

SW Contract 200

Oklahoma State Purchase Card



Why P-card rather than purchase order?

(corresponds to slide 2 in presentation)

1. _____ .
2. _____ .
3. _____ .
4. _____ .

Definitions

(corresponds to slides 3 and 4 in presentation)

AO – Authority Order. This is similar to a purchase order, PO.

EMV – Stands for Europay, MasterCard and Visa. Also called Chip and PIN card. EMV and Chip and PIN are used interchangeably.

IT – Information Technology. Refers to computers and telephones and all related services and equipment.

MCC – Merchant Category Code. This code is assigned by the credit card industry based on the main type of business a merchant conducts.

P-card – Purchase card.

PIN – Personal Identification Number. Four numeric digits assigned for use with EMV/ Chip and PIN cards.

Works – The bank-based transaction system for online reconciliation of purchases.

- ▶ The State of Oklahoma authorized P-card is a corporate liability Visa purchasing card issued by Bank of America.
- ▶ The P-card is now an EMV or Chip and PIN card (PIN numbers mailed separately); the chips are encrypted and create a unique transaction code that cannot be used again.
- ▶ Zero liability for unauthorized charges or for lost or stolen cards.
(_____)

Note: Receipt of PIN by mail is not necessary as you may retrieve you PIN online once you've registered your card.

Activating and using your card

(corresponds to slide 5 in presentation)

When you receive your card there is a sticker across the front with a phone number.

Call the number and key in your ____-____ ____ ____.

Provide the _____ that has been provided to you by your P-card administrator.

Your purchases will be _____ until your card has been activated.

Once your card has been _____, you may begin to use your card. You will insert the card into the machine and it will prompt you for your PIN. The card will _____ in the machine throughout the checkout process. Using the Chip and PIN card is _____ than the quick swipe of a card without the embedded chip.

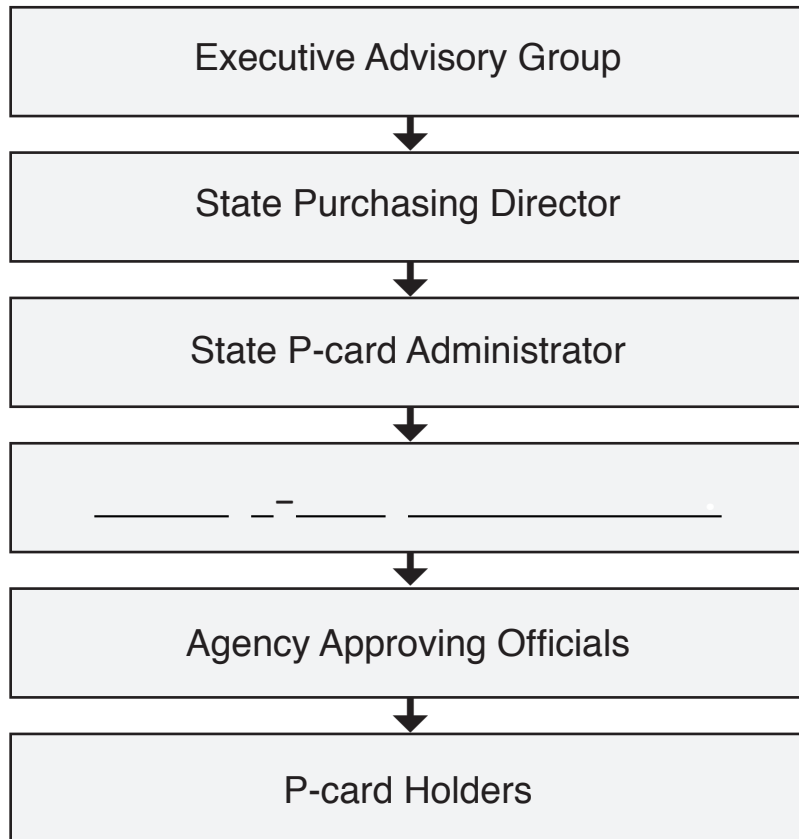
Card registration and PINs

(corresponds to slide 6 in presentation)

- Card numbers must be registered online at www.bofamf.com/globalcardaccess.
- If you forget your PIN you may retrieve it from this website.
- If you don't have access to the internet, you can contact customer service to request your PIN be mailed to you. PINs cannot be provided over the phone.

