

Georgia Department of Public Safety Policy Manual

SUBJECT PURCHASING CARD	POLICY NUMBER 7.17
DISTRIBUTION ALL EMPLOYEES	DATE REVISED 6/1/2009

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 to insure that all State of Georgia issued Purchasing Cards are used in accordance with State mandates and Departmental policies.

7.17.3 Definition

The State of Georgia Purchasing Card (P-Card) is a charge card designed to enable authorized, full-time department employees to make small value purchases of supplies, materials, equipment, and services for official State business use.

7.17.4 Procedures

A. Supervisors

The supervisor shall be assigned to the same location as the P-Card holder unless an exception has been filed in writing and approved by the Card Program Administrator.

Supervisors assigned the responsibility of reviewing cardholder transactions must have a thorough knowledge of the job responsibilities of the cardholders under his/her supervision in order to determine if purchases are legitimate and authorized purchases in terms of types of purchases made. Supervisor responsibilities include:

1. Maintain knowledge of State Purchasing Card Policy and Department policy on use of the P-Card;
2. Request P-Cards for employees under his/her supervision;
3. Notify the Card Program Administrator when a cardholder resigns, transfers, or is terminated from employment;

4. Monitor transactions and card activities to ensure that all purchases are for legitimate State business use.
5. Review all documentation to ensure:
 - a. Invoices/receipts and transaction logs have the required information;
 - b. State Sales and Use Tax was not charged;
 - c. Purchases were for legitimate State business use;
 - d. Transaction logs contain the cardholder's original signature;
 - e. The monthly cardholder transaction logs are signed, signifying review and approval for payment. This responsibility cannot be delegated to another person.
 - f. All signatures are original signatures. Signatures made with rubber stamps are prohibited, and
 - g. All documentation and monthly billing statements are submitted to ensure timely payment of the corporate billing statement.
6. The card holder and supervisor cannot be one in the same.

B. Cardholders

All cardholders are de facto purchasing agents for the State of Georgia and the Department. Accordingly, all cardholders must have a minimum understanding of State purchasing laws, State Purchasing Division rules and regulations as contained in the Georgia Procurement Manual, and Departmental policies.

Cardholders must also be familiar with the provisions of O.C.G.A. § 45-10-1 regarding State Employee Code of Ethics and Conflicts of Interest. Cardholder responsibilities include:

1. Maintain security of the account number, expiration date, and security code at all times;
2. Maintain knowledge of State Purchasing Card Policy and department policy;
3. Ensure all purchases are allowable purchases according to State and department purchasing card policies;
4. Ensure all purchases comply with purchasing requirements of the Georgia Procurement Manual concerning Order of Precedence and Competitive Bidding;
5. Obtain "best value" for the State when making purchases with the P-Card;
6. Maintain all documentation required by State and department policy. Minimum documentation requirements are:
 - a. Monthly transaction log;
 - b. Itemized receipt of invoice;

- c. Monthly billing statements, and
 - d. Approval letters (if applicable).
7. Sign the transaction log and the monthly billing statement. All signatures must be original signatures. Signatures made with rubber stamps are prohibited.
 8. Submit all documentation to the supervisor by the established deadline in order to ensure timely payment of the monthly billing statement.
 9. If the card is lost or stolen the cardholder shall notify Bank of America then inform the Departmental Purchasing Card Administrator.

C. Card Program Administrator and Card Accountants

The primary card program administrator is the Purchasing Manager additional administrators are the Comptroller and Accounting Director. None of these positions shall be cardholders.

1. The Card Program Administrator shall:
 - a. Ensure the safe storage of all original transaction documentation;
 - b. Establish billing discrepancy procedures, including disputed transactions, and
 - c. Establish reconciliation procedures between cardholders, supervisors, and Accounts Payable to ensure timely payment of the corporate monthly billing statement.
2. The Card Accountants
 - a. Check over each purchasing card logs for original receipts and signatures, and
 - b. Enter all budgetary codes into the Works Program to ensure each purchase has the proper departmental codes.

