State of Oklahoma
Office of Management and Enterprise Services
Policies and Procedures

P-Card Program

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Approved: Lucinda Meltabarger, as Designee of OMES Director Preston Doerflinger	**Approval Date: 04/05/2016**

I. General

A. OMES in conjunction with the State of Oklahoma has established a commercial purchase card (p-card) program for use by designated employees. This program is authorized by the State of Oklahoma Central Purchasing Act (74 O.S. § 85.5).

B. The use of this program will facilitate the acquisition of certain goods and services needed for conducting official state business. It is intended that p-cards be issued to selected employees when the use of the p-card will enhance agency effectiveness or economy of operation. Cards are issued in the name of the State of Oklahoma but also bear the name of the cardholder and the cardholder's unique account number. Liability for payment to the p-card provider rests with the state.

C. OMES employees involved in this program are subject to State ethics laws and directives.

D. All p-card transactions will be in compliance with the State of Oklahoma Purchase Card Procedures established by the Central Purchasing Division of OMES unless a written exception is requested of and approved by the State Purchasing Director. These p-card procedures are part of OMES' internal purchasing procedures.

II. Encumbering Funds

A. At the beginning of each fiscal year, two (2) separate authority orders (AO) will be established for each OMES division and each fund, if appropriate. One AO will be for

Information Technology (IT) purchases for the account codes listed in Section 4.d.d while the other AO will be for all other purchases.

B. Each division should ensure they have sufficient encumbrance before a purchase is made. Any necessary changes to the AO must be made prior to purchase.

C. Payment for these expenditures will be made in accordance with OMES and the State Purchase Card Procedure requirements.

III. Training

A. Cardholders, approving officials and designated back-up approvers, p-card administrator and back-up administrator must successfully complete the training prescribed by the State Purchasing Director prior to assuming their duties and prior to being issued a p-card. Training is required every two (2) years from the date of the last training session.

IV. P-Card Operations

A. Cardholders

The p-card is issued to OMES employees who have been designated by management to purchase goods and services for official use of OMES. Cardholders should be limited to:

1. Designated travel coordinators for travel use only;
2. Certain approved field personnel to be used in the field at Point of Sale locations where a receipt is in hand at the time of transaction and no invoicing by the vendor is necessary.
3. Other employees designated and approved by each division director.

B. Property of the State

All p-cards issued under this program are the property of the State of Oklahoma and shall be surrendered to OMES' p-card administrator upon termination of employment or upon request of the cardholder's supervisor, agency approving official, OMES' p-card administrator or the State Purchasing Director.

C. Governor's Mansion

The p-card may be used for expenses on behalf of the Governor's mansion as defined in 74 O.S. § 7.

D. Card Controls and Limits

1. OMES reserves the option to establish a dollar amount per day limit, number of transactions per day, and/or number of transactions per cycle. OMES shall establish a

single item purchase limit of $5,000 for goods and services except for the following which there are no limits on the amount of the transaction:

a. Purchases from or statewide contracts issued by the State Purchasing Director;

b. Utilities;

c. Professional services as defined in 18 O.S. § 803;

d. IT purchases for the following account codes:

   i. 515350 – Customer Computer Program Svc

   ii. 515360 – Computer Systems Design Svc

   iii. 515370 – Computer Facilities Mgmt Svc

   iv. 515380 – Other Computer Related Svc

   v. 531130 – Telecommunication Services

   vi. 531170 – Informational Service

   vii. 531230 – ERP System Services

   viii. 532150 – Rent-Telecommunication Equip

   ix. 532160 – Rent-Elec Data Processing Equip

   x. 532170 – Rent-Data Processing Software

   xi. 533130 – Mtce-Rep.-Tel.Equip-Vendor

   xii. 533140 – Mtce-Rep.-DP Equip-Vendor

   xiii. 533150 – Mtce-Rep.-DP Software-Vendors

   xiv. 533230 – Mtce-Rep.-Tele.Equip In-house

   xv. 533240 – Mtce-Rep.-DP Equip In-house

   xvi. 533250 – Mtce-Rep.-DP Software In-house

   xvii. 541120 – Data Processing Equipment

   xviii. 541130 – Data Processing Software

   xix. 541140 – Portal Software

   xx. 541230 – Equip-Telecommunications

   xxi. 543120 – Lease Purchase-DP Equipment

   xxii. 543130 – Lease Purchase-DP Software

   xxiii. 543150 – Lease Purchase-Telecomm

E. Payments to Other Agencies

p-card purchases in excess of $5,000 to other agencies are discouraged.

