

**IDAHO DEPARTMENT OF PARKS AND RECREATION
POLICIES AND PROCEDURES**

Number	Effective	Title	Owner
IV2	09-10	IDPR P-CARD POLICY	FISCAL

Approval: Nancy Newell
Date: 8/30/10

IDPR PURCHASING CARD (P-CARD) POLICY

1.0 PURPOSE

The purpose of the Purchasing Card (P-card) Program is to streamline and simplify the requisitioning, purchasing, and payment processing for transactions that fall below the informal quote threshold (\$1,500 or less in most cases) or that involve goods or services covered under contract. The goals of the P-Card program are to:

- 1) Reduce the cost of processing small dollar purchases
- 2) Receive faster delivery of required merchandise
- 3) Simplify the payment process
- 4) Provide cardholders with empowerment to choose

2. GENERAL GUIDELINES:

2.1 Card Issuance

The park and/or program manager is responsible for determining whether an employee within their reporting structure needs a P-Card. Once this determination is made, the manager will initiate a request to the P-Card Administrator.

The following documents must be completed and returned to the P-Card Administrator before the P-Card is ordered:

- 1) Cardholder Application – signed by both the employee and the immediate supervisor
- 2) Cardholder User Agreement – signed by the employee
- 3) Policy and Use Acknowledgement – signed by the employee and immediate supervisor

The Cardholder Application establishes the cardholder account. By signing the Cardholder Application and Cardholder User Agreement, the *cardholder* agrees to adhere to the guidelines established in this policy. Refer to “Appendix I” for the Cardholder Application and “Appendix VI” for the Cardholder User Agreement.

The cardholder is the only person entitled to use the card. All P-Card purchases shall be for IDPR business purposes. If the cardholder provides their number to anyone else for use, the cardholder will be held responsible for all charges incurred on their P-Card. If the cardholder

suspects the card is being used without their permission, it is the cardholder's responsibility to report the situation to their immediate supervisor or park/program manager. The P-Card shall not be used for personal use. Unauthorized use or personal purchases will not be permitted and may lead to disciplinary action up to and including separation of employment.

Upon receipt of the P-card, the cardholder will activate the account by calling the toll-free number printed on the card. For verification purposes, the cardholder will be asked to provide the last four digits of the cardholder's Social Security Number. Purchasing cards are assigned to individuals for the purpose of facilitating state business efficiencies. The P-Card will bear the individual's name to establish accountability within the state's internal control environment. The State is responsible for payment of all purchases and the cardholder's personal credit will not be affected.

2.2 Account Maintenance

If there is a need to change any cardholder information, such as name, credit limits, or cash limits, enter changes on the Cardholder Application form (Refer to "Appendix I" of this policy) and forward it to the P-Card Administrator. The cardholder will initiate the change request and obtain the necessary approvals prior to submission to the P-Card Administrator. Photo copies of the document may be taken for the cardholder and/or supervisor.

2.3 Card Usage

The P-Card may be used with any merchant that accepts them except as the department otherwise directs. It may be used for in-store purchases as well as phone, fax, internet, or mail orders. There is no special terminal or equipment needed by the merchant to process a purchasing card transaction.

State business purchases made within Idaho are *not* subject to State of Idaho sales tax. The department's tax identification number is 82-6000952.

When using the P-Card with merchants, *emphasize* that an invoice must not be sent to IDPR's Accounts Payable department as this may result in a duplicate payment. For phone, fax, internet and mail orders, print or obtain an itemized receipt. This receipt must be retained for the reconciliation process.

2.4 Vendors Not Accepting P-Cards

Not all suppliers will accept P-Cards. In this event, the cardholder would have the following choices:

- Go to another vendor if one is available
- Direct bill the charge

- Use personal money and request reimbursement

2.5 Limitations and Restrictions

The initial cardholder's purchasing and cash advance limits will be established according to Purchasing Thresholds listed in "Appendix IX" or upon the park/program manager's authorization. Purchases to a card will be declined if the transaction exceeds the established thresholds. The cardholder shall not split a purchase to avoid the single transaction limit.

