Policy and Procedure #1.107

Purchasing Card

Authority: Wyoming Statute(s): 9-1-403 (c); 25-1-104; 25-1-105 ACA Standard(s): 2-CO-1B-09; 4-4038	**Effective Date:** September 30, 2016 **Revision/Review History:** 09/15/15, 09/01/14, 06/15/13, 06/15/12 **Summary of Revision/Review:** Updates existing policy pursuant to annual review.
Cross Reference of Policy: P&P #1.101, *Fiscal Standards* P&P #1.102, *Procurement* P&P #1.106, *Fiscal Control*	**Supersedes Existing Policy :**
Approved: R.O. Lampert — 9-22-16 Robert O. Lampert, Director — Date	

REFERENCE

1. ATTACHMENTS

A. WDOC Form #176.3, *Purchasing Card Log*.
B. State Auditor's Office Form: *State of Wyoming Purchasing Cardholder Agreement.*
C. State Auditor's Office Visa Purchasing Cardholder Account Action Request Form: *State of Wyoming Action Request Form*.
D. State of Wyoming *Visa Cardholder Questionable Item/Dispute Form*.

2. OTHER

A. State Auditor's Office *UMB P-Card Encumbrance Instructions*

I. PURPOSE

A. Guidelines for State Issued Purchasing Card. The purpose of this policy is to establish procedures and guidelines for a uniform practice in the issuing and responsible use of the state issued purchasing card.

II. POLICY

A. General Policy. It is the policy of the Wyoming Department of Corrections (WDOC) to ensure proper and responsible use of the state issued purchasing cards in compliance with the State Auditor's Office (SAO) procedures. The WDOC will neither condone nor tolerate actions that place the agency at risk for violation of the laws and regulations governing the use of purchasing cards.

1. This policy, together with SAO procedures, State of Wyoming, Department of Administration and Information, Procurement Section Purchasing Procedures Manual, and applicable State law shall govern the responsible use of the purchasing card. (ACA 4-4038; 2-CO-1B-09)

B. Preference for Use of Purchasing Cards. The WDOC encourages the use of purchasing cards in lieu of open credit accounts with vendors, who in turn will accept a VISA card.

III. DEFINITIONS

A. Agency Designee: (*For this policy only.*) The individual(s) delegated with the authority in writing by statute, or by the agency director, to approve specified matters for the agency.

B. Agency Purchasing Card Coordinator (APCC): The person designated by the Administrator of the Division of Central Services to coordinate the use of State of Wyoming Purchasing Cards by WDOC staff.

C. Business Manager: Prison Division facility Business Managers or the WDOC Fiscal Manager for the Field Services Division and Central Office.

D. Cardholder: (*For this policy only.*) Any WDOC employee who has been issued a State of Wyoming Purchasing Card and is authorized to make purchases on behalf of the WDOC.

E. **Monthly Transactions Purchase Limit:** The maximum spending (dollar) limit a cardholder is authorized to charge in a predetermined monthly time span.

F. **Operational Procedure (OP):** A facility-level policy which is developed to implement a Department policy and procedure, consistent with the facility's specific mission, function, and offender population.

G. **Purchasing Card:** A form of credit card assigned to state employees to facilitate the acquisition of goods and services necessary for conducting official state business.

H. **Single Transaction Purchase Limit:** (*For this policy only.*) The maximum spending (dollar) limit a cardholder is authorized to charge in a single transaction.

I. **Statement:** (*For this policy only.*) This is the monthly listing of all transactions by the Cardholder, issued by UMB Bank, n.a.

J. **State Program Administrator:** (*For this policy only.*) The person designated by the State Auditor's Office to facilitate all state issued purchasing cards.

IV. PROCEDURE

A. **Designation of Agency Purchasing Card Coordinator.** The WDOC Purchasing Manager is designated as the Agency Purchasing Card Coordinator (APCC).