V. Using the P-Card

A. Methods of Purchase

The p-card may be used for walk-in, telephone, and Internet purchases. It is recommended that Internet purchases be made from a merchant with a secured Internet site. The cardholder is responsible for seeing that the merchandise purchased is received by the division.

B. Prohibited Purchases

1. OMES has established that the following purchases are prohibited on p-card:
    a. Split Purchasing – Dividing a quantity or failing to consolidate a known quantity of goods or services with the intent of and for the purpose of evading:
        i. The p-card statutory single transaction limit of $5,000 and/or
        ii. Limit(s) established by an individual p-card and/or
        iii. A competitive bidding requirement.
    b. Cash – including cash advances, automatic teller machine (ATM) transactions.
    c. Personal Use – purchases of any goods or services for personal use and not for official state use.
    d. Gift Certificates – This does not apply to purchases made pursuant to employee recognition.
    e. Motor fuel or fluids
    f. Purchase exceeding established limits
    g. Postage or Post Office Box Rental (statutorily prohibited 74 O.S. § 90.2)
    h. Payments between OMES divisions
    i. Any purchases that have an established purchase order
    j. Goods or services that have already been received.
2. Entertainment, Food and Beverages
    a. Purchases may be made on the p-card if they fall within 74 O.S. § 500 for the State Travel and Reimbursement Act. All other entertainment, food and beverages are allowed only with prior authorization from the State Purchasing Director.
3. Advance Payments

a. In general, advance payments are prohibited. The following exceptions exist and may be made by p-card:

i. Payments for subscriptions to magazines, periodicals, or books or for vendors providing subscription services (statutorily allowed in 74 O.S. § 85.44B).

ii. Payments to fair boards and other organizations for booth rental if prepayment is required to participate. This requirement must be documented.

iii. Registration fees may be paid in advance in two scenarios:

a.) Registration fees for conferences, meetings, seminars, and similar events where an organization requires pre-registration along with payment and by standard policy will not accept a state issued purchase order in lieu of payment. Documentation on the vendor's stationary describing this fact must be retained.

b.) Discounted rate – all of the following criteria must be met:

1.) Registration fees are discounted if registration is paid in advance;

2.) If participant cannot attend, a substitute is allowed; and

3.) The vendor will provide a 100 percent refund should the event be cancelled.

C. Required Purchases

1. OMES has established that the following purchase must be made on a p-card unless an exception has been granted by OMES Chief Financial Officer:

   1. Subscriptions
   2. Memberships

D. Merchant Preferences

1. p-card purchases shall comply with the following preferences for certain merchants or types of contracts. The following are listed in the order of preference.

   1. State Use Committee – p-card purchases shall be made from merchants on the State Use Committee procurement schedule if the merchant's delivery date meets OMES requirements. State Use Committee statewide contracts are mandatory for use. OMES shall reference the State Use Committee procurement schedule to ensure p-card purchases are pursuant to 74 O.S. § 3007.

2. Oklahoma Corrections Industries (OCI) – OMES shall make purchases from OCI pursuant to 57 O.S. § 549.1 if such article or services is the lowest and best bid as outlined in Rule 260:115-7-3.

3. Mandatory Statewide Contracts – OMES shall make purchases from mandatory statewide contracts regardless of the purchase price unless the State Purchasing Director has issued a waiver to OMES.

E. Purchase Price and Receipts

1. Cardholders shall ensure that prices paid for p-card purchases are fair and reasonable.
2. Receipts shall be obtained for purchases and uploaded into ***Works.***
3. If neither a receipt nor confirmation information is available, contact OMES-Finance. Cardholders should consider future use of another merchant who will provide a receipt or confirmation information.
4. If a receipt is lost, contact OMES-Finance. Repeated loss of receipts may be grounds for discontinuing a cardholder's p-card use or other disciplinary or legal action.

F. P-Card Non-Acceptance

In the event of a p-card non-acceptance, the individual cardholder may contact the issuing bank to determine why their card was not accepted or declined. The cardholder shall then contact the p-card administrator for problem resolution.

G. State Sales Tax

OMES purchases are exempt from the State of Oklahoma sales tax. Cardholders should exercise care to ensure they are not being charged sales tax. The sales tax identification number is provided on the face of each p-card.

H. Receiving Goods and Services

1. The receipt for the purchase also serves as the receiving document. It should be annotated "Received" and signed and dated by the receiving employee.
2. If the cardholder is also the receiving employee, a second employee shall verify that goods or services were received and also sign and date the receiving document.
3. The purchase receipt/receiving document shall be attached to the transaction log.