2.5.1 Exceptions to Limitations and Restrictions

- Park/Program managers may submit an email request to change threshold category limits of a P-card account through the P-card Administrator.
- Permanent ongoing increases to a threshold category must be in writing via email and approved by the supervisor and park/program manager.
- One time increases to any threshold category must be approved by the supervisor. The request will include information regarding the purpose for the increase.
- P-Card Administrator will provide monthly reports indicating changes in P-card limits will be provided to the Director, Deputy Director, Financial Officer and Program Managers.

2.6 Lost or Stolen Cards

2.6.1 Cardholder's Responsibility When Card Is Lost

The cardholder is responsible for the security of the P-Card and any purchases made on the account. If the card is lost or stolen, the cardholder is responsible for immediately reporting this information to the bank (refer to "Appendix XI" for bank contact information) and informing the P-Card Administrator. It is extremely important to act promptly in the event of a lost or stolen card to avoid any liability for fraudulent transactions.

2.6.2 P-Card Administrator's Responsibility When Card Is Lost

The P-Card Administrator will reduce the purchasing threshold to a \$1.00 which will allow any "in processes" transactions to arrive at the Controller's Office and then to the Agency for reconciliation. Once all transactions have been verified, approved, and processed through the accounting system, the account will be terminated. A new card will be issued within 48 hours of notifying the bank.

2.7 Separation from Duty (including seasonal layoffs, etc.)

2.7.1 Procedures by Supervisor and P-Card Administrator

It is the supervisor's responsibility to obtain the P-Card from any employee leaving employment of the department. The supervisor will return the P-Card to the P-Card Administrator who will immediately reduce the limit to \$1.00. Once all transactions have been verified, approved, and processed through the accounting system, the P-Card Administrator shall cancel the employee's P-Card. The separated employee is required to return the P-Card to their Supervisor.

2.7.2 Procedures by Separated Employee

Prior to leaving the workstation, the separated employee shall verify all transactions and submit itemized receipts to their supervisor. If computer access is not available, the employee shall sign and date all invoices and submit them to their supervisor.

2.7.3 Procedures by Seasonal Employees

All seasonal employees shall surrender their P-Cards at time of separation to their supervisor who will then forward them to the P-Card Administrator. If the seasonal employee is to return the next year, the supervisor may submit a written request asking the P-card Administrator to suspend the card until the next season. When the employee returns, the supervisor shall submit the signed Policy and Use Acknowledgement form (see section 2.1.c.) to the P-Card Administrator and request the card be activated.

3. AUTHORIZED PURCHASES:

3.1 Examples of Authorized Purchases

Purchases under State Contracts (up to the single transaction limit amount) may be made from suppliers willing to accept the P-Card. Some common uses of the P-Card may include but not limited to:

- Building, Plumbing, Electrical materials
- Automotive parts
- Equipment repairs
- Books and Subscriptions
- Computer supplies, (printer cartridges, compressed air, screen cleaner, etc.)
- Building hardware and Tools
- Short term rentals
- Spare parts
- Miscellaneous items, (car washes, welding repair,)
- Meeting expenses (with appropriate documentation)
- Travel expenses pursuant to travel policy including gas for rental cars
- Cash advances for travel (cash advances shall cover meals, *do not use the P-Card to purchase meals*)
- Cash advances for other purposes, if pre-approved by the Financial Officer

4. UNAUTHORIZED PURCHASES

4.1 Acquisition of Information Technology

The P-Card shall not be used for the acquisition of Information Technology / Information Systems or related items unless specifically and explicitly authorized by the Management Information Systems (MIS) Manager or designee. All Information Technology and/or Information Systems acquisitions (hardware, software, services) must be coordinated through MIS and require pre-authorization. Authorization is required to be submitted with the transaction when reconciled.

4.2 Purchases for Capital Outlay

Capital Outlay purchases must to be approved by the Program/Region Manager and Fiscal prior to using the P-Card. Capital Outlay from a budget/spending authority standpoint is defined as:

- A useful life of 2 years or more
- A single item cost of \$500.00 or more (for example – an \$800.00 projector is considered capital outlay. A \$1,500 purchase of 15 items with a unit cost of \$100.00 is not capital outlay)

Capital Outlay spending authority is approved through the budget process on a line item basis.

