



Purchasing Card Program

P-Card Procedures Manual

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Purchasing Card Procedures

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Purchasing Card Procedures

Visa® Purchasing Card Program

Purpose:

The State of South Carolina's Purchasing Card ("P-Card") is a charge card designed to enable authorized, full-time State of South Carolina (State) employees to make purchases of supplies, materials and services for State business use. The purpose of the Visa® Purchasing Card is to assist Administration Offices to better manage small purchases and pay certain types of utility expenses in an efficient and cost effective manner.

What is the Purchasing Card (P-Card)?

The P-Card is a Visa® credit card issued by Bank of America. It is a fast and flexible tool which offers an alternative to the existing vendor invoice payment processes. P-Cards are issued in the employee's name and must be used for official State business only. **The South Carolina Consolidated Procurement Code must be followed for ALL purchases, even those paid with the P-Card.**

The statewide coordinator for the program is the Materials Management Office ("MMO") while the day to day oversight and payment administration for state agencies is under the Office of the Comptroller General ("OCG"). The Procurement Officer within the Office of Administrative Services is responsible for administration of the program within the Department of Administration ("the Administration"). Internal Audit Services is responsible for audit of the Administration's program.

Definitions:

Agency – the South Carolina Department of Administration.

Agency P-Card Procedures – the procedures of the Department of Administration, as contained herein, which specify the Administration's procedures applicable to the P-Card.

Agency Purchasing Card Administrator – the individual who has overall responsibility for the P-Card program for the Agency and acts as the Agency's intermediary in correspondence with the card issuer, the Materials Management Office and the Office of the Comptroller General. This individual and backup designee is authorized by the Executive Director of the Agency.

Bank – the bank that issues the Visa® P-Cards to Agency employees, bills the Agency for all purchases made on the cards, and collects payment from the Agency. The Bank is presently the Bank of America.

Best Value – Ordinarily, the goods or service available at the lowest price. However, other factors may occasionally bear upon what goods and/or services are most advantageous to the State.

Billing Cycle – the period of purchasing activity that begins on the 28th of the month and ends on the 27th of the following month.

Cardholder – a permanent employee of the agency who is approved by his/her Supervisor and Director to use the P-Card to execute purchase transactions on behalf of the Agency.

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Cardholder Activity Reconciler – the individual responsible for auditing statements of account information and any associated documentation. The Cardholder Activity Reconciler must report any discrepancies (including delinquent reconciliations and paperwork) to the P-Card Administrator.

Cardholder Activity Statement – a monthly record of transactions for a specific Cardholder that is issued by the Bank. The statement is similar to a personal credit card statement.

Cardholder Activity Statement Certification Form - A document submitted monthly to the P-Card Administrator certifying each purchase listed on the Cardholder's Statement of Cardholder Activity from the Bank was made in compliance with State and Administration procedures. This form is signed by both the Cardholder and the Supervisor/Approving Official. Signature further certifies any violation of procurement laws and regulations and the aforementioned procedures, and any misuse, abuse or fraudulent use relating to a P-Card has been reported to the signee immediately upon discovery and in writing to at least one of the following: Office Liaison, P-Card Administrator, Internal Audit Services or the Fraud Hotline.

Cardholder Agreement – the document Cardholders sign to signify their understanding of the P-Card procedures and their acceptance of the responsibility and liability assigned with use of the P-Card.

Consolidated Procurement Code – the South Carolina statutes governing procurements by state agencies which are codified in the South Carolina Code of Laws as Chapter 35 of Title 11.

Cycle (Credit) Limit – a mandatory spending limit that restricts the amount of purchases a Cardholder can make during one Billing Cycle. The typical Cycle Limit on a P-Card is \$1,500, but exceptions may be approved by the Executive Director if the business need warrants a higher limit.

Default Accounting Codes – codes assigned to each P-Card to identify the source of funds which will be charged for purchases made unless other accounting information is entered into Works[™] for a specific transaction.

Division/Office – an organizational unit within the Department of Administration that reports directly to either the Executive Director of the Agency, the Agency's Chief of Staff or a Division Director.

Division/Office Director – the Executive director must approve an employee's application for a P-Card and submits the application through the Office Liaison to the Agency P-Card Administrator. Approval delegates purchasing authority to the Cardholder.

Internal Audit Services – the Agency office responsible for audit of the Administration's P-Card program.

Information Technology Management Office ("ITMO") – a division of the State Fiscal Accountability Authority ("SFAA") that acts as the statewide coordinator for all procurements related to data processing, telecommunications, office systems technologies, and services. This office acts as the centralized procurement authority for all statewide information technology contracts.

Materials Management Office ("MMO") – a division of the State Fiscal Accountability Authority ("SFAA") that acts as the statewide coordinator for the P-Card program. This office acts as the centralized procurement authority for all statewide contracts.