D. Personal Use

1. Under no circumstances is a cardholder permitted to use the P-Card for personal purchases. Using the P-Card for personal purchases will result in disciplinary action, up to and including termination from employment and criminal prosecution.
2. The Official Code of Georgia, Annotated (O.C.G.A.), § 50-5-80 states that any cardholder who knowingly uses the card for personal purchases under \$500 is guilty of a misdemeanor. A cardholder who knowingly uses the card for personal purchases of \$500 or more is guilty of a felony punishable by one to 20 years in prison. Supervisors or other approving officials who knowingly, or through willful neglect, approve personal or fraudulent purchases are subject to the same disciplinary actions as cardholders.

E. Prohibited Purchases

All purchases made with the P-Card must be for official State business. Only the employee whose name appears on the face of the P-Card is authorized to initiate transactions as approve under DPS #7.11-1 - Authorized Purchases Exhibit. Use of the card by any other

person is considered misuse of the card, even if the purchase is for legitimate State business. Use of the card for the following purchases is strictly prohibited and will result in disciplinary action, including termination of employment and criminal prosecution:

1. Split purchases – the use of multiple cards or transactions to complete a purchase above your credit limit or transactions limit.
2. Personal purchases of any kind;
3. Cash advances;
4. Gift cards;
5. Employee travel expenses, including lodging, transportation, and meals, except as specifically covered under Allowable Purchases (paragraph F below);
6. Entertainment, including in-room movies;
7. Alcohol;
8. Tobacco products;
9. Fuel, repairs, and maintenance of State-owned or rental vehicles (exceptions can be granted upon verification of procedures to enter costs into Maximo, the State's fleet management system administered by the DOAS Office of Fleet Management); this does not prohibit the purchase of automotive parts for the vehicles.
10. Professional services as defined in O.C.G.A. §14-7-2(2);
11. Food, unless the purchase qualifies as a "group meal" according to the State Accounting Office Group Meal Policy.

F. Allowable Purchases

The P-Card can be used for small value purchases of supplies, materials, equipment, or services, where not otherwise prohibited or restricted. All purchases must be within cardholder assigned spending limits unless prior, written approval is received to exceed these limits. Allowable purchases are:

1. Equipment – Single units under \$1,000. Reference Exhibit #7.11-1
2. Supplies and materials up to the cardholder's approved Single Transaction Limit and/or approved cycle limit.
3. Single purchase of supplies and materials over \$5,000 provided:
 - a. For purchases from Statewide Contract (SWC), Agency Contract, or mandatory source:
 - 1) No prior approval from the State Cards Program Manager is needed to exceed \$5,000.
 - 2) Documentation must include reference to the SWC or Agency contract number.

b. For Open-Market Purchases:

- 1) Purchase has been competitively bid using eQuote, the Georgia Procurement Registry, or other electronic solicitation tools;
 - 2) Cardholders have prior, written approval from the Program Administrator, his/her supervisor, and the State Cards Program Manager using Form SPD-PC003, Purchasing Card Special Approval Request, to exceed the State STL, and
 - 3) Documentation must include a reference to the solicitation number.
4. Airline tickets and vehicle rentals for State personnel traveling on official State business as defined in the State Travel Regulations published by the State Accounting Office and the Office of Planning and Budget.

G. In addition to a person making a transaction at a retail store :Phone, Fax and Internet Orders

The P-Card may be used to make telephone, fax, and Internet orders; however appropriate security precautions shall be made in order to maintain security over P-Card account information.

H. Declared Emergencies and Natural Disasters

In cases involving the welfare of the general public, extreme weather conditions, or official declared emergencies, cardholders are allowed to obtain after-the-fact approval for exceptions to this Policy.

I. Single Transaction Limit

A cardholder's single transaction limit is established by the Card Program Administrator based on the annual usage. Temporary increases may be authorized by the P-Card Administrator as needed.

