



*State of Oklahoma*  
*Purchase Card*  
*Procedures*

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*Issued by the:*

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# 1 STATE PURCHASE CARD 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 goods and services necessary for conducting official State business. There is no limit on the amount of a P/Card transaction for purchases from a Statewide Contract or payment of regulated utilities. For any other transaction with a state purchase card, the transaction shall not exceed Five Thousand Dollars (\$5,000.00). All purchases shall be made in accordance with State statutes, rules, and these Procedures, which include but may not be limited to:

- Central Purchasing Act, 74 O.S. § 85.1 et seq.
- State Travel Reimbursement Act, 74 O.S. § 500 et seq.
- DCS, Central Purchasing Codified Rules, OAC 580:15
- Office of State Finance (OSF) State Travel Procedures
- State Agency Internal Purchasing and P/Card Procedures

State entities are encouraged to use the P/Card in lieu of purchase orders and authority orders. The P/Card can be used with any supplier that accepts Visa as a form of payment. It is intended that P/Cards be issued to selected State employees when the use of the P/Card will enhance State Entity effectiveness or economy of operation. If used to its potential, the P/Card Program will result in a significant reduction in the volume of purchase orders and related documentation including invoices and checks. In addition, corresponding work processes associated with ordering and check writing will be eliminated.

Cards are issued in the name of the State but also bear the name of the P/Cardholder, name of the P/Cardholder's State Entity, and the P/Cardholder's unique account number. Liability for payment to the P/Card provider rests with the State. Employees involved in the P/Card Program are subject to State ethics laws and directives.

## 1.2 P/Card 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, the Department of Central Services (DCS), Central Purchasing Division, awards the prime contract for purchase card services. The contract is a **mandatory** statewide contract. Oklahoma institutions of higher education and political subdivisions may also use the prime contract; however, they must execute sub-agreements and establish their own method of payment with the Issuing Bank. [See Section 4]

## 1.4 P/Card Program Authorization

The P/Card 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 P/Card 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. A request must be directed to the State Purchase Card Administrator and shall: (1) cite the specific paragraph(s) of these Procedures for which the exception is requested; (2) include a description and justification for the exception; and, (3) state the specific length of time for which the exception is necessary. The State Entity Purchase Card Administrator and State P/Card Administrator 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. ([P-Card forms](#))

State Entity P/Card procedures shall be made a part of the State Entity's internal purchasing procedures. State Entities must submit their revised internal purchasing procedures to the DCS Central Purchasing Division within 6 months of completing the P/Card 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. § 85.1 et. seq.); the DCS Central Purchasing Administrative Rules; or any other applicable statutes or administrative rules. If any changes are made to the State Entity's internal p/card procedures, State Entities must resubmit their internal purchasing procedures and internal Purchase Card 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** P/Cardholder makes purchase from a merchant using a 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 Acquiring Bank.
- 1.7.3** The Acquiring Bank requests authorization through the Credit Card Network, which processes and submits payment to the merchant.
- 1.7.4** The State Entity shall populate the note field on the bank's transaction system with a brief description of the goods or services purchased for each Statewide Contract and travel transaction posted. 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 Section 6.8.1]
- 1.7.5** The Issuing Bank furnishes State Entity with access to an electronic monthly report (statement) for purchases.
- 1.7.6** The Issuing Bank provides State Entity 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** P/Cardholder reconciles receipts and any other transaction documentation monthly with electronically generated statement and forwards to State Entity Approving Official.
- 1.7.8** State Entity Approving Official(s) reviews and approves reconciliation and forwards to State Entity accounting.
- 1.7.9** State Entity makes single monthly payment for the amount of the electronic invoice, which should reconcile with the State Entity 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” or “merchant acquirer.”

**“Cycle”** means the period of time between billings. For example, the State of Oklahoma P/Card closing period ends at midnight on the last business day of each month. 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. Payment will be made directly to the Bank. [See Section 5.4]

**“Issuing Bank”** means the bank issuing the P/Card to an organization. The State of Oklahoma Issuing Bank is Bank of America (BOA). Synonymous with “Servicing Bank,” “Card Issuer” 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).