Merchant Category Code ("MCC") – a four-digit number assigned to a business by MasterCard[®] or VISA[®] when the business starts accepting a P-Card as a form of payment. The MCC is used to classify the business by the type of goods or services it provides. MCCs govern where P-Cards may be used. The Office of the Comptroller General

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("OCG") establishes and manages the authorized MCCs that are eligible for use by State Agencies. This is intended to make sure that only vendors appropriate to the needs of a public agency are allowed to accept P-Cards and to reduce the potential for unauthorized purchases. Please review the Current Unblocked MCC Groups and Additional MCC Group Information for further details.

Office of the Comptroller General ("OCG") – the State Agency that handles the day-to-day oversight of the P-Card and payment administration for state agencies.

Office Liaison – an employee responsible for administering the P-Card program within a Division/Office and serving as liaison for his or her Division/Office with the Agency P-Card Administrator. The Office Liaison coordinates requests for issuance, reissuance, cancellation and revocation of P-Cards for Cardholders assigned to him or her. He or she distributes P-Cards to Cardholders and collects cancelled and revoked P-Cards. The Office Liaison also serves as a resource for Supervisor/Approving Official and Cardholders about applicable state law and policy, agency procedures, and procedures of the Cardholder's Division/Office. The Office Liaison is responsible for the Division/Office's maintenance and security of P-Card records and for working with the Cardholder, the Cardholder Activity Reconciler and Agency P-Card Administrator, as necessary, to resolve disputed or fraudulent charges.

Price Reasonableness – the determination that the cost of a good or service provides the best total value comprising of availability, delivery time, fitness for purpose, payment terms, quality, quantity and service. This price is not necessarily the lowest price available for goods and/or services.

Receipt – a written acknowledgment that something of value has been received. An itemized vendor charge slip, sales receipt, invoice, order form and/or packing slip may be used as a receipt. The document must include sufficient information to identify the vendor, date of purchase, description of the item(s) purchased (including amount by item), sales tax charged (if any) and the total of the purchase.

Single Transaction Limit (STL) – a mandatory spending limit imposed on each Cardholder account. The STL limits the dollar value of a single transaction that may be processed using a specific P-Card. The typical STL on a P-Card is \$250, but exceptions may be approved by the Executive Director if the business need warrants a higher limit.

Spending Limits – see *Single Transaction Limit ("STL")* and *Cycle ("Credit") Limit*.

State Law – see *Consolidated Procurement Code*.

State P-Card Procedures – the procedures issued by the Materials Management Office and/or the Office of the Comptroller General, which specifically address the P-Card. Please review present [MMO P-Card Procedures](#) for further information.

Statewide/Term Contract – a type of contract for goods or services awarded through MMO and ITMO for use by all state agencies. MMO and ITMO identify specific supplies, services, products and information technology that are widely used by state agencies and use the collective, large volume purchasing of these items and services to solicit favorable pricing from vendors. MMO and ITMO accept the lowest prices offered by qualified vendors creating a contract whereby the vendor agrees to provide the goods or services at the specified price or prices to all state agencies and political subdivisions. These contracts are referred to as statewide because their prices and terms are available to all state agencies and political subdivisions throughout the state. These contracts are also referred to as term contracts because vendors agree to provide the goods and services for a specified period of time. State law requires state agencies, including the Department of Administration, to purchase goods and services from the vendors with statewide/term contracts, unless (a) the same goods and services are available from another vendor at a price at least

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10% lower than the term contract vendor's price and the term contract vendor declines an opportunity to meet the lower price or (b) an exception is noted in the contract.

Supervisor/Approving Official – the individual who approves an employee's application for a P-Card and submits the application through the Office Liaison to the Agency P-Card Administrator. Approval delegates purchasing authority to the Cardholder. The Supervisor/Approving Official will also serve as the Cardholder Activity Reconciler unless delegated to another individual in writing to Office of Administrative Services - Procurement. The Supervisor/Approving Official must also sign the Purchasing Cardholder Activity Certification form to certify that all purchases have been reviewed and comply with procedures and the South Carolina Consolidated Procurement Code.

Vendor – the merchant from whom a Cardholder is making a purchase.

WorksTM - Bank of America's proprietary software application through which all P-Card transactions are classified according to State accounting codes and account assignments are verified electronically.

WorksTM Approver – the individual in each Division/Office who reviews and signs off on specific transactions in WorksTM for account assignment, expense classification and use tax (if applicable).

WorksTM Coder – the individual who enters data about a P-Card transaction into WorksTM. This individual is responsible for determining and entering information regarding each P-Card transaction into WorksTM, including the accounting classification for the expenditure and use tax (if applicable).