State of Oklahoma P-card hierarchy

(corresponds to slide 7 in presentation)



Each agency decides who has a card, who the approvers are, and appoints their P-card administrator.

References

(corresponds to slide 8 in presentation)

- 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 (STRA), 74 O.S. § 500 et seq.
 - Central Purchasing Codified Rules, 260:115.
 - State Purchase Card _____.
 - Oklahoma State Travel Policy.
 - Oklahoma _____ Commission rules.
 - **State agency _____ purchasing and P-card procedures.**
 - Other _____ pertaining to specific types of purchases.

IT and Telecom purchases

(corresponds to slide 9 in presentation)

- If your agency has set up an IT AO, the following IT purchases may be made with the P-card:
 - Transactions up to \$5,000 if items are listed on the published _____/ _____.
 - Transactions up to \$15,000 if items are listed on the published hardware and software list ____ items are purchased from a _____ supplier.
- See Information Services procurement policies and the IT and Telecom ePro requisition procedures for guidance.

See PIM 06302015 and P-card procedures section 5.6.

IT contact information: OMES Service Desk

405-521-2444

servicedesk@omes.ok.gov

Encumbering funds

(corresponds to slide 10 in presentation)

- **Authority Order**
 - **AO _____ have sufficient encumbrance to cover all transactions before making the transaction (Encumbrance Law § 62-34.62).**
 - Change orders to amend the encumbrance may be processed as necessary.
 - **A new AO should be issued each new fiscal year.**
- Funds _____ without this AO in place before making the purchase.
- Increases in the encumbrance amount must also be completed _____ a purchase exhausts the funds on a given AO line.

Employee participation

(corresponds to slide 11 in presentation)

- _____ participants must read and sign the Purchase Card Employee Agreement.
- All P-card participants must complete initial training conducted by _____.
- Form F-1R or F-3R submitted annually, available on the Oklahoma Ethics Commission website (for cardholders making purchases of \$50,000 or higher). See Links page for link to website.
- _____ training is now _____ internally by your agency P-card administrator. You will need to contact them for additional information and guidance specific to your agency.

Training is still required at least once every two years.

Safeguards

(corresponds to slide 12 in presentation)

- Each agency _____ cardholders.
- Each agency sets _____ on each card.
- Approving official _____.
- Each agency determines _____.
- Performance and Efficiency auditing tracks fraud and _____.

Using the card

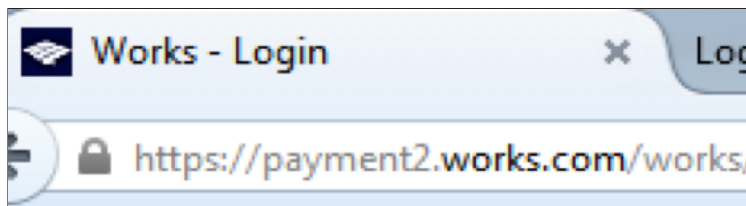
(corresponds to slide 13 in presentation)

- Purchases can only be made within your _____ limit and credit limit assigned to your card.
- _____ are responsible for reconciling all transactions.
- P-cards _____ be used to avoid or bypass appropriate purchasing or payment procedures.
- P-card is not for _____.
- You must ensure prices paid are fair and _____.
- You should ask the merchants if they accept Visa rather than if they accept the P-cards, since many of them do not know what a P-card is.

Methods of purchase

(corresponds to slide 14 in presentation)

1. _____.
2. _____-____ (POS or face-to-face).
3. _____. Make certain internet site is secure, for example:
 - “s” on the end of https means it is a secure site.
 - Padlock will appear on the site.