J. Card Issuance Requirements

1. Issuance is limited to one P-Card per cardholder.
2. Cardholders must be full-time State employees. There will be no exceptions to the following:
 - a. Cards will not be issued to part-time employees, temporary workers, or contractors; and
 - b. Cards will not be issued in the name of a Department or work unit to be shared by multiple employees.
3. An employee's supervisor and the Card Program Administrator shall approve a cardholder's application for a P-Card once all requirements have met according to O.C.G.A. § 50-5-83(b)(12).
4. All training requirements as established by the department must be met before an employee can receive their purchasing card.

5. Department of Public Safety is limited to the number of purchasing cards it can have according to the State Purchasing Card guidelines.

K. Failure to Comply

Cardholders or supervisors/approving officials who knowingly, or through willful neglect, fail to comply with the following may be subject to suspension or termination of card privileges or other disciplinary action, up to and including termination of employment and criminal prosecution to the fullest extent of the law:

- a. Official Code of Georgia, Annotated (O.C.G.A.), sections related to governmental purchasing;
- b. Applicable requirements of the Georgia Procurement Manual;
- c. State Purchasing Card Policy, and
- d. Georgia Department of Public Safety Policies.

L. Disputed or Misuse of P-Card (intentionally/unintentionally)

1. Any misuse or suspected misuse of the P-card must be reported to their immediate supervisor or other supervisor in their chain of command.
2. Any such misuse or suspected misuse of the P-card shall be documented by the supervisor to include:
 - a. Details of the transaction(s) including copies of receipts, invoices, etc.
 - b. Evidence of who conducted the transaction, who approved the transaction, and when and how the misuse or fraud was discovered, and
 - c. Documentation of personnel actions taken (e.g. cardholder was terminated).
3. The Cardholder shall notify the bank immediately when fraud or card misuse occurs in order to properly meet the bank's guidelines regarding reimbursement of transactions related to fraud or card misuse.
 - a. Disputed transactions must be handled by the cardholder with the vendor in question.

M. Cardholder Background Checks

O.C.G.A. § 50-5-83(b) (12) requires criminal background checks on all employees hired for positions that are eligible for P-Cards.

1. Existing Cardholders as of July 1, 2008:
 - a. The department has established a schedule of criminal background checks for existing cardholders as of July 1, 2008, to ensure that backgrounds are checked prior to the next renewal date of the individual P-Cards.

- b. If any criminal background check against existing cardholders reveals any misdemeanors or felonies related to financial wrongdoing, theft, or other act of dishonesty, the cardholder's privileges shall be terminated immediately.
2. New Cardholders after July 1, 2008:
 - a. For new cardholders after July 1, 2008, prior to receiving a Purchasing Card, the cardholder must submit to criminal background checks.
 - b. If any background check of new cardholders after July 1, 2008, reveals any misdemeanors or felonies related to financial wrongdoing, theft, or other act of dishonesty, the employee is not eligible to receive a P-Card.

N. Cardholder Credit Checks

In addition to background checks for new and current cardholders, O.C.G.A. § 50-5-83(b)(12) also requires credit checks on all employees issued a P-card after July 1, 2008. Subsequent checks shall be at the discretion of the Department.

O. Sales Tax

1. O.C.G.A. § 48-8-3(1) exempts purchases made by the department from State Sales and Use Tax when payment is made with appropriated funds.
2. Cardholders must present the Department of Revenue Sales and Use Tax Exemption, Form ST-5, to merchants upon request. This form is available on the Department of Revenue web site at etax.dor.ga.gov.
3. Cardholders are responsible for ensuring that merchants do not charge tax.
 - a. If taxes are charged, the cardholder must contact the merchant to obtain a credit to the card.
 - b. Credits cannot be obtained by any other method, including, but not limited to, cash, gift card, gift certificate, or store credit.
 - c. 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.
 - d. Any rewards, rebates, etc. shall be sent to the Comptroller's office to be recorded as miscellaneous income.

P. Program Review

1. The P-Card program and this policy will be reviewed for adequacy by the Card Program Administrator annually; and
2. Provision shall be made for audit or other independent review of all areas of program administration and transactions at least annually, to include:
 - a. Adequacy of internal policies and procedures;

- b. Appropriateness of cardholder spending limits;
- c. Adequacy of review, reconciliation, and payment procedures, and
- d. Adequacy of documentation for transactions.