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General Procedures and Guidelines:

1. P-Cards must be issued to individuals in the individual's name and the individuals must be full time employees of the Administration. There will be no exceptions to the following:
 - a. P-Cards will not be issued to part-time employees, temporary workers, or contractors.
 - b. P-Cards will not be issued in the name of a Division/Office or work unit.
 - c. P-Cards will not be issued for multiple employees to share.
 - d. P-Cards will not be issued to employees of foundations associated with the Agency.
 - e. P-Cards will not be issued to employees who have not successfully completed Level I and/or II training (if applicable).
2. Issuance is limited to one P-Card per individual.
3. P-Cards must not be loaned, not be kept on file with vendors, or not be used by anyone other than the Cardholder.
4. An employee's Supervisor and the Division/Office Director must approve the application for a P-Card and the request must be supported by the job duties of the Cardholder applicant.
5. Office Liaisons must submit the application signed by the Cardholder applicant, Supervisor, Office Liaison, Division/Office Director and the Executive Director for an individual to receive a P-Card.
6. Cardholders must sign the Cardholder Agreement indicating that he/she has read the Department of Administration's Purchasing Card Procedures and will abide by the procedures herein and as amended in the future.
7. The Office of Administrative Services will process payment of the monthly billing statement to Bank of America.
8. Questions can be addressed to the Agency P-Card Administrator, Jennifer V. Abney at (803) 737-1580 or procurement@admin.sc.gov.

Examples of Purchases Allowed on the P-Card:

1. Purchases of goods and/or services under \$250 (unless a higher limit is requested on an official form through the Agency P-Card Administrator and approved in writing by the Executive Director)
2. Airline tickets
3. Advertising
4. Subscriptions
5. Registration for training and conferences
6. Books
7. Freight, express and delivery services
8. Office supplies
9. Utilities (any amount up to the STL)
10. Statewide contracts (any amount up to the STL)
11. Equipment costing less than \$1,000 (including tax)

Examples of Purchases NOT Allowed on the P-Card:

1. Purchases over assigned card limits
2. Car rentals
3. Entertainment - for example, parties for state employees, food, and in-room movies
4. Individual professional licenses regulated by the Department of Labor, Licensing and Regulation
5. Gifts and mementos
6. Any purchases from a vendor blocked by the Office of the Comptroller General (Note: The Office of the Comptroller General establishes and manages the State authorized Merchant Category Codes (MCCs) that are

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- eligible for use by state agencies. This is intended to ensure that only vendors appropriate to the needs of a public agency are allowed to accept P-Cards and to reduce the potential for unauthorized purchases.)
7. Purchases divided into more than one transaction in an effort to circumvent rules, regulations or, including card STLs.
 8. Personal purchases of any kind (Personal purchases are defined as purchases of goods or services intended for non-work related use or use other than official State business)
 9. Cash advances including use of the card or card number at Automated Teller Machines (ATMs), inside bank branches or at cash advance, quasi-cash and money transfer locations such as Western Union, Telecheck, etc.
 10. Gift cards, stored value cards, calling cards, pre-paid cards or similar products.
 11. Employee travel expenses, including lodging, transportation (except airline tickets) and meals
 12. Alcoholic beverages
 13. Tobacco products
 14. Auto fuel
 15. Equipment costing more than \$1,000 (including tax)
 16. Establishing “open charge accounts” is strictly prohibited, i.e. allowing a vendor to store your p-card information on file to facilitate future p-card purchases or auto-renewals.

The P-Card may not be used for any of the following reasons absent express PRIOR authorization from the Agency P-Card Administrator:

1. A procurement that requires more than routine terms and conditions
2. A procurement that is too complex to be conveyed verbally
3. A procurement that is “not authorized” to be made with the P-Card
4. A procurement in which the State’s best interest will be served by purchasing according to more competitive procedures as provided for in the South Carolina Consolidated Procurement Code.

Cardholder Eligibility:

1. Applicant must be a permanent employee of the Agency.
2. Applicant must have a business need for a P-Card.
3. Applicant’s Division/Office Director must approve the request for a P-Card. Approval must be signified by the Division/Office Director’s signature on a written request identifying the requested Single Transaction Limit (STL) and Cycle (Credit) Limit.

Cardholder Responsibilities:

1. Successfully complete the Level I training course.
2. Successfully complete Level II training to make purchases where the single transaction limit (STL) exceeds \$2,500. Training is required *before* purchases can be made.
3. Sign and submit the Cardholder Agreement confirming that he or she has been fully trained and understands and will abide by all procedures regarding the card usage *prior* to receiving the P-Card.
4. Maintain security of the account number, expiration date, and security code at all times.
5. Maintain knowledge of applicable State and the Administration’s procedures.
6. Allow no one else to use the Cardholder’s card regardless of the reason. Use by anyone, other than the Cardholder, is *strictly* prohibited.
7. Ensure all goods and services and vendors are allowed according to State and Agency procedures. The P-Card must not be used to receive cash or equivalents of cash.
8. Adhere to the purchase limits and restrictions of the P-Card.
9. A Cardholder must ensure the P-Card is used in compliance with the South Carolina Consolidated Procurement Code, State P-Card procedures, applicable procedures of the Agency and Division/Office for which the Cardholder is authorized to make P-Card purchases. See **Standards of Conduct and Failure to Comply with Law or Procedures** on page 12.