Refunds and returns

(corresponds to slide 15 in presentation)

- Return item to merchant in manner agreed upon.
- Credits – If the agency is credited for any items or services that were originally paid for with the P-card, then the credit _____ to be processed through the merchant system. The vendor should _____ be allowed to maintain a store credit or use the credit toward other invoices.
- Merchant provides credit receipt documentation.
 - Place with end-of-cycle transaction documentation for reconciling.
- Include with the payment at end of month.
 - Credit may not appear until subsequent statement.

Prohibited purchases

(corresponds to slide 16 in presentation)

- Split purchasing.
- _____.
- Per Diem food.
- Cash or cash advances.
- Purchase of goods or services for personal use or not for official state use.
- Any transaction or _____ exceeding your P-card limits.
- _____ (for state-owned and personal vehicles and equipment) and automotive general maintenance.
- Automatic drafts (we do not want them to have the card number on file).
- Gift certificates.

Request for exception

(corresponds to slide 17 in presentation)

- A request for exception form can be completed requesting to make a purchase, even if the _____ is blocked.
- Contact your agency P-card administrator with the pertinent details of your need.
- Your _____ will complete the request for exception form and send to our office. If approved, your administrator will be notified, and they in turn will notify you.
- Your card will be moved into an _____ for a short period of time to allow the transaction to be processed.

Convenience fees vs. surcharges

(corresponds to slide 18 in presentation)

Convenience fee: A fee charged to the cardholder for the convenience of paying online or by phone - the price of the product doesn't change.

Surcharge: A fee assessed by the merchant when using a credit card for payment to recoup the merchant fees charged by the card processing company.

Surcharges are _____ in Oklahoma by law, though convenience fees are not prohibited. If a utility company utilizes a _____ - _____ processor for credit card payment processing, this is a convenience fee (not prohibited per OMES legal team).

To avoid convenience fees, agencies may opt to pay companies charging these fees by PO. If a company _____ the amount of payment accepted per transaction, you could incur more than one convenience fee to pay the _____.

Convenience fees vs. surcharges (cont.)

(corresponds to slide 19 in presentation)

Title 14A O.S. § 2-417 of the Oklahoma Statutes states:

- A. **No seller in any sales transaction may impose a surcharge on a cardholder who elects to use a credit card or debit card in lieu of payment by cash, check or similar means.**
- B. As used in this section, debit card means any instrument or device, whether known as a debit card or by any other name, issued with or without fee by an issuer for the use of the cardholder in depositing, obtaining or transferring funds from consumer banking electronic facility.
- C. For purposes of this section, a private educational institution as defined in paragraph (e) of section 3102 of Title 70 of the Oklahoma Statutes may charge a convenience fee. The convenience fee shall be limited to bank processing fees and financial transaction fees, the cost of providing for secure transaction portal fees and fees necessary to compensate for increased bandwidth incurred as a result of providing for an online transaction.

While convenience fees are allowable, Okla. Stat. tit. 14A. § 2-211 holds that the seller has to be registered with the United States Treasury Department as a money transmitter pursuant to 31 CFR, § 103.41. You are usually going to see these with an entity providing an electronic funds transmission service, including service by telephone and the internet (Ex: I pay my cable bill over the phone. My bill doesn't change. I'm paying a convenience fee for not mailing anything, etc. and doing it over the phone while I'm still in my pajamas.)

Card limits

(corresponds to slide 20 in presentation)

- There is no limit on the amount of a P-card transaction for the following:
 - Statewide contract purchases.
 - Utilities (water, electric, gas, sewage).
 - Interagency payments.
 - Professional services as defined in 18 O.S. § 803.
- For all other transactions with a state P-card, each transaction _____ exceed \$ _____.