**“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 P/Cardholders can make purchases from particular types of merchants.

**“Point of Sale Code (POS)”** means a code entered by the merchant at the time of an on-site sale.

**“Purchase Card or P/Card Program Participant”** means an individual designated by a State Entity to perform a P/Card Program responsibility, as authorized and defined in these Procedures, who have a signed Purchase Card Employee Agreement filed with the State P/Card Administrator including, but not limited to, State Entity P/Card Administrators and back-ups, Approving Officials and back-ups, and P/Cardholders. It does not include an individual who may be assigned to create the P/Card voucher or payment; or, designated as Accountants in Works, when this is their only role in the P/Card Program.

**“Single Purchase Limit”** means the maximum spending (dollar) limit a P/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 P/Card statutory single purchase limit of \$5,000.00 (does not include Statewide Contract or payment of regulated utility transactions); 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.

**“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.”

**“State Purchase Card or P/Card”** means an electronic transaction device used for making acquisitions. [See Section 6]

**“Statement”** means a document listing P/Card account activity issued to a State Entity by the Issuing Bank. The 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.

**“Statewide Contract”** means a contract issued by the DCS, Central Purchasing Division for specific acquisitions for a specified period, with a provision allowing the agencies and local governmental entities to place orders as acquisitions are needed for delivery, during the period specified.

**“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) ([P-Card forms](#)), regulated utility verifications, all transaction correspondence, and any other item referencing the transaction. Synonymous with “Transaction Documents”.

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

**“TSYS”** means the card processing system utilized by the Issuing Bank and is the gateway to the Credit Card network. TSYS manages card P/Card Program spend controls, statement generation, card issuance, authorizations, and declines.

### **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 P/Card Program implementation and operation.

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

The State Entity individual designated by the State Entity Chief Administrative Officer to manage, on a day-to-day basis and in detail, the P/Card Program and transaction system for the State Entity. This employee and any designated back-up are the only employees authorized with the Issuing Bank to designate or change P/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 P/Card Program participants.

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

One or more State Entity staff members designated by the State Entity P/Card Administrator to review and approve P/Cardholder transactions. State Entity Approving Officials must be at least one level above the P/Cardholder's position and be current with 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 P/Cardholder's position, be current with P/Card training and have a signed P/Card Employee Agreement on file with the State P/Card Administrator.

#### **3.7 P/Cardholders**

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

#### **3.8 Training**

All State Entity P/Card Program Participants must successfully complete the training prescribed by the State Purchasing Director prior to assuming their duties and prior to being issued a P/Card. All State Entity P/Card Program Participants must attend initial P/Card training provided by DCS. A DCS P/Card training schedule and P/Card Training Registration form (DCS/Purchasing – Form 058) are located on the DCS website. ([P-Card forms](#))

Training is required every five (5) years from the date of the last training session; however, 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.

Employees attending training as a refresher or to comply with the five-year rule may attend training provided by DCS or training provided by the employee's State Entity P/Card Administrator or designated instructor. State



Entity P/Card Administrators shall attend re-training through DCS. The State Entity P/Card Administrator shall document the date and time re-training was provided and forward to the State P/Card Administrator.

State Entity P/Card Administrator or designated instructor may provide training for travelers issued a P/Card for lodging purposes only. State Entity P/Card Administrator shall document date and time training was provided and forward to the State P/Card Administrator. [See Section 6.8.1.1.]