4.3 Additional Unauthorized Purchases

- Items for personal use
- Gas for *State Vehicles* when there is a gas station within the geographic area and within reasonable proximity to the route of travel that accepts the state authorized gas card. The P-Card may be used if there is a critical shortage of fuel in the vehicle that would prevent the employee from reaching an available qualified gas card vendor. The cardholder shall provide supporting documentation to the transmittal as to why the P-Card was used.
- Salaries and wages
- Entertainment
- Alcohol
- Gifts/Donations

4.3.1 Merchant Category Codes (MCC)

Refer to “Appendix VII” for a list of restricted Merchant Category Codes (MCC). If the cardholder needs access to any of these restricted MCC’s, they must obtain authorization from the Director, Deputy Director, or the Financial Officer.

4.4 Consequences of Improper Charges

The P-Card is to be used for goods and services required to conduct state business. If a P-Card use is deemed inappropriate by the IDPR Director or Deputy Director, the cardholder will be responsible for immediate repayment to the agency for any improper charges and shall accept personal responsibility for misuse.

Failure to comply with the above guidelines for authorized purchases under the State of Idaho –P-Card policy may result in disciplinary action and possible termination of employment.

5. Reporting Suspected Abuse

It is the responsibility of every employee to report suspected abuse of P-Cards by any employee to the appropriate supervisor, Financial Officer or the Human Resource Manager.

6. Ordering Goods and Services

The P-Card provides a convenient and efficient option to the usual purchasing procedure regarding transactions for approved goods and services. Single transaction purchases in excess of the non-competitive bid limit (\$1,500 unless authorized or purchased from a valid State contract), must comply with all relevant purchasing rules and statutes. Refer to the Agency's purchasing policy and procedures detailed guidelines.

6.1 Guidelines for Making a Purchase

6.1.1 Cardholder's Responsibility When Making Purchases

It is the cardholder's responsibility to determine if using a P-card for the purchase is appropriate and, if needed, obtain any necessary approval from their supervisor before actually making the P-Card purchase.

6.1.2 Contracts for Purchasing

Determine if there is a State contract for purchased goods or services by checking the list of State contracts at <http://www2.state.id.us/adm/purchasing/contracts/stwrecap.htm>.

6.2. Making the Purchase

6.2.1 Guidelines

Contact the supplier and explain to them that you are either calling from the State of Idaho and/or you are a State of Idaho Employee and you will be making a P-Card purchase and follow these procedures:

- 1) It is essential that the cardholder state to the Idaho supplier that the purchase is exempt from Idaho sales tax.
 - a. If the supplier requests proof of tax exemption, provide the supplier a completed copy of Form ST-101, Sales Tax Resale or Exemption Certificate. (Refer to "Appendix VIII")
- 2) Order the item(s) or request service(s).
- 3) Provide the merchant with the P-Card number and the expiration date.
- 4) Provide the merchant your name, the department, and complete delivery address.
- 5) Be sure to get an itemized receipt, and/or itemized credit card slip from the merchant.
- 6) Make sure the appropriate agency or departmental supervisor is aware of your purchase and that all state and departmental rules and procedures regarding purchasing, ordering, processing, and records retention have been followed.
- 7) When receiving a shipment acquired with the use of a P-Card, it is the cardholder's responsibility to properly inspect the shipment. When it is necessary to return all or part of a shipment received, the cardholder is responsible for coordinating the return directly with the merchant and contacting the P-Card Administrator with any unresolved issues.
- 8) Any credit due for returned items charged to an agency P-Card shall be refunded to the card originally tendered for the purchase.

7. Reconciliation of Purchases

7.1 Roles and Responsibilities

7.1.1 Accounts Payable Department

The Accounts Payable Department is responsible for issuing payment to the state's P-Card management bank each month.

