are going to keep the item(s). The cardholder is responsible for inspection the goods upon arrival.

3. Returns, Damaged Goods, Credits

- a. If goods bought with a P-Card need to be returned, the Cardholder should work directly with the Vendor to request a refund to the card that was used to make the transaction. The cardholder should begin documenting contact names, dates/times of contacts, and what transpired. This documentation should be kept with the resolution action (credit or refund) once the issue is resolved. Many vendors require you to obtain a "Return Authorization Number" before they will accept the returned merchandise. If the cardholder neglects to get this number when it is required, the package may be refused and/or no credit issued to your account. Cardholders must request a credit memo/invoice for all returned merchandise. The credit may appear on a subsequent charge card statement.

- b. In some cases there may be a restocking fee; this is usually a percentage of the purchase price. If the Vendor is completely responsible for the error/problem, you should not have to pay any fees. You may use the Purchasing Card to pay this fee as long as it does not exceed any of your limits.
- c. Finally, make sure that the charge for the returned item does not appear on your monthly statement or is credited properly.

4. Disputed Transactions

If there is a problem with an item that you purchased with the purchasing card, the cardholder should first try to reach a resolution with the Vendor. In most cases disputes can be resolved directly between the Cardholder and the Vendor. The resolution may be that the item is returned, and the Vendor processes a credit to the account. The cardholder must request a credit memo for all returned items or disputed charges

a. Cardholder Statements of Disputed Item

1. For disputes and questionable charges not resolved between the cardholder and the supplier within 30 days, Bank of America's dispute process must be utilized. Bank of America will investigate the dispute on the cardholder's behalf and assist in the resolution. The cardholder shall provide Bank of America with all documentation to include previous phone calls or contacts with the supplier to aid in a timelier resolution. Bank of America's dispute resolution process must be utilized within 60 days of the cycle end date for the transaction.
- 2) When the investigation is complete, Bank of America will notify the cardholder of the resolution. If not satisfied with this resolution, the cardholder should contact the P-Card Administrator immediately.
- 3) Sales Tax: Should the cardholder have a dispute related to sales tax charged, the bank will not credit the account. A sales tax dispute can only be resolved by getting the vendor to issue a credit to the cardholder's P-Card.
- 4) If there is a charge that is not recognized by the cardholder, the cardholder should submit a Cardholder Statement of Disputed Item form (Exhibit #7.17-5) to Bank of America via email or fax. A copy of the form should be attached to the transaction in TeamWorks Financials.