### **3.9 Purchase Card Employee Agreement**

All State Entity P/Card Program Participants must read and 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. By signing the agreement, the participant acknowledges that he or she understands the intent of the P/Card Program and agrees to follow these Procedures and any policies or directives established by DCS to supplement these Procedures. If an employee holds multiple positions within the P/Card Program, a separate agreement must be signed for each role and the position notated on the form. If an employee no longer holds a position within the P/Card Program, the State Entity P/Card Administrator shall notate the termination date, the card cancellation date (if applicable), and the transaction system account deactivation 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. ([P-Card forms](#))

### **3.10 Employee Status**

Personnel serving as State Entity P/Card Administrators and designated back-ups, State Entity Approving Officials and designated back-ups, and P/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**

State Entities and Political Subdivisions desiring to participate in the State P/Card Program shall submit a written request on State Entity or Political Subdivision letterhead, signed by the State Entity's Chief Administrative Officer, to the State P/Card Administrator requesting to join the P/Card Program. The request must contain the names and contact information of the appointed State Entity P/Card Administrator and Back-Up P/Card Administrator. The request may be mailed, faxed, or scanned and emailed to the State P/Card Administrator (contact information listed in Appendix A).

The State Entity and Political Subdivision P/Card Administrator will receive implementation information and training. The information, training, and these Procedures provide the information needed to implement a State Entity P/Card Program (Institutions of Higher Education and Political Subdivisions may implement their own procedures). The State P/Card Administrator will provide P/Card training schedules. [See Section 3.8]

### **4.2 P/Card Program Maintenance**

Any changes to the State Entity P/Card Administrator or Back-Up P/Card Administrator shall be submitted to the State P/Card Administrator in writing, on State Entity letterhead and signed by the State Entity's Chief Administrative Officer. The request may be mailed, faxed, or scanned and emailed to the State P/Card Administrator (contact information listed in Appendix A). The State P/Card Administrator will forward the changes to 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 an authority order prior to making any P/Card transactions. Change orders to amend the encumbrance(s) 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 a State 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 A for appropriate vendor information. Appendix A 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 State 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 State 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 P/Card vendor to satisfy all transactions listed for the billing cycle, in the time and manner agreed to by the State and the Issuing 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 A for vendor information.

**Late payment or non-payment of P/Card purchases will result in a State Entity’s P/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, minus any disputed transactions, 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 statement by the Issuing Bank reflecting the amount due from said State Entity that should balance to the voucher.

**5.4.1 Processing Schedule.** The P/Card closing period is the last business day of the month. The P/Card billing and closing cycles are posted on the DCS website. The Office of State Finance (OSF) must receive State 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 Bank by their due date. State Entities 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. ([www.dcs.ok.gov](http://www.dcs.ok.gov))

Each State Entity will create the accounts payable voucher each month 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.** State Entity payments shall not include items in dispute (this applies only to disputes filed through the Issuing Bank), even though statements may contain disputed transactions. A dispute must be filed through the proper channels provided for resolutions. If the State Entity loses a dispute, an adjustment will appear on a subsequent statement from the Bank and payment to the Bank shall be made at that time. State Entities shall assume full responsibility for reconciling and documenting all P/Card transactions. [See Section 6.7.2]

Payments will not be processed for a State Entity with a cumulative credit balance. Nevertheless, the State 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.** The voucher for P/Card transactions shall have the transaction system invoice attached when submitted to OSF. However, if the agency is operating in accordance with the OSF Voucher Imaging Program, then only the Voucher Register Batch Slip Notice for the P/Card payment will be submitted. The voucher 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 6.8.3]

## **5.5 Cycle Dates**

The Issuing Bank's 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, statements, transaction receipts, dispute documents, P/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 6.8.3.]

## **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 State 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 either forward payment directly to the State Entity or to the DCS State Purchasing Director for distribution 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.

## **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 P/Cardholders.** The P/Card is typically issued to those employees designated to purchase goods and services for official use by the State.

**6.1.2 Application.** Application for P/Card(s) shall be made by the State Entity P/Card Administrator by electronic submission using the Issuing Bank's transaction system. The State Entity P/Card Administrator shall notate on the Purchase Card Employee Agreement the date the P/Card was ordered. [See Sections 3.8 and 6.1.3] The Issuing Bank will ship new cards to the State P/Card Administrator for redistribution to the respective State Entity P/Card Administrator.