Interagency payments

(corresponds to slide 21 in presentation)

- Interagency is defined according to 74 O.S. § 1003 (Inter-local Cooperation Act) and includes, but is not limited to:
 - Political subdivisions.
 - Federal government.
 - Public trusts.
- Interagency payments between state agencies, universities and colleges:
 - Should be made by voucher, selecting the payment method “WIR.”
 - DCAR Newsletter, Vol. 21, No. 7, dated Feb. 18, 2011 (Page 3).
 - Although “WIR” is the preferred method of payment, agencies can _____ to accept P-card payments from other agencies.

At the time of need, check:

(corresponds to slide 22 in presentation)

1. **State Use Contract** (if not selected obtain an exception from State Use before purchase).
2. **OCI** (if not selected obtain an exception from OCI before purchase).
3. **Statewide Mandatory Contract** (if not selected obtain an exception from Central Purchasing before purchase). Exception to this is _____
_____.
4. **Statewide Non-mandatory Contract.**
5. **Open market – best price** (fair and reasonable).

State Use Program

(corresponds to slide 23 in presentation)

Utilizing talents. Satisfying needs. Empowering individuals.

Oklahoma Statute Title 74,
Chapter 48, Sections 3001-3010

What is State Use?

(corresponds to slide 23 in presentation)

- Set-aside program established in 1974 to provide _____
_____ to persons with severe disabilities.
- Operated through qualified, nonprofit organizations that supply products and services to the state.

State Use procurement schedule

(corresponds to slide 24 in presentation)

- _____ source when searching for goods and services.
- All registered vendors in the State Use program listed.
- All products and services provided by State Use vendors listed.
- Statewide contract number and price.
- Remaining items (suitable to procure list) – State Use vendors _____ be included in any bid or quote.

Card security

(corresponds to slide 27 in presentation)

- The P-card is only for use by the _____ _____ _____ is on the card.
- Do not _____ your card.
- Do not use another person's card.
- If possible, file card in a secure, locked place when not in use.
- _____ report any lost, stolen or compromised cards to Bank of America at 888-449-2273.
- _____ is responsible for purchases on lost, stolen or compromised P-cards until Bank of America is notified.

Temporarily gone from work

(corresponds to slide 28 in presentation)

- The P-card administrator can put your card in “_____” \$0.00 while you are away.
- You should leave your card locked up at the office.
- If the end-of-cycle statement option is selected, your cardholder _____ must still be signed and turned in at the end of the month.
- P-card holder is _____ for making sure the statement is complete with all required documentation.

Contact your P-card administrator to arrange end-of-cycle process if away during the end-of-cycle timeframe.

Fraud vs. misuse/abuse

(corresponds to slide 29 in presentation)

- How does fraud happen? An outside entity uses my card information for personal use.
- How do I know it's happened to my card? The bank will call or email the cardholder or you will see the charge in Works.
- What do I do about it? Contact the bank and your P-card administrator to have your card closed, the charge credited and a new card issued.
- How long does card replacement take? Replacement cards can be overnighted; however, regular delivery time is about four days.
- What is misuse? A violation of procedures and policies for _____ .
- What is abuse? A violation of _____ / _____ for work-related gain.

Fraud misuse/abuse (cont.)

(corresponds to slide 30 in presentation)

When fraud is identified by the bank, Bank of America will send an email to the cardholder, if there is an email address listed in Works, or call the cardholder. Note: accurate information is required to be in Works since if the bank calls the state P-card office, the card will automatically be closed and reissued. This could be a problem for frequent travelers or travel arrangers.

The agency P-card administrator may receive a phone call.

The bank will _____ which transactions are allowed to be paid versus those that they will reject.

The bank will _____ the card and reissue a new card.

Audit

(corresponds to slide 32 in presentation)

- All transactions are subject to audit by:
 - State Auditor and Inspector.
 - OMES _____ Audit unit.
 - OMES – Comptroller’s office.
- _____ transaction documentation supporting P-card transactions shall be retained by the state entity and made available upon request.
- OMES Performance and Efficiency Audit unit conducts continuous monitoring of transactions. Emails are sent to the entity P-card administrators from the Visa Intellilink Compliance Management (VICM) System. Requested information should be provided to the Audit unit within five business days.

