

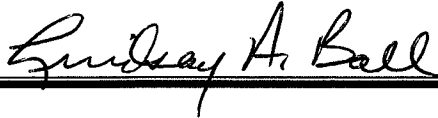
SUBJECT: Purchase Card Use

NUMBER: 107-03-030

DIVISION: Operations Division

EFFECTIVE DATE: '05/31/07

APPROVED:



**POLICY/
PURPOSE:**

The purpose of this policy is to specify permission and use of the Small Purchase Order Transaction System (SPOTS) within the Department of Administrative Services (DAS). It is the policy of DAS to use purchase cards when appropriate for small purchases

AUTHORITY:

ORS 164.015 - 164.125; ORS 162.415; ORS Chapter 244; Oregon Accounting Manual, Sections 55.30.00.PO; 55.30.00.PR.

APPLICABILITY:

All Department of Administrative Services Employees.

ATTACHMENTS:

Purchase Card Application and Agreement. 75.55.01.FO; 75.55.02.FO.

DEFINITIONS

Department of Administrative Services Employee: An individual who is hired directly by DAS as a permanent employee and is included on its payroll. This does not include such individuals as temporaries hired by DAS or through a service, interns, or job rotations with outside agencies or contractors.

GUIDELINES:

- I. Use of the SPOTS card to pay for goods and services does not exempt a state agency or its employees from the purchasing requirements of state law or the Department of Administrative Services, State Procurement Office (SPO). Each employee issued a SPOTS card must ensure that all purchases charged to the card comply with applicable procurement rules and policies.

Purchase Card Use: A Purchase card may only be used for authorized purchases that further the business of the State. Examples of authorized purchases include:

- Dues and subscriptions
- Office and other supplies
- Repair and maintenance parts
- Small equipment purchases, except computer hardware and software, which is requested and purchased by Technology Support Center (TSC).
- The SPOTS card may be used to hold hotel reservations but **MUST NOT** be used for the actual room charge.
- Training registration:
 - Registrations for classes, training or seminars presented by specialty training groups or business related organizations, online classes, and state sponsored training. Division training request procedures must be completed prior to charging any training on the SPOTS card. Documentation of attendance needs to be attached to the payment records. Examples of documentation include certificates of completion, a copy of the agenda, email confirmation of attendance, etc.

Continuing education or college level classes for which the student receives credit and which are sponsored by a community college, college, or university may not be paid for using the SPOTS card

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if they are not related to the employee's current job; these types of educational assistance payments are reimbursed to the employee through DAS payroll because they are taxable. DAS Internal Policy 107-07-030 provides additional information on educational reimbursements.

Examples of unauthorized purchases include:

- Personal purchases of any kind
- Travel related expenses for employees or on behalf of another (includes airfare, lodging, car rental, meals, taxis, etc.)
- Cash advances
- Food and beverages for personal consumption (unless the food/beverage was included as part of registration for a workshop, conference or other similar event)
- Fuel for fleet vehicles
- Services other than training registrations
- 1099 reportable items unless pre-approved by Operations Division Administrator or designee; approval will be requested and granted or denied via email.

II. Limitations/Criteria:

For the protection of individual purchase card users, it is recommended that a \$2,500 limit be set for each card. With a business justification a higher card limit may be requested. Division Administrators may contact the DAS SPOTS Coordinator to change either the per transaction or monthly limit. It is the responsibility of the Supervisor/Manager of each cardholder to evaluate card and transaction limits.

All purchases made with purchase cards must comply with ORS 293.295 which contains the following criteria for payments made by the State Treasurer:

- The purchase must be authorized by a person who has the authority to incur the obligation for the state.
- When a manager approves the employee's SPOTS card application they are in essence delegating purchase authority to the employee.

The expenditure/obligation of money must relate to a legally authorized activity of the agency.

III. Cardholder Responsibility:

- Cardholders using the purchase card must make certain their purchases comply with applicable laws, rules, or policies including current DAS price agreements.
- All new DAS SPOTS cardholders must attend a DAS training session pertaining to the use of purchase cards. All cardholders must have refresher training biennially.
- Purchase cards must be kept secured - in a locked drawer or cabinet, or in the cardholder's possession at all times. Cardholders are responsible for card security.
- The purchase card number is a confidential state asset. For telephone orders the purchase card number may be given over landline telephones. Card numbers should not be given over portable or cellular telephones. Extreme caution is necessary when faxing documents with the SPOTS account number on it.
- The cardholder must immediately notify the issuing bank and the DAS SPOTS Coordinator if a card is lost or stolen or if it is suspected that the card has been used for fraudulent purposes.
- License Agreements for computer software must be pre-approved by the DAS Operations Division, Contracts Unit.
- Cardholders are responsible for reimbursing DAS for inappropriate purchases. For inappropriate purchases, the cardholder is subject to disciplinary action up to and including dismissal.
- Purchase card use must meet the following criteria:

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- a. The vendor's return of goods policy must be verified if the vendor does not have a policy that vendor should not be used.
 - b. A receipt/purchase confirmation must be available with the vendor's name, item purchased, quantity, price per unit, date of purchase, and approximate delivery date.
 - c. The cardholder must keep a copy or printout of the receipt/purchase confirmation with the purpose of the purchase and account coding added.
 - d. The receipt or screen printout must be attached to the cardholder's SPOTS statement.
 - e. Attach packing slip, confirmation of training registration, or other proof of receipt to cardholder's SPOTS statement. In the absence of such documentation, the manager/supervisor's signature serves as the confirmation of receipt.
 - f. Terms and conditions of a purchase must be approved by the DAS Operations Division, Contracts Services prior to cardholder's acceptance of any terms and/or conditions. If an order requires that their terms and conditions are accepted prior to completion of the order, print the page and send to the DAS Contracts Services Unit prior to continuing with the purchase. The purpose of this review is to ensure that purchase terms and conditions are in compliance with state contracting policies.
- Making purchases online introduces security risks. SPOTS card purchases from online vendors must be made from Web sites that use Secure Socket Layer (SSL) technology. Secure Web sites are usually identified with a padlock or similar icon, or have Web addresses that begin with the designation "https". The company should also clearly state its privacy policy for handling financial data.
 - SPOTS card holders should never provide credit card information over email or provide any credit card information to internet links sent via email. Only provide credit card information by opening an internet browser and typing information directly into the site with which you are wishing to conduct business.

IV. Approving Officer Responsibilities:

The Approving Officer is responsible for oversight of the agency SPOTS card program. The Approving Officer shall designate those employees authorized to use the SPOTS card for purchases of services and supplies.

V. Coordinator Responsibilities:

The DAS SPOTS Coordinator will receive applications for purchase cards from the DAS employee's manager and forward information to issuing bank. The DAS SPOTS Coordinator will maintain a file of signed Application and Agreement forms of all purchase cards issued. The DAS SPOTS Coordinator will explain the use of purchase cards to new users, monitor purchase card usage, and forward bank statements to appropriate cardholders for prompt payment within the 14 calendar day payment terms.

VI. Supervisor/Manager Responsibilities:

The Supervisor/Manager must approve in writing the request for an employee to be issued a SPOTS card. Monthly, the Supervisor/Manager of the cardholder is responsible for reviewing the SPOTS payment packet. When the Supervisor/Manager signs the documentation, they are approving the SPOTS transactions for payment and are ensuring the accuracy and appropriateness of the purchases.

VII. Purchase Card Abuse:

The cardholders Supervisor/Manager is responsible for monitoring the use of the purchase card(s),

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if abuse is detected or suspected the Supervisor/Manager must initiate appropriate action, including notifying the Operations Division SPOTS Approving Officer. If the Approving Officer or SPOTS Coordinator suspect abuse of card privileges or disregard for the purchase card agreement guidelines, the card will be forfeited and canceled. The Approving Officer or Coordinator will notify the cardholder's Supervisor and discuss any abnormalities. In all cases of actual abuse, the SPOTS Approving Officer will notify DAS Internal Audits. DAS Internal Audits will take appropriate action.

In addition to the sanctions described in the preceding paragraph, the state reserves the right to refer instances of abuse that violate other statutes to the appropriate law enforcement authority. These referrals may include criminal prosecutions for theft, abuse of public office, and violations of the Oregon Ethics in Government Act.

Abuse of purchase card usage includes but is not limited to the following:

- Unauthorized purchases as described in Section I of this policy
- Failure to keep and submit proper records of purchase card use
- Failure to approve statements of charges timely
- Permitting unauthorized persons to use purchase cards
- Failure to keep purchase cards secure
- Obtaining cash advances with the purchase card

VIII. Appropriate Circumstances to Cancel Purchase Cards:

In the event a cardholder terminates state service, is on a job rotation, or is dismissed, their card shall be immediately forfeited, returned to the SPOTS Coordinator, and cancelled with the issuing bank. If an employee will be on a leave of absence, the SPOTS Coordinator should be notified to have the card suspended or cancelled.

IX. Extraordinary Circumstances:

There are times when extraordinary circumstances necessitate purchasing items that may not be authorized for purchase with the SPOTS card. Approval from the appropriate DAS Division Administrator must be requested and approved in advance of purchasing the item. All requests and approvals must be documented, signed by the Division Administrator, and attached to the SPOTS statement for processing.

X. Exception for use for Services:

There are instances where the SPOTS card may be used for regularly occurring services with prior permission from the DAS SPOTS Coordinator. This will only be allowed if the vendor is verified to be non-1099 reportable or if prior approval has been authorized by the Operations Division Administrator.