**6.1.3 Purchase Card Employee Agreement.** [See Section 3.9] All State Entity P/Card Program Participants must read and 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 P/Cardholders, the P/Card Agreement form shall also contain card limitations applied to the individual employee. If an employee holds multiple positions within the P/Card Program, a separate Agreement form must be signed for each role and the position notated on the form.

The State Entity P/Card Administrator shall notate changes in employee P/Card Program role or P/Card status on page 2 of the original employee P/Card Agreement form when they occur (i.e. card cancelled, termination of employment, or change in P/Card Program position). If an employee no longer holds a position within the P/Card Program, the State Entity P/Card Administrator shall notate the termination date, the P/Card cancellation date, and the transaction system account deactivation date on page 2 of the Agreement form.

The State Purchase Card Employee Agreement (DCS/Purchasing – Form 059) is located on the DCS website. ([P-Card forms](#))

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

**6.1.5 P/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).

As an option, State Entities may establish additional P/Card limits; however, use of these additional limits is discouraged as the limits listed above are deemed sufficient for most needs.

**6.1.6 P/Card Purchases.** There is no limit on the amount of a P/Card transaction for purchases from a Statewide Contract and payment of regulated utilities. For any other transaction with a state purchase card, the transaction shall not exceed Five Thousand Dollars (\$5,000.00). The State Entity P/Card Administrator shall set the card limits for P/Cards based on the State Entity need or past usage. The State Entity P/Card Administrator may set the single purchase limit for a P/Cardholder at an amount less than \$5,000.00, if desired; or, an amount greater than \$5,000.00 for those making Statewide Contract purchases and paying for regulated utilities; however, State Entities should not set single purchase limits inappropriately high. [See Section 2, 6.2.6, and 6.8.1.1]

**6.1.6.1 Travel Purchases.** The P/Card may be used for the purchase of airfare and/or lodging (airfare and lodging are considered separate transactions). [See Section 2 and 6.8.3] Travel acquisitions are 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 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. Airfare and lodging are the only travel expenses allowed on the P/Card. [See Section 6.8.2]

- **Airfare.** The card allows entities to purchase airfare:
  - Through a travel agent listed on the Statewide Contract for Travel Agent Services (SW100) issued by DCS/Central Purchasing Division, with no limit on the amount of the transaction.
  - 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) and DCS Central Purchasing Administrative Rules. The P/Cardholder shall document the reason for the exception in the Issuing Bank's transaction system.

If the transaction for airfare purchased directly (without using a travel agent on the Statewide Contract for Travel Agent Services SW100) exceeds \$5,000.00 per employee per transaction, the 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 OSF State Travel Procedures. Failure to follow this guideline could result in suspension of airfare purchases with the 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 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 OSF State Travel Procedures. Failure to follow this guideline could result in suspension of lodging purchases with the P/Card.

## 6.2 Using the P/Card

**6.2.1** Prior to using the P/Card, P/Cardholders should familiarize themselves with the following key elements related to P/Card transactions:

**6.2.1.1** Your P/Card is issued in your name. All purchases made on the P/Card must be only *yours*. You are responsible for the security of the P/Card and the transactions made with it. If you do not follow statute, rules and procedures when using the P/Card, you could receive corrective action, including termination, or criminal charges.

**6.2.1.2** You can use the P/Card at any vendor or service provider that accepts VISA. Vendors may require a minimum purchase amount of \$10.00 (does not apply to purchases from Statewide Contract; however, Statewide Contract may contain a minimum order amount).