1. The APCC will serve as the liaison between the cardholder, State Auditor's Office and the UMB customer support.

B. **Acquiring a Purchasing Card.**

1. The Business Manager will initiate a purchasing card request for personnel within their facility or division by completing the *State of Wyoming Purchasing Cardholder Agreement* and *State of Wyoming Action Request Form*.

i. The Business Manager will consult with the WDOC Fiscal Manager when requesting card limits be established beyond the standard limits of:

a. Standard Single Transaction Purchase Limit: $2,500.00; and

b. Standard Monthly Cycle Credit Limit: $7,500.00.

ii. The Business Manager is responsible for training the employee on this policy, card limits, security and proper use of the purchasing card prior to the employee signature on the *Wyoming Purchasing Cardholder Agreement*.

iii. Once the forms are completed they are to be forwarded to the WDOC Purchasing Manager for review and obtaining approving signatures.

iv. Upon receipt of the purchasing card, the cardholder can then activate their purchasing card by calling the phone number on the front of the card and providing the activation information.

C. Use of the Purchasing Card

1. All purchases made with the purchasing card must be facilitated only by the cardholder. Use of the purchasing card is limited to the person whose name is embossed on the card. The card or card number cannot be given to another person. Employees other than the cardholder may receive or obtain the purchased goods from the vendor. The card is to be used by the person that it is issued to and can only be used to pay for approved agency expenses.

2. All purchases for goods and services made with the purchasing card shall adhere to the parameters set forth in WDOC Policy and Procedure #1.102, *Procurement*. Purchasing cardholders will review and be knowledgeable of the contents of the Procurement policy.

3. Purchases over two thousand, five hundred dollars ($2,500.00) and in excess of seven thousand five hundred dollars ($7,500.00) may be made using the purchasing card. However, it will be necessary to:

i. Ensure compliance with WDOC Policy and Procedure #1.102, *Procurement*, specifically requirements for written quotes and formal bid process;

ii. Temporarily increase spending limits, and;

iii. WOLFS accounting procedures as outlined in *SAO UMB P-Card Encumbrance Instructions* must be followed.

D. Unauthorized Purchasing Card Use

1. The card is not to be used for any personal or unauthorized purchases. Any such use will require immediate reimbursement and may result in disciplinary action that may include dismissal;

2. Travel related purchases, (*i.e.*, hotel/motel, public transportation, rental cars, *etc.*), these may be charged on the Phantom Purchasing Card under procedures outlined herein below;

3. Cash advances, money orders, gift cards or certificates, *etc.*;

4. Leases agreements;

5. Conference room rental;

6. Alcohol, gambling, *etc.*;

7. Fuel (gasoline, diesel or bulk propane);

8. **Split Purchases.** Split purchases are prohibited and shall not be made. A "split purchase" is the dividing of a known quantity and failing to consolidate a known quantity of goods with the intent of and for the purpose of evading competitive bidding requirements in accordance with WDOC Policy and Procedure #1.102, *Procurement*. Split purchasing also relates to the purchasing card by dividing of a known quantity or failing to consolidate a known quantity of goods with the intent of and for the purpose of evading the purchasing card single transaction and/or monthly transactions purchase limits.

E. **Wyoming State Sales Tax.** State of Wyoming purchases are exempt from sales tax and any sales tax charged. Cardholder will exercise care to ensure they are not charged sales tax. The sales tax identification number (83-0208667) is provided on the face of each purchasing card. If a vendor charges sales tax, the cardholder is responsible for obtaining a credit for the amount of the tax.

1. For all purchases made at Walmart a *Tax Exemption Identification Card* must be obtained from Walmart customer service prior to making tax exempt purchases with the procurement card.

2. Purchasing cards will not be accepted at Sam's Club because they do not offer tax exemption to the State of Wyoming

F. **Returns.** If an item is not satisfactory, received in error, damaged and/or defective, duplicate order, *etc.*, the cardholder should make contact with the

vendor to obtain authorization to return the item(s) and insure a credit is issued to the purchasing card account.