I. Sign Off

Cardholders must complete the Cardholder signoff process in The Works System within three days of the posting of the purchase, including uploading receipts, proper coding, and uploading any pre-purchase approvals.

J. Descriptions

1. Cardholders must provide detailed descriptions of the purchase. For travel related purchases:
    1. Airline
        i. Include traveler's name, employee ID number, itinerary/confirmation number, date of travel, and purpose of travel.
    2. Lodging
        i. Include traveler's name, employee ID number, number of nights, city/state, purpose of travel, confirmation number, room rate stating 1) designated hotel; or 2) standard GSA lodging rate; or 3) federal high GSA lodging rate.
    3. Taxi, Parking, Bus, Train and Shuttle.
        i. Include traveler's name, employee ID number, date of travel and purpose of travel.

K. Reconciling the Monthly Statement

1. Cardholder responsibility
    1. Cardholders will download the p-card statements for their assigned card.
    2. The Cardholder statement shall be reconciled by the Cardholder with the Cardholder's transaction log and receipts and shall be submitted to the OMES p-card administrator within two (2) working days after the bank's official close date.
    3. The Cardholder's transaction log, purchase receipts, receiving documents and credit receipts shall be used to verify that purchases and returns are accurately listed on the statement.
    4. After confirming the transactions on the monthly statement, the cardholders shall sign and date the statement indicating that the cardholder did make the purchases. If the cardholder is also the p-card administrator or the approving official, the reconciliation must be approved by someone at least one level above.
    5. After the approving official has signed and dated the statement, the cardholder shall scan the documents and place in the appropriate division folder at J:\Function\DCS\DCS-CPO.
2. Approving Official's responsibility
    1. Each approving official shall review the cardholder reconciled memo statement and supporting documentation for accuracy, completeness, appropriateness of the purchase and whether the transactions were conducted according to state statutes, rules, Central Purchasing procedures and sound business practices.

2. Any issue which cannot be resolved between the approving official and the Cardholder shall be brought to the attention of OMES's p-card administrator for resolution.
3. To indicate concurrence with the reconciled statement, the approving official shall sign and date the statement.

L. Agency Retention of Records

Accounting records regarding p-card transactions shall be maintained in a central location for a period of seven (7) years and be made available for audit. If an 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 that all issues arising out of the action are resolved or until the end of the seven year retention period, whichever is longer.

M. Card Security

Use of the p-card is limited to the person whose name is embossed on the p-card. The p-card shall not be loaned to another person. In the event the cardholder changes jobs, the p-card shall be returned to OMES' p-card administrator and shall not move with the cardholder to the new job. If the cardholder is terminated by OMES, the cardholders shall promptly return the p-card to OMES p-card administrator.

N. Lost or Stolen Cards

1. If a cardholder's p-card is lost or stolen, the cardholder shall immediately notify the p-card provider (currently Bank of America at 888-449-2273) which is available 24 hours per day. Upon notification, a customer representative will block the use of the card.
2. The cardholder shall record the date and time of the p-card provider was notified as well as the name of the p-card provider customer service representative contacted.
3. Next, the cardholder shall complete a Stolen Card Notification form and provide it by the fastest possible means to OMES' p-card administrator with a copy to the agency approving official.
4. OMES will be held responsible for purchases on lost or stolen p-cards until the p-card provider has been notified.

O. Expiring Card Renewal

Prior to a p-card expiration date, the p-card provider will prepare a replacement card which will be forwarded to OMES' p-card administrator to distribute to each cardholder.

P. Replacement of Defective, Lost or Stolen Cards

P-cards may be replaced when the original p-card is defective or mutilated or when the p-card has been lost or stolen by reporting it to OMES' p-card administrator. Defective or mutilated p-cards shall be cut through the center of the magnetic strip and turned in to OMES' p-card administrator for final disposal.

Q. Willful Violation

Willful violation of p-card rules and procedures may result in criminal prosecution and will result in disciplinary action and permanent loss of p-card privileges. Willful violations totaling less than $250.00 will be grounds for termination or suspension without pay for a period of not less than forty-five (45) days. Willful violations totaling $250.00 or more will be grounds for termination from employment. Additionally, reimbursement and restitution will be required.

VI. Approvals

A. Division Directors

1. Each division director must approve all p-card issuances and approve all their division's cardholders on an annual basis.
2. At the beginning of each fiscal year, each division director shall provide OMES-Finance with a list of recurring charges being paid by p-card (for example, utilities).

B. Approving Official

Each p-card purchase must be reviewed and approved in works by an approving official at least one level above the cardholder within three business days of the cardholder signoff.