- 6.2.1.3 You may use the P/Card to purchase supplies and services within your Single Transaction Limit and Credit Limit assigned to the P/Card in a given month (excludes Prohibited Purchases – See Sections 6.2.2 and 6.2.3).
  - 6.2.1.4 You are responsible for reconciling all charges made on your account monthly.
  - 6.2.1.5 The P/Card is not intended to avoid or bypass appropriate purchasing or payment procedures.
  - 6.2.1.6 The P/Card is not for personal use.
  - 6.2.1.7 The P/Card must be returned to the State Entity's P/Card Administrator upon transfer or termination.
- 6.2.2 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 P/Cardholder to enter personal information directly into the e-mail.)
- 6.2.3 Split purchases.** Split purchases are prohibited. [See Section 2. Definitions]
- 6.2.4 Other prohibited purchases.** The P/Card shall NOT be used for the following types of purchases unless a State Entity submits a request for such use to the State P/Card Administrator for approval by the State Purchasing Director in accordance with Section 1.5. (Conditions of Participation):
- 6.2.4.1 Transportation – Use of a P/Card to acquire transportation is strictly limited to (1) vehicle rental purchased through the Statewide Contract for Vehicle Rental (SW771); and, (2) airfare, when purchased in accordance with 74 O.S. § 85.45k., DCS Central Purchasing Administrative Rules and these P/Card Procedures. Use of a P/Card for all other forms of transportation is prohibited.
  - 6.2.4.2 Entertainment;
  - 6.2.4.3 Per diem food and beverages as authorized by the State Travel Reimbursement Act, OSF State Travel Procedures, and any other statute pertaining thereto;
  - 6.2.4.4 Cash, cash advances, automatic teller machine (ATM) transactions.
  - 6.2.4.5 Purchase of any goods or services for personal use
  - 6.2.4.6 Purchase of any goods or services not for official State use.
  - 6.2.4.7 Any transaction or series of transactions, which exceed the limits established on an individual P/Card.
  - 6.2.4.8 Motor fuel.
  - 6.2.4.9 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.)
  - 6.2.4.10 Automatic Drafts.
  - 6.2.4.11 Gift certificates. This does not apply to gift certificate purchases made for employee performance recognition pursuant to 74 O.S. § 4121. Gift certificates are a taxable, reportable item for the recipient.



- 6.2.5 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 Section 5.10.
- 6.2.5.1 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.
- 6.2.5.2 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.)
- 6.2.6 Merchant preferences.** P/Card purchases shall comply with the following preferences for certain merchants or types of contracts.
- 6.2.6.1 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.
- 6.2.6.2 Oklahoma Corrections Industries (OCI).** State Entities shall make purchases from OCI pursuant to 57 O.S. § 549.1. The P/Cardholder shall retain any quotes obtained in support of this transaction with the monthly transaction documentation.
- 6.2.6.3 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 State Entity.
- 6.2.6.4 Additional information.** Additional information on the above preferences may be obtained from a State 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)).
- 6.2.7 Utility Bills.** Utility bill payments shall comply with the following:
- 6.2.7.1 Regulated Utilities.** State Entities may pay regulated utilities with the P/Card. There is no **yearly** mandatory limit on purchasing amounts for regulated utilities. P/Cardholder must specify the transaction was for a regulated utility in the note field of the Bank's transaction system.
- 6.2.7.2 Non-Regulated Utilities.** State Entities may pay non-regulated utilities with the P/Card if the **yearly total** is less than \$5,000.00.
- 6.2.7.3 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.occ.state.ok.us](http://www.occ.state.ok.us). Go to Divisions > Public Utility then select the applicable utility or click on the "How do I Find" button. It is recommended the State Entity verify the utility is regulated or non-regulated at the time of payment, print the page for your records, and pay accordingly.
- 6.2.8 Prices Paid.** P/Cardholders shall ensure prices paid for P/Card purchases are fair and reasonable.
- 6.2.9 OSF Agency Acquisition Request, Form 115.** Information technology and telecommunication acquisitions are subject to 62 O.S. §34.12 and §34.21 and may require prior approval from OSF and execution of OSF Form 115. (OSF Form 115 is 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)):
- 6.2.10 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 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 are added to the State Entity's inventory schedule, when applicable.

### 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), documentation such as an order confirmation, packing slip, or invoice, etc. 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 P/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 P/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 P/Cardholder shall attach the itemized receipt to the total amount receipt.