What an auditor looks for

(corresponds to slide 33 in presentation)

- All invoices and receipts _____ and _____ (if receipt contains a Chip Ref ID, signature isn't required).
- Packing slips signed by the receiving employee for items shipped.
- Asset numbers for items over the _____ dollar thresholds (IT \$500; non-IT \$2500).
- Cross-referenced credits to original purchase. List TXN of credit transactions on original purchase.
- Training is current.
- You are aware of your internal _____ and _____.

What an auditor looks for (cont.)

(corresponds to slide 34 in presentation)

- Approvers are one level _____ cardholder base on the agency's organizational chart.
- Employees listed in Works as users can actually _____ into Works.
- _____ transactions to the same supplier in a short period of time totaling more than \$5,000 to a non-contract supplier.
- They will ask for:
 - Signed/dated employee agreements (_____).
 - Internal purchasing and P-card procedures.
 - Copies of exceptions granted during the audit period.

Receiving goods and services

(corresponds to slide 35 in presentation)

- 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-card holder's signature. A _____ copy of the receipt containing the P-card holder signature meets this requirement. The date is already printed on the receipt.
- All remaining transactions – The receiving employee _____ sign the packing slip and provide it to the cardholder.
- The cardholder's and approving official's authorization on the cardholder's statement indicates that these products and services were received and approved to be paid with the _____ _____.

(Example: An email containing a download link for software. A copy of the email should be placed with the statement documentation.)

Receipts

(corresponds to slide 36 in presentation)

- Itemized receipt must be obtained for all purchases:
 - Name of merchant.
 - Date of purchase.
 - _____.
 - _____.
 - Transaction total.
(Make sure no tax is charged for in-state purchases.)
- Sign each receipt that _____ have a Chip ID or Chip Ref ID and include with the cardholder end-of-cycle statement.

Construction and Properties (CAP)

(corresponds to slide 40 in presentation)

- Is there a maximum dollar project amount where an agency is not required to go through Construction and Properties to enter into a contract and pay by P-card?
 - Yes, public construction contracts for less than \$5,000.00 for _____ maintenance or minor repair work may be negotiated with a _____ contractor by the agency. However, no work shall be started until a written contract is executed and proof of _____ has been provided by the contractor to the awarding public agency. DCAM-FORM-CAP-M601 is available for use.

Questions? Call 405-521-2112

Agency assets

(corresponds to slide 41 in presentation)

Each agency has an _____ or inventory manager.

Please check with them for the specifics of your agency for reporting _____.

Many agencies currently utilize the asset management module in PeopleSoft; for those that do, the following information is required to be entered into the Works transaction.

Non-IT assets

(corresponds to slide 42 in presentation)

Asset account codes begin with 541 (refer to the Statewide Accounting Manual, Appendix 4).

For assets costing less than \$25,000, use a profile ending in 01 in the GL09 field.

For assets costing \$25,000 or more, use a profile ending in 05 or higher in the GL09 field.

Reporting threshold for non-IT assets is \$ _____.

IT assets

(corresponds to slide 43 in presentation)

IT asset account numbers also begin with 541. (Refer to the Statewide Accounting Manual, Appendix 4.) CORRECT account codes are very important as all purchases are reported to Information Services each month.

For assets costing less than \$25,000, use HARDWARE01 or SOFTWARE01 in the GL09 field.

For assets costing \$25,000 or more, use HARDWARE05 or SOFTWARE05 in the GL09 field.

Reporting threshold for IT assets is \$_____.

An accurate description of the item purchased, such as software, laptop, network switch, etc., will help IS verify the GL09 field information.

Registration payments

(corresponds to slide 44 in presentation)

- P-card purchases are subject to the Statewide Accounting Manual, _____, _____, _____ Advance (Pre-) Payments.
- Can use P-card for advance conference registration when:
 - Discount is provided for paying in advance.
 - Can substitute a participant; _____
 - If event is canceled, cardholder receives a full refund.
- Registration fees for conferences, meetings, seminars and similar events whereby in special situations an organization requires pre-registration along with payment and by standard policy will not accept a state purchase order or contract in lieu of payment. Documentation on the vendor's stationary describing this fact must be sent together with the claim to OMES for consideration and approval or disapproval.