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10. Document the contract number for purchases of goods or services on statewide or agency term contracts. Documentation can be in the form of a memo to the file or notation of the contract number on the P-Card Slip or Cardholder Activity Statement.
11. Non-Contract purchases \$2,500 and under may be made without securing competitive quotations or any type of value analysis if the prices are considered reasonable. If a Cardholder, through prior experience (e.g., comparison with prices paid previously for the same or similar items or familiarity with the supply/service based on frequent purchasing) knows that the proposed price is fair and reasonable, he or she does not have to do any further evaluation or analysis. By the cardholder completing the transaction with the p-card for the purchase of goods and/or services, the cardholder is acknowledging the price obtained is fair and reasonable. The cardholder is not required to make any other documentation that the purchase price is fair and reasonable. However, if the Cardholder suspects or has information to indicate the price may not be reasonable or is purchasing a supply or service for which no comparable pricing information is readily available, action must be taken to verify that the price is reasonable and supporting documentation maintained by the Cardholder for four years following the date of purchase.
12. Determine price reasonableness for non-contract purchases between \$2,500-\$10,000 by requesting quotes from a minimum of three (3) qualified sources of supply. This action must be documented and copies of all quotes received maintained in the file.
13. Obtain “best value” for the State when making purchases with the P-Card.
14. Ensure the goods and/or services are described in sufficient detail so the vendors and/or merchants have a clear understanding of what is being acquired. Some requirements, because of their complexity, may not be suitable for purchase using the P-Card and may necessitate the use of a written purchase order.
15. Obtain all sales slips, register receipts, and/or P-Card slips.
16. Have all credits and/or refunds applied to the P-Card. Under no circumstances may a Cardholder accept cash or gift cards in lieu of a credit to the P-Card account.
17. Provide information about purchases when requested by the Cardholder Activity Reconciler, Office Liaison, Supervisor/Approving Official, Agency P-Card Administrator and/or any other appropriate authority.
18. Carefully and thoroughly review the monthly Cardholder Activity Statement from Bank of America to determine if it accurately reports the Cardholder’s purchases for the Billing Cycle.
19. Immediately report any transactions on the monthly Cardholder Activity Statement that are inaccurate or were not made by the Cardholder to the vendor first and/or Bank of America as necessary.
20. Submit the Cardholder Activity Statement and receipts to the Cardholder Activity Reconciler no later than the 5th of the month in order to ensure timely submission of all documentation by the Cardholder Activity Reconciler to the P-Card Administrator.
21. Complete the *Purchasing Cardholder Activity Certification Form* and notate any purchases that are inaccurate or not made by the Cardholder.
22. Sign and submit the Certification form to the Cardholder Activity Reconciler. Signature attesting that the Cardholder Activity Statement is accurate, except as otherwise noted, and all purchases were made in accordance with laws, regulations, procedures governing procurement and use of the P-Card. All signatures must be original signatures. Signatures made with rubber stamps are prohibited.
23. Follow-up with the Office Liaison until any issues found on the Statement and notated on the Certification are resolved.
24. Call Bank of America at (888) 449-2273 immediately (24 hours a day/7 days per week) to report a lost or stolen P-Card.
25. The Cardholder must notify the Office Liaison of a lost or stolen P-Card within one (1) business day or as soon as possible during normal business hours.
26. Return P-Card to his or her Office Liaison
 - a. upon terminating employment with the Administration
 - b. transferring to a different Division/Office within the Administration
 - c. assuming a new position within the same Division/Office or

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- d. when the employees' position no longer requires a p-card to perform essential job functions.
27. If the Cardholder and the Office Liaison are the same person, the Cardholder may contact the Agency P-Card Administrator for assistance with disputed charges, lost receipts, lost or stolen P-Card, and terminating employment.

Supervisor/Approving Official Responsibilities:

1. Serve as the Cardholder Activity Reconciler (see responsibilities below) or delegate this authority to another employee. Delegation must be sent in writing to the P-Card Administrator.
2. Ensure the employee who will serve as a Cardholder Activity Reconciler for a P-Card applicant is able to conduct a meaningful review of the applicant's P-Card activity. (A Cardholder Activity Reconciler may not be able to conduct a meaningful review if the Reconciler is responsible for review of P-Card activity for too many Cardholders.)
3. Sign the *Cardholder Activity Statement Certification Form* for each Cardholder each Billing Cycle. Signature confirms appropriateness, accuracy and compliance on behalf of the cardholder, coder, approver and cardholder activity reconciler.
4. Ensure the *Cardholder Activity Statement Certification Form* for each Cardholder every Billing Cycle is forwarded to the Agency P-Card Administrator no later than the tenth (10th) of the month so the bill may be processed timely for payment.
5. Ensure the P-Card is used in compliance with the South Carolina Consolidated Procurement Code, State P-Card procedures, applicable procedures of the Agency and Division/Office for which the Cardholder is authorized to make P-Card purchases. See **Standards of Conduct and Failure to Comply with Law or Procedures** on page 12.

Cardholder Activity Reconciler Responsibilities:

1. Maintain knowledge of State and the Administration's procedures on use of the P-Card.
2. Successfully complete Level I training.
3. Successfully complete Level II training if serving as a Reconciler for a Cardholder with Level II authority. Level II training permits purchases requiring simple quotes for items/services without statements of work for purchases exceeding the "no compete" threshold of up to \$2,500.
4. Review and reconcile the Cardholder Activity Statement by checking it against receipts and/or invoices.
5. Ensure all p-card transactions are for legitimate, official State business expenses; are in compliance with applicable procurement laws, and procedures; and are supported by correct documentation (receipts/invoices).
6. Ensure purchases over \$2,500 but under \$10,000 have at least three (3) quotes and a copy of the quotes is maintained by the Division/Office.
7. Confirm that a receipt, confirmation or printed order form (if purchasing through the Internet) exists for all purchases and maintain all card receipts for a minimum period of four (4) years from the statement date on which the transaction(s) appear.
8. Confirm items listed on receipts are for legitimate business purposes and do not include prohibited items such as gift cards, promotional gift cards and cash refunds. Cardholders, supervisors and approving officials who fail to comply may be subject to suspension or termination of card privileges or other disciplinary action up to and including termination of employment and criminal prosecution.
9. Confirm that any approvals required for a specific transaction, such as items exceeding the established STL or items being shipped to an employee's home, have been obtained prior to purchase.
10. A Cardholder Activity Reconciler verifies Cardholders' activity statements for payment to the extent the P-Card activity is determined to be appropriate and reports misuse and disputed charges as provided in these procedures.

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11. A Cardholder Activity Reconciler must ensure the P-Card is used in compliance with the South Carolina Consolidated Procurement Code, State P-Card procedures, applicable procedures of the Agency and Division/Office for which the Cardholder is authorized to make P-Card purchases. See [Standards of Conduct and Failure to Comply with Law or Procedures](#) on page 13.
12. If the Cardholder Activity Reconciler is not the Supervisor/Approving Official, he/she must sign the original Cardholder Activity Statement to certify that (a) all purchases reported on a monthly statement of account subject to his or her review were made in compliance with the South Carolina Consolidated Procurement Code; (b) all purchases reported on a monthly statement of account subject to his or her review were made in compliance with the Agency's P-Card procedures, and (c) he or she has reported, immediately upon discovery and in writing, any misuse or fraud related to a P-Card.
13. Cardholders review their statements of account to determine if they accurately report their P-Card activity, but **Cardholders cannot serve as Cardholder Activity Reconciler for their own statement of account.**

Office Liaison Responsibilities:

1. Maintain knowledge of State and the Administration's procedures on use of the P-Card.
2. Successfully complete Level I training.
3. Successfully complete Level II training if serving as a Liaison to any Cardholder with Level II authority.
4. Submit applications for new Cardholders as appropriate to job functions.
5. Assign default accounting codes to each card in consultation with appropriate personnel of the Division/Office.
6. Request cancellation of a P-Card through the Agency P-Card Administrator, Jennifer V. Abney at (803) 737-1580 or jennifer.abney@admin.sc.gov.
7. Immediately notify the Agency P-Card Administrator of lost or stolen card(s). This is also a cardholder responsibility.
8. Notify the Agency P-Card Administrator when a Cardholder resigns, transfers, is terminated from employment or no longer requires a card to perform essential job functions.
9. Collect cancelled cards from Cardholders and forward to the Agency P-Card Administrator.
10. Serve as the resource for Supervisors and Cardholders to determine if sufficient funds are available for a purchase.
11. Assist Cardholders, as needed, to resolve any charges with Cardholder disputes. When disputes cannot be resolved with the vendors or the Bank, the Office Liaison must inform the Agency P-Card Administrator.
12. Follow-up on disputed charges until resolved adequately.
13. Ensure all documentation required by the State and the Department of Administration P-Card procedures are maintained in accordance with the [Security and Storage](#) section (pg. 17) of this document. Minimum documentation requirements are:
 - a. Monthly Cardholder Activity Statement;
 - b. Itemized receipts or invoices; if receipt has been lost and a duplicate cannot be obtained, the Agency P-Card Administrator may allow use of a [Lost Receipt Affidavit](#). A single Cardholder may use the form no more than three times in one fiscal year. Attempted use of the affidavit more than three times in one fiscal year will result in suspension of card privileges at a minimum.
14. Ensure all P-Card records are securely stored with access limited to appropriate personnel only.
15. If the Cardholder and the Office Liaison are the same person, the Cardholder may contact the Agency P-Card Administrator for assistance with disputed charges, lost receipts, lost or stolen P-Cards and terminating employment.
16. The Office Liaison must ensure the P-Card is used in compliance with the South Carolina Consolidated Procurement Code, State P-Card procedures, applicable procedures of the Agency and Division/Office for which the Cardholder is authorized to make P-Card purchases. See [Standards of Conduct and Failure to Comply with Law or Procedures](#) on page 13.

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Division/Office Director Responsibilities:

1. Evaluate the business need for issuance of a P-Card to an employee.
2. Ensure spending limits requested for P-Cards relate to and do not exceed the business need for the card.
3. Approve requests for P-Cards when the card is justified by business need.
4. Approve requests to increase spending limits for a Cardholder only when and to the extent the increase is justified by business need.
5. Recommend to the Agency P-Card Administrator an employee(s) to serve as Office Liaisons for the Division/Office.
6. Ensure the Division/Office's P-Card program is established and maintained so as to comply with applicable law, procedures and include controls to prevent, detect and report misuse of the P-Card.
7. Ensure the P-Card is used in compliance with the South Carolina Consolidated Procurement Code, State P-Card procedures, applicable procedures of the Agency and Division/Office for which the Cardholder is authorized to make P-Card purchases. See [Standards of Conduct and Failure to Comply with Law or Procedures](#) on page 13.

Agency P-Card Administrator Responsibilities:

1. The Agency P-Card Administrator for the Department of Administration coordinates the P-Card program for the Agency and acts as liaison with the Bank, Materials Management Office and the Office of the Comptroller General.
2. The Executive Director of the Department of Administration designates the Agency's P-Card Administrator and alternate(s). This designation must be communicated in writing to the P-Card Coordinators of the Materials Management Office and the Office of the Comptroller General as required.
3. The Agency P-Card Administrator is responsible for ensuring the Agency's procedures remain in compliance with the South Carolina Consolidated Procurement Code, guidelines of the Office of the Comptroller General's Office and State procedures.
4. The Agency P-Card Administrator must review the Agency's P-Card procedures at least annually to ensure compliance with the South Carolina Consolidated Procurement Code, procedures and guidelines of the Office of the Comptroller General's Office and State procedures. Written notice of any changes will be sent to all Administration Offices. A copy will also be published on the IO website. The P-Card Administrator will complete an Annual Policy Review Statement to document the review and any changes. This form will be kept on file in Office of Administrative Services - Procurement.
5. The Agency P-Card Administrator sets card limits and per transaction limits on cards.
6. The Agency P-Card Administrator monitors individual card activity and at least annually to evaluate and modify credit limits where appropriate. P-Cards with no activity for a period of six months may be cancelled, except in situations where cardholders serve as emergency procurement backup in the case of natural disasters for example.
7. The Agency P-Card Administrator is responsible for maintaining a list of the designated Office Liaisons, Cardholders, their assigned Cardholder Activity Reconciler, Works™ Coder and Approver in each Division/Office where the P-Card is used.
8. The Agency P-Card Administrator must maintain a current record of Cardholders to include card activation, card deactivation, card profile deletion and card destruction dates.
9. The Agency P-Card Administrator will run quarterly reports to monitor the cards by employee, card credit and single transaction limits, card usage and role assignments. Records will be maintained on file for minimum of 4 years.
10. The Agency P-Card Administrator reviews the Agency's monthly activity for unapproved transactions, flagged transactions, weekend and holiday purchases, disputed transactions, card declines, purchases of assets, transactions involving purchase orders and the appearance of unallowable items or split transactions.
11. The Agency P-Card Administrator collects monthly certifications for every P-card with activity during the Billing Cycle.

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12. The Agency P-Card Administrator prepares the invoice/receipt for payment and submits to the Office of Administrative Services – Finance for processing. An invoice payment is prepared and processed so that payment will reach Bank of America by the 20th calendar day of each month.
13. The Agency P-Card Administrator distributes replacement cards for those that are expiring at least two (2) weeks before the end of the month of expiration.

Works™ Coder Responsibilities:

Code all transactions in Works™ no later than the tenth (10th) of the month to the appropriate budget and expenditure categories, including use tax (if applicable). For offices where cardholders do not have access to a computer or knowledge of cost assignment information, the Division/Office Director may delegate this responsibility to another employee as appropriate.

Works™ Approver Responsibilities:

Review and approve all transactions in Works™ no later than the tenth (10th) of the month for the appropriate budget and expenditure categories, including use tax (if applicable). WORKS™ approvers may be finance/ business managers, P-Card Office Liaisons, or Division/Office Directors but under no circumstances may a Cardholder who is a WORKS approver, approve their own purchases. Works Approvers are only responsible for approving accounting data. The Works Approver is not responsible for ensuring that purchases are accurate, authorized, or in compliance with the Procurement Code, State P-Card procedures, or Agency P-Card procedures. Therefore, any Works transactions not approved will be completed with an Auto Sign-Off.

Completing a P-Card Transaction:

Cardholders follow these general guidelines when using the P-Card or account number to make a purchase:

1. Determine if the intended supply purchase or utility payment is within spending guidelines.
2. For face-to-face transactions, provide the vendor with your plastic P-Card. For telephone orders, give the vendor your account number and expiration date. The 3-digit VVC may also be required.
3. For Internet orders and payments, obtain a confirmation or authorization code. Print a copy of the order form prior to submission as documentation of the purchase.
4. Obtain an original itemized vendor charge slip, sales receipt, invoice and/or packing slips.
5. Sign and provide all receipts and invoices to your assigned Card Holder Activity Reconciler. Receipts and invoices must itemize what was purchased.
6. If an order is placed by telephone, Internet or fax, provide your Cardholder Activity Reconciler a copy of the order form or written description of the order.
7. When a telephone order is placed for pick-up at a merchant's facility, the Cardholder may designate a staff member to pick up the order. If someone other than the Cardholder picks up the order they should sign as having received the item(s). Their signature is not an approval for the purchase on the P-Card, but for receipt of the product.

Credits/Rebates:

Vendors will issue all credits to the individual purchasing card account for any item they have accepted for return. If a return occurs after close of the current billing cycle, this credit will appear on a subsequent statement. All credits for items returned must be substantiated by a receipt/invoice from the vendor indicating the items returned or a copy of the

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original receipt/invoice with a notation of the items returned. Under no circumstances may a Cardholder accept cash or gift cards in lieu of a credit to the P-Card account.

Rebates for Administration purchases are the property of the Administration and must be directed to the appropriate account.

Erroneous Declines:

There may be certain situations when a vendor receives a message that a P-Card transaction has been declined. If the card is declined, the Cardholder may contact their designated Office Liaison, the Agency P-Card Administrator Jennifer V. Abney at (803) 737-1580 or procurement@admin.sc.gov, or Bank of America at (800) 449-2273 for an explanation. If the purchase is made outside of normal agency business hours, the Cardholder must find an alternate payment method or terminate the purchase and contact the Agency P-Card Administrator during normal business hours.

Disputes and Billing Errors:

Any billing discrepancies or disputed charges must be reported by the Cardholder to the Bank immediately. These discrepancies or disputed charges must also be communicated to the Office Liaison and his or her Cardholder Activity Reconciler. Any discrepancies or disputed charges not cleared by the Bank must be reported to the Agency P-Card Administrator for follow up and final resolution.

The Cardholder should always attempt to resolve any disputes or billing errors directly with the Vendor. In most cases, the Vendor will issue a credit to the card account. If an agreement cannot be reached with the Vendor, the Cardholder should contact Bank of America at (888) 449-2273. Bank of America may request the Cardholder mail or fax a signed Dispute Form to (888) 678-6046 to document the reason for the dispute. Also, a copy of the completed dispute form must be forwarded to the Agency P-Card Administrator and retained in the Cardholder's file.

Nearly all issues can be resolved using this process. If the Cardholder is unable to obtain an acceptable resolution, the Cardholder or Office Liaison must contact the Agency P-Card Administrator for assistance. The total amount of the disputed charge will appear on the Cardholder Activity Statement for the specific billing cycle in which the purchase was posted. Once the dispute is resolved a credit will be issued by Bank of America and will appear on the current or a subsequent billing statement.

Standards of Conduct and Failure to Comply with Law or Procedures:

Cardholders, Office Liaisons, Works[™] Coders and Works[™] Approvers, Cardholder Activity Reconcilers, Supervisors/Approving Officials, and Office/Division Directors must ensure the P-Card is used in compliance with the South Carolina Consolidated Procurement Code, State P-Card procedures, applicable procedures of the Agency and Division/Office for which the Cardholder is authorized to make P-Card purchases. Cardholders and those approving their purchases who knowingly, or through willful neglect, fail to comply may be subject to suspension or termination of card privileges or other disciplinary action up to and including termination of employment and criminal prosecution. All violations including type of misuse, amount of funds involved and disciplinary action enforced shall be reported to the Comptroller General's Office for inclusion in its charge card transparency website.

Any of the following reasons, among others, would also subject a Cardholder to disciplinary action in accordance with Administration procedures:

1. The P-Card is used for personal or unauthorized purposes.

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2. The P-Card is used to purchase alcoholic beverages or any substance, material or service which violates applicable policy, law or regulation pertaining to the Administration.
3. The Cardholder does not adhere to P-Card procedures.
4. The Cardholder allows the card to be used by another individual.
5. The Cardholder divides a purchase to circumvent the competitive process required by the South Carolina Consolidated Procurement Code or the dollar limit of his or her card.
6. The Cardholder uses another's P-Card or allows his or her P-Card to be used to divide a procurement so as to reduce its value and circumvent the dollar limitations of his or her card or the competitive processes required by the South Carolina Consolidated Procurement Code.
7. The Cardholder fails to provide information about any purchase when requested by the Office Liaison, Division/Office Director or Agency P-Card Administrator.
8. The Cardholder fails to provide information regarding any purchase.
9. The Cardholder fails to maintain the card or account information in a secure manner.

Statement of Activity Certification Guidelines:

Supervisor/Approving Officials or designated Cardholder Activity Reconcilers must adequately review the Cardholder Activity Statement for each Cardholder assigned to them so that they may certify in writing that each purchase listed on the statement was made in compliance with the South Carolina Consolidated Procurement Code, State P-Card procedures and the Agency procedures contained in this chapter. **After such review, a Cardholder Activity Statement Certification must be signed by the Supervisor/Approving Official for each Cardholder each billing cycle and forwarded to the Agency P-Card Administrator no later than the tenth of each month for which payment is due to Bank.** If a Cardholder Activity Reconciler cannot certify a purchase (or purchases) as compliant with the aforementioned law and procedures, the Cardholder Activity Reconciler must identify the non-compliant purchases on the Cardholder Activity Statement and in the designated place on the Certification Form. The certification must then be signed to certify the remainder of the purchases. Similarly, if any charges on the Statement of Activity remain in dispute, the Cardholder Activity Reconciler must identify them on the Cardholder Activity Statement and Certification Form.

Sales and Use Tax:

Vendors are responsible for collecting retail sales tax at the point of sale. The amount of sales tax should be indicated on the receipt provided by the vendor. If sales tax is paid in another state, no tax will be due to the SC Department of Revenue. The individual receipt provided by the vendor must indicate whether any out-of-state sales tax has been collected at the point of sale. Should no tax be charged then the Works™ Coder or Approver must note that no sales tax was charged by the vendor and where applicable enter the appropriate code in the use tax field in Bank of America's P-Card application (Works™). The Office of Administrative Services will file the appropriate Sales and Use Tax documents with the SC Department of Revenue.

Card Issuance or Replacement Process and Responsibilities:

The Agency P-Card Administrator receives requests from Office Liaisons for issuance and/or replacement of cards. Upon review of forms for accuracy, completeness and appropriate authorized signatures, and receipt of the appropriate training certifications, the Agency P-Card Administrator requests a card for new Cardholders. The card must be issued to the individual in the individual's name. If the request is for a replacement card, the Agency P-Card Administrator cancels the original card as appropriate and requests a new card. When the new card is received, the Agency P-Card Administrator updates the appropriate files, adds the default coding information and delivers the card to the appropriate Office Liaison.

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Requests for a P-Card must identify the Supervisor/Approving Official and Office Liaison to whom the Cardholder will be assigned. If delegating a Cardholder Activity Reconciler, the Supervisor/Approving Official must determine that the person identified as the Cardholder Activity Reconciler is able to adequately and meaningfully fulfill the responsibilities of a Cardholder Activity Reconciler. This determination must be based upon a review of:

1. The total number of Cardholders assigned to the Cardholder Activity Reconciler.
2. The Cardholder Activity Reconciler's understanding of the Cardholder applicant's job.
3. The volume and complexity of all P-Card activity the Cardholder Activity Reconciler must review and approve.
4. The Cardholder Activity Reconciler's opportunity to conduct a meaningful review of the Cardholder's purchases.
5. The Cardholder Activity Reconciler's understanding of applicable purchasing laws, procedures.

Card Cancellation:

1. Upon receipt of request from the Division/Office Director or Office Liaison, the Agency P-Card Administrator will cancel a P-Card. If the card is available (not lost), the card must be returned to the Agency P-Card Administrator, who must destroy the card. The Agency P-Card Administrator must deactivate the card in the Works™ system as soon as practicable.
2. Cards will also be deactivated by the Agency P-Card Administrator when analysis shows inactivity for six months. The exception to this rule is cards reserved for emergency procurement situations such as a natural disaster. Office Liaisons will be notified in advance of the card(s) to be deactivated for this reason.
3. P-Cards will be cancelled when:
 - a. A Cardholder moves to a new job or Division/Office.
 - b. A Cardholder's employment is terminated with the Agency.
 - c. The P-Card is misused.
 - d. A monthly certification of activity is not received.

Spending Limits:

The Agency P-Card Administrator establishes spending limits for each Cardholder based upon the P-Card Request Form. The limits are designed to accomplish the needs of the Agency without exposing the State or the Agency to unnecessary risk. Spending limits will be based on job responsibilities of the Cardholder and will be reviewed annually by the Agency P-Card Administrator to determine if actual usage is consistent with spending limits.

The different types of spending limits are:

1. Cycle (Credit) Limit – cycle limit is a mandatory spending limit that restricts the amount of purchases a Cardholder can make during one Billing Cycle.
2. Single Transaction Limit (STL) – the STL is a mandatory spending limit imposed on each Cardholder account limiting the dollar value of a single transaction. Note: all STL requests exceeding \$2500.00 must have prior written approval from John White with the Procurement Services Division of SFAA. All requests for approval must be routed through the P-Card Administrator.
3. Number of Transactions per Day (Optional) – management may choose to impose a maximum number of transactions per day on a Cardholder account.

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Internal Controls/Audit:

The Agency P-Card Administrator must ensure that at least one of the persons reviewing and approving a Cardholder's purchases is not the Cardholder. This separation of duties will aid in ensuring the independence of the Supervisor/Approving Official. This also increases the opportunity to detect and prevent misuse or fraudulent use of the P-Card. No Cardholder can provide the only approval for payment of his or her transactions, the Cardholder Activity Statement or of the Company Statement. The Cardholder cannot be the Supervisor/Approving Official. Supervisors/Approving Officials also cannot delegate their review and approval responsibilities to the Cardholder but designate a Cardholder Activity Reconciler provided that individual is not the Cardholder. Delegation may not include signing and submission of the Cardholder Activity Certification Form.

All P