The receipt shall be retained by the P/Cardholder for the monthly reconciliation process.

Note: P/Cardholder may contact the Issuing Bank's Customer Service at the phone number listed in Appendix A, to obtain a missing or lost receipt. There may be a charge for this service. The State Entity may pass this charge to the P/Cardholder. The charge will appear on the next 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. P/Cardholders should use care to ensure they are not being charged nor paying such tax. P/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.

State Entities also have immunity from taxes imposed by municipalities. Therefore, State Entities should not be paying taxes to Oklahoma municipalities, including sales tax, hotel occupancy tax, entertainment tax, etc. (See DCAR Newsletter Vol 20, No. 6, dated March 11, 2010 for more information)

## **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 P/Cardholder's signature and date. A carbon copy of the receipt containing the P/Cardholder signature and date meets this requirement. (Annotating the document "Received" is NOT required.) The receiving document shall be retained by the P/Cardholder for the monthly reconciliation process. Although not required, it is recommended the State Entity have a second person verify receipt of goods or services upon P/Cardholder's return to the State 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 signed and dated by the receiving employee. A carbon copy of the receipt containing the receiving employee signature and date 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 P/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 P/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 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 statement.

**6.7.2 Issuing Bank assistance.** If the P/Cardholder and merchant cannot resolve the issue, contact the Issuing Bank electronically through the Bank's transaction system. Disputed transactions which cannot be quickly resolved between the P/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 P/Cardholder's behalf and assist in resolution.

State Entities do not pay for disputed transactions filed with the Issuing Bank while in dispute status. Once the transaction has been flagged as a disputed transaction, it will be moved to a separate batch process and will not be included for payment. Upon resolution of the dispute, the disputed transaction will be placed back into the batch process for payment along with a credit if the State Entity wins the dispute. (See Section 5.4.2)

## **6.8 P/Cardholder and State Entity Approving Official Responsibilities**

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 P/Cardholder responsibilities**

#### **6.8.1.1 P/Card transaction documentation and reconciliation**

- The 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 P/Cardholder shall update the note field on the Issuing Bank's transaction system for each transaction made:
  - from a Statewide Contract with a brief description of the goods or services purchased, including the Statewide Contract number;
  - for a regulated utility, indicating it was a regulated utility; and,
  - for airline or lodging purchases [See Section 6.8.1.1].

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

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

### 6.8.1.2 Travel Acquisitions

Airfare may be purchased at an unlimited dollar amount if purchased through a travel agent listed on a Statewide Contract; or, may be purchased up to \$5,000.00 per employee per transaction when an exception to airline ticket purchases apply pursuant to the Central Purchasing Act and DCS Central Purchasing Administrative Rules. Lodging may be purchased up to \$5,000.00 per employee per transaction pursuant to the State Travel Reimbursement Act, OSF State Travel Procedures and these P/Card Procedures. [See Section 6.1.6.1]

- **Airfare.** The P/Cardholder (Entity Travel Coordinator) 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) and DCS Central Purchasing Administrative Rules. The P/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 P/Cardholder shall retain all transaction documentation for reconciliation at the end of the cycle. Lodging reservations shall be made:
  - **Through State Entity Travel Coordinator:**
    - The State Entity Travel Coordinator shall be issued a P/Card in the Travel Coordinator's name to make lodging reservations on behalf of the agency. The P/Cardholder (State 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 P/Cardholder shall supply the lodging establishment, directly upon making reservations, with a letter on the State Entity letterhead, verifying P/Card account information and identifying the traveler's name. This form letter shall be provided by DCS to the State Entity Travel Coordinator and is located on the DCS website. ([P-Card forms](#)) Unauthorized modifications to this letter could result in disciplinary action or suspension of the State Entity's P/Card lodging acquisition privileges.
    - When required by the lodging establishment, the traveler's lodging stay may be posted to the 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 State Entity P/Cardholder (State Entity Travel Coordinator) 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 State Entity P/Cardholder (State Entity Travel Coordinator) for reconciliation at the end of the cycle.
  - The State Entity P/Cardholder (State Entity Travel Coordinator) shall communicate with the traveler and lodging establishment to ensure all services are performed and all transaction documentation is obtained for reconciliation.
- **Through Traveler:**
- Traveler shall be issued a P/Card in the Traveler's name upon training received by the State Entity P/Card Administrator or designated instructor. The State Entity P/Card Administrator shall document on the P/Card Employee Agreement, the date and time training was provided and forward to State P/Card Administrator. [See Section 3.7]
  - The P/Cardholder (Traveler) shall verify in writing (handwritten letter, email, form, etc.) through the State Entity Travel Coordinator that 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 P/Cardholder (Traveler) shall make the reservation with the lodging establishment pursuant to the State Travel Reimbursement Act and OSF State Travel Procedures.
  - When required by the lodging establishment, the traveler's lodging stay may be posted to the 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 P/Cardholder (Traveler) 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 retain the receipt for reconciliation at the end of the cycle.
  - The P/Cardholder (Traveler) shall communicate with the lodging establishment to ensure all services are performed and all transaction documentation is obtained for reconciliation.
  - The P/Cardholder (Traveler) is responsible for reconciliation of the statement at the closing of the Bank's monthly billing cycle in accordance with Section 6.8.1.
  - State Entity P/Card Administrator must set card limits to \$0.00 and suspend P/Card when Traveler is not in travel status.

**Except for airfare and lodging, all other travel-related expenses are prohibited on the P/Card (i.e., meals – including room service, hotel telephone or internet service, parking, cabs, etc.).** 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 P/Card which are directly associated with State official business in accordance with the State Travel Reimbursement Act.

In the case of inadvertent personal charges, the Traveler shall reimburse the State for any and all personal expenses charged to the P/Card (i.e., phone calls, room service, movies, etc.). Such repayment can be made by actual check or cash submitted to the State 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). State 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 State 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 P/Card lodging acquisition privileges and other disciplinary or criminal actions.

- The following information shall be listed in the Bank's transaction system. Some of the information is automatically populated due to Airlines and Lodging Establishments registering as Level 3 vendors; however, the airlines and lodging establishments have 30 days to provide the Level 3 information. Therefore, the P/Cardholder is responsible for ensuring the following information is included and may have to enter all of it in the Description field under "Allocation":
  - 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 task should be performed on a weekly or daily basis to ensure adequate time for the reconciliation and payment process at the end of the cycle.

## **6.8.2 State Entity Approving Official(s) responsibilities**

- 6.8.2.1** State Entity Approving Official(s) shall review the P/Cardholder's reconciled 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.
- 6.8.2.2** Any issue that cannot be resolved between the State Entity Approving Official and the P/Cardholder shall be brought to the attention of the P/Cardholder's immediate supervisor and the State Entity P/Card Administrator for resolution.
- 6.8.2.3** To indicate concurrence with the reconciled statement, the State Entity Approving Official shall sign and date the memo statement. (Signature stamps are not acceptable.)
- 6.8.2.4** The State Entity Approving Official shall forward the statement and transaction documentation for payment as required by the State Entity's P/Card procedures. The statements and transaction documentation shall be securely retained for review and audit purposes pursuant to Section 6.8.3. – "State Entity Retention of Statements".

## **6.8.3 State Entity retention of statements.** State 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. State 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 State Entities found not to be in compliance, and the State Entity may have their P/Card travel acquisition privileges frozen, canceled, or may be required to obtain additional travel-related training.

## **6.9 Card Security**

**Use of the State Purchase Card is limited to the person whose name is embossed on the card. The P/Card shall not be loaned to another person.** In the event a P/Cardholder will be absent from work for an extended period of time, the State Entity may wish to request a P/Card for another individual for the duration of the absence and place the existing P/Card in a suspend status on the Issuing Bank's transaction system. However, the interim P/Cardholder must attend training and sign the State P/Card Employee Agreement prior to receiving a P/Card. The P/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 P/Cardholder not carry the P/Card on their person outside of normal duty hours unless required and justified by the State Entity. The State Entity is responsible for maintaining adequate security of purchase card account numbers and related information.

In the event a P/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 P/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 account in the issuing bank's transaction system is deactivated.

## **6.10 Lost, Stolen or Compromised Cards**

If a P/Cardholder's P/Card is lost, stolen or compromised, the P/Cardholder shall immediately notify the Issuing Bank at the phone number posted on the DCS website and in Appendix A of these Procedures. This number is available 24 hours per day. P/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 P/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 P/Cardholder shall record the date and time the issuing bank was notified as well as the name of the customer service representative contacted. The State Entity P/Card Administrator may also mark the card lost, stolen or compromised in the Issuing Bank's transaction system; however, the Issuing Bank must also be notified by phone. The P/Cardholder shall also complete a Lost, Stolen or Compromised 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. ([P-Card forms](#))

**The State Entity is responsible for purchases on lost, stolen or compromised 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 P/Card 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 P/Cardholder still has a justified need for the P/Card;
- 6.11.1.4** Processing and retaining P/Card Program reports and State P/Card Employee Agreements, such as P/Cardholder statements, invoices, level 3 reports, transaction summary reports, etc.;
- 6.11.1.5** Periodically reviewing list of P/Cardholders and summary reports to identify unauthorized use;

**6.11.1.6** Exercising control over the P/Card Program by periodically auditing a random selection of P/Cardholder's monthly bank statements and transaction documentation for accuracy, P/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 A.) The length of time that accounting information is maintained on the issuing bank's accounting system is stated in Appendix A.

**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 State Entity shall generate Transaction Detail Reports 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, or Compromised Cards**

P/Cards may be replaced when the original P/Card is defective or mutilated or when the P/Card has been lost, stolen or compromised. The State Entity P/Card Administrator shall electronically submit through the Issuing Bank's transaction system, a request for replacement. The Issuing Bank will prepare a new P/Card and forward it to the State P/Card Administrator. Additionally, in the case of a defective or mutilated P/Card, the P/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 P/Card to the State Entity P/Card Administrator for final disposal. State Entity P/Card Administrators, who are also P/Cardholders, are also required to cut their P/Card down the center of its magnetic stripe and forward to the State P/Card Administrator for final disposal.



**APPENDIX A**

**VENDOR INFORMATION  
(Contract Effective 05-07-2010)**

**1) SW CONTRACT 200**

Awarded to: Bank of America, Vendor 0000078298, LOC 0023

**2) ADDRESS**

Bank of America  
101 S. Tryon Street  
Charlotte, NC 28255

**3) CUSTOMER SERVICE:**

Bank of America (888) 449-2273  
If outside the U.S. (509) 353-6656

Contact for State Entity P/Card Administrators **ONLY:**

Debra Sullivan, Account Specialist  
(800) 822-5985 Extension 6-7616 or  
Press option 2 and ask Team Servicing for "Debbie"

Technical Help Desk contact for State Entity P/Card Administrators  
(800) 822-5985, option 3

**4) LOST, STOLEN OR COMPROMISED P/CARDS**

Bank of America (888) 449-2273

**5) AUTHORITY ORDER P/CARDS**

Type of P/Cards	PeopleSoft Vendor ID	PeopleSoft Vendor Location
P/Card	0000001101	0002

**6) WORKS REPORTS:**

- Invoice
- Statement
- Transaction Detail Report
- Level 3 Report

Works Accounting Information is maintained on the website for approximately 24 months.

7) **WORKS WEBSITE:**

<https://payment2.works.com/wpm/action/login.viewLoginPage>

8) **STATE P/CARD ADMINISTRATOR CONTACT INFORMATION:**

Lisa Martin, CPPO, CPO

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