G. Receipt for Goods or Services Purchased. Original receipts shall be obtained for all purchases and submitted with the purchasing card log and statement reconciliation.

1. Invoices and receipts documenting purchases utilizing the purchasing card will be in accordance with WDOC Policy and Procedure #1.101, *Fiscal Standards*, paragraph IV.M. and WDOC Policy and Procedure #1.106, *Fiscal Control*, paragraph IV.F.3.

2. If a receipt is not furnished by the vendor, as may be the case with a telephone or internet order, an order confirmation; confirmation number; and packing slip containing the required information should be obtained.

i. If a receipt, confirmation documentation or a packing slip is not available for a transaction, documentation shall be attached to the transaction log notating all attempts made to obtain a receipt from the vendor, including a brief written itemization of the charges showing, at a minimum:

a. Vendor name;

b. Transaction or purchase date;

c. Description of each item purchased, including unit price and quantity;

d. Transaction total;

e. Statement explaining why all other methods of obtaining an itemized receipt were not available;

f. The written itemization shall be signed by the cardholder, cardholder's supervisor and business manager; and

g. Cardholders shall not continue to transaction purchases with a merchant who will not provide a receipt or purchase confirmation documentation.

H. Monthly Purchasing Card Transaction Statement. A monthly statement of transactions will be mailed to the cardholder at the end of each month. The cardholder is responsible to reconcile and attach supporting invoices or other

documentation, as described above, for each purchase transaction listed on the statement.

I. **WDOC Purchasing Card Log**. The use of a WDOC Form #176.3, *Purchasing Card Log*, is required for Central Office and Field Service Division cardholders and as designated by each facility OSP.

1. Cardholder will enter required information for each purchase into the log. All purchasing card logs must be completed on a computer and printed out. Handwritten logs will no longer be accepted.

2. The cardholder will maintain an individual purchasing card log for each monthly card transaction cycle and attach as part of the monthly reconciliation documentation.

3. Cardholder and cardholder's immediate supervisor must sign and date the purchasing log.

J. **Phantom Credit Card.** The phantom credit card is issued by SAO to agencies as requested by the APCC. It is a specialized purchasing card utilized for purchases outlined below which are not allowed on normal purchasing cards. The phantom credit card is not a physical card but credit card account numbers only.

1. One phantom card will be issued to each facility and the central office location. CEO's will designate one administrative employee (generally executive assistant, not fiscal personnel) to be the custodian.

2. All purchases made on the phantom card will only be facilitated by the designated custodian.

3. The phantom credit card will only be used to hold hotel reservations, direct bill hotel/motel lodging expenses, airfare purchases, conference/meeting room reservations/expenditures, and in unique situations with prior approval of the APCC or WDOC Fiscal Manager.

4. Authorized purchases made on this card shall not exceed seven thousand, five hundred dollars ($7,500.00) per transaction and are subject to the WDOC Policy and Procedure #1.102, *Procurement*.

5. Reconciliation of the monthly phantom card transaction statement will follow the same schedule and requirements for normal purchasing cards outlined herein above.

K. Purchasing Card Security.

1. It is the cardholder's responsibility to take all reasonable safeguards to ensure the security of the purchasing card and account number.

i. The purchasing card should not be kept in an unsecure location, such as a desk drawer located in a cubicle or unsecure office.

ii. The cardholder must not allow anyone to use his or her account number and promptly notify the APCC of any known or suspected inappropriate use of the purchasing card.

2. Cardholder shall report lost or stolen cards immediately to the APCC or SAO.

3. The cardholder is required to immediately relinquish the purchasing card to their immediate supervisor or business manager if the cardholder terminates employment or transfers to another State of Wyoming agency. The business manager will notify the APPC, via e-mail, of the destruction of the purchasing card.

V. TRAINING POINTS

A. How are purchasing cards issued?

B. What items can be procured using a purchasing card?

C. Provide four examples of items that cannot be procured through a purchasing card.

D. What records must be maintained by purchasing card users?

E. What is a phantom credit card and what can it be used for?