7.1.2 Card Holder

The cardholder is responsible for the following:

- 1) Verifying the transactions posted to their P-Card within 10 days. Through the verification process, the cardholder is acknowledging the purchase was actually made by the cardholder. The process also acknowledges the goods and/or services actually received are necessary for authorized agency business.
- 2) Attaching the itemized receipts to the P-Card Transmittal. If an advance purchase for a travel related item has been made (i.e. airline tickets that will be used in the future), the reconciliation must be completed within established timelines of 10 days. The cardholder should retain the copies of the transmittal and receipts and attach to the travel voucher and reference accordingly. If a cash advance is taken, the cardholder must submit the Travel Voucher with the P-Card Transmittal for approval and processing.
- 3) Safeguarding the P-Card security at all times. All precautions should be used to maintain confidentiality of the cardholder account number and P-Card expiration date . The account number should never be left in a conspicuous place or given to another employee to use.
 - a. An exception to this statement would be when administrative support staff book airline tickets or hotel rooms.
- 4) The cardholder is responsible for all transactions posted to their card. If fraudulent charges appear, or if someone else uses their card without their expressed consent, the cardholder is responsible for notifying the appropriate parties.

7.1.3 Approvers

The approvers (supervisor or park/program managers) are responsible for the following:

- 1) Reviewing P-Card transmittals acknowledges that the cardholder's charges were necessary to complete their duties and necessary for state business
- 2) Confirming itemized receipts and other documents (travel voucher) are attached to the P-Card Transmittal
- 3) Submitting approved P-Card Transmittal(s) and supporting documents to Fiscal within 10 days of receipt

7.1.4 Two Levels of Approval

The P-Card may be customized to have two levels of approval for a region, program, or park manager. For example, purchases may be approved by both the park and region managers after the employee has verified the charges. If region, program, or park managers wish to implement this option, they must contact the P-Card Administrator.

7.1.5 Unauthorized Self-Approval

Under no circumstances should an employee approve their supervisor's purchase. Nor shall any cardholder approve their own purchases.

7.2 P-Card Record Log

A P-Card Record Log (see Appendix III) is available to assist in retaining receipts, tracking purchases, and monitoring monthly card limits. The log, if used, should be forwarded with the P-Card Transmittal and receipts to the approver. The P-Card Record Log is an optional tool to assist the cardholder in monitoring purchases and limits. It does not replace the requirement to attach itemized receipts.

7.3 Reconciling P-Card Charges with Travel Expenses

7.3.1 Guidelines

Each traveler should use their own P-Card to separate travel charges by individual cardholder. If a traveler does not have a P-Card and is traveling with an employee who does, the traveler with the P-Card may charge travel expenses of the other traveler on the same trip. Each traveler must then complete a separate travel form. The cardholder must ensure that the documentation for each charge reflects each traveler's individual expenses. *The Travel Vouchers for both employees must reference the P-Card purchase to ensure all travel costs are captured.*

If one card is used to purchase multiple services while in travel status, all individual travel vouchers must account for their total travel costs. In these situations, *all related vouchers will be processed at the same time and require cross documentation.* The completed IDPR Travel Voucher Form and the associated P-Card transmittal(s) for each traveler must be submitted together.

7.4 Disputed or Fraudulent Charges

7.4.1 Discrepancy

If there is a discrepancy in the posted P-Card transactions, the cardholder must contact the merchant (supplier) to resolve the disputed transaction. If the cardholder is not able to resolve the discrepancy with the merchant, then the cardholder must notify the P-Card Administrator

and complete a Wells Fargo Bank Purchasing Card Dispute Form (Refer to Appendix IV)

7.4.2 Disputed Transaction

The agency is required to provide notice of a disputed transaction within 60 days of the transaction date (not the posting date). While pending resolution, the bank will credit the account for the amount of the disputed transaction. The bank acts as the arbitrator in any dispute.

7.4.3 Fraudulent Charges

Any suspected fraudulent charge (a charge appearing which you did not authorize) must be reported immediately to the P-Card Administrator. Refer to the “Declaration of Forgery or Unauthorized Use” in Appendix V of this policy.

8. Sales and Use Tax

8.1

Purchases for use by the State of Idaho are exempt from Idaho sales and use tax. The P-Card has embossed on it the words: For Official Use Only – Tax Exempt. When presenting the card to a merchant, state that the purchase is tax exempt. If requested, provide merchants with a form ST-101 for verification of non-taxable status (including out of state suppliers). A copy of the ST-101 form, “Sales Tax Resale or Exemption Certificate” is included as Appendix VIII. It may be copied and used as needed. Questions regarding the tax-exempt form should be addressed to the P-Card Administrator.