Additional cardholder responsibilities

(corresponds to slide 45 in presentation)

Cardholder responsibilities will vary by agency. Agencies that use the _____ must also be trained internally by their P-card administrator.

These responsibilities may include:

_____ in Works to include verifying the funding information and providing an accurate description of goods/services purchased.

_____ invoices/receipts.

_____ end-of-cycle statements or moving all documentation to a specified electronic file.

Approving official responsibilities

(corresponds to slide 46 in presentation)

- The approving official _____ cardholder's reconciled statement and transaction documentation for:
 - Accuracy.
 - Completeness.
 - Appropriateness of the purchase.
 - Verifying transactions were conducted according to _____, _____, _____, _____ and the agency's _____.
- To indicate concurrence and that all required documentation is included, approving official shall sign and date the statement and forward the statement and documentation to entity P-card administrator.

P-card administrator responsibilities

(corresponds to slide 47 in presentation)

- **State entity P-card administrator** is responsible for performance or appropriate delegation of the following duties:
 - Processing and retaining P-card program reports:
 - Monthly invoice.
 - Monthly cardholder statements.
 - Other reports are available in Works, and we urge P-card administrators to utilize these as well.
 - _____ participant training.
 - Processing and retaining P-card employee agreements.
 - Establishing written agency P-card program policies and procedures.
 - Ordering new _____ and deactivating cards no longer needed.

P-card administrator responsibilities (cont.)

(corresponds to slide 48 in presentation)

- Establishing and maintaining usage controls and determining cardholder's need for the P-card.
- _____ of reports and transactions to identify unauthorized use.
- Review a random selection of cardholder's monthly statements for accuracy.
- Setting lodging- or travel-only P-cards in "suspense" status in Works with credit limits at \$0.00 when not in use.
- Establishing procedures for maintaining necessary data before card is removed from Works.
 - Paper copies.
 - Electronic copies, must meet:
 - OMES Information Security division policies, procedures and guidelines.
 - Oklahoma Archive Commission Rules.

Records retention

(corresponds to slide 49 in presentation)

- Records include any transaction documentation, such as statements, _____, disputes, correspondence, etc.
- Includes documentation in paper or _____ form and must meet:
 - OMES Information Services policies, procedures and guidelines.
 - Oklahoma Archive Commission Rules.
- Must be maintained for _____ years, or:
 - If audit occurs, the records are required to be retained for two years after issues are resolved or until the end of the seven-year period, whichever is longer.
 - If litigation occurs, records must be kept indefinitely.

Charge disputes

(corresponds to slide 50 in presentation)

- Disputes may be reported by the entity P-card administrator to Bank of America, who will assist the state in resolving the dispute.
- Must be initiated within ____ days of the transaction date.
- Always try to resolve with the _____ first before contacting the bank if possible.
- Disputed amount will be paid at the end of the month and a credit will appear on a _____ statement if credit process is not completed before the end of the cycle that the original purchase was made.

Travel purchases on the P-card

(corresponds to slide 51 in presentation)

- **Except for airfare, lodging, taxi, shuttle, parking and rental car, ____ other travel-related expenses are prohibited on the P-card, such as:**
 - Meals, including room service.
 - Hotel telephone (not business-related).
 - Internet (not business-related).
- Traveler must pay ____ _ _____ for all other travel-related expenses.
- Travel claims may be submitted by the traveler for reimbursement of travel-related purchases prohibited on the P-card.
 - Use OMES Reimbursement Form 19 available on the OMES website.

Travel purchases on the P-card (cont.)

(corresponds to slide 52 in presentation)

- Airfare and lodging are considered _____ transactions (\$5,000.00 limit on each).
- Travel can be purchased for:
 - Active _____ or state officials.
 - Non-state employees (as allowed by STRA) when performing substantial and necessary services to the state and directed or approved by appropriate department official.
- Must follow the STRA statutes and OMES state travel procedures.
 - OMES may audit travel documentation (____ percent audited at this time).
 - Non-compliance may result in loss of P-card travel privileges and additional travel training being required.
- Travel for contractors or their agents _____ be booked with the P-card.

Notes

(corresponds to slide 53 in presentation)

- Title 74-500.9 now allows the OMES director to approve an **in-state** lodging stay up to ____ percent of the current standard rate if it is determined that no lodging is available at the current maximum rate. Request for exception (____) must be approved **before** booking the lodging.
- Traveler Information _____ to be entered in Works for travel transactions is listed in the State Purchase Card Procedures, _____.

Reservations

(corresponds to slide 54 in presentation)

- Reservations may be made by:
 - Agency _____
 - Card is in travel arranger's name.
 - Must complete lodging letter and send to hotel.
 - Lodging letter template is located on the P-card page of the OMES website under P-card Forms.
 - Traveler
 - Card is in the traveler's name.

NOTE: FCM is the mandatory contracted travel agent. The online booking tool is Concur.

Sales Tax

(corresponds to slide 55 in presentation)

- State of Oklahoma is exempt from Oklahoma sales tax.
- State Tax ID # 73-6017987.
- State entities also have immunity from taxes imposed by Oklahoma municipalities, which includes, but is not limited to:
 - _____ tax.
 - _____ tax.
 - _____ tax.
- See DCAR Newsletter, Vol 20, No. 6, March 11, 2010, regarding immunity from local taxes.
- The State of Oklahoma is not exempt from _____ taxes.

Travel no-shows

(corresponds to slide 56 in presentation)

- If an employee is signed up to attend a conference, stay at a hotel or has scheduled a flight and does not show up for the event, it is up to the employee to _____ the money to the agency.
- Please check the Statewide Accounting Manual and your agency's internal purchasing procedures.

End-of-cycle deadlines

(corresponds to slide 58 in presentation)

- Deadline schedule on website is the final editing deadline for completion of all changes to Works transactions, which means that all transactions are to be _____ by the posted deadline.
- Agencies should set _____ deadlines in order to meet the posted deadline.
- This includes clearing all _____ transactions.
- This also means that all authority orders (AOs) must be approved and dispatched.
- The state P-card office _____ be advised of any emergency AO revisions that may conflict with the posted schedule.
- It is extremely important that _____ editing be completed _____ to the deadline date and time listed here.
- Do NOT edit in Works or process a change order on the download date. Any changes made in Works will not be transferred to PeopleSoft. Changes to the AO will cause the load from Works to PeopleSoft to fail.

Program codes

(corresponds to slide 59 in presentation)

____ transactions require the five-digit program code at the end of the department code.

The governor identified five major programs and all purchases are related to either one of these programs or are unrelated to any specific program, in which case the program code will be NP000.

Format example: 1010000-B0100 or 1010000-NP000.

See CAR Newsletter, June 2015, for more information.

GL06: Operating unit field

(corresponds to slide 60 in presentation)

All agencies (if using the operating unit field) will need -N/A at the end.

Example: 7215000-N/A.

Two agencies use something other than N/A – Department of Education and Oklahoma Health Care Authority. All others will use the -N/A.

Account codes - Object of expenditure codes

(corresponds to slide 61 in presentation)

If you will be editing your P-card transactions in Works, you will need to check the account code (GL01 field) for accuracy. While the account code defaults based on the MCC of the merchant, this code may not be accurate for all purchases from that merchant.

Valid account codes can be found in the _____, _____, _____, _____ located at www.omes.ok.gov under Comptroller and Budget.

Updates to this manual, including new or revised account codes, can be found in the CAR newsletters also available at this same location.

Account codes can also be accessed in Works by using the drop-down list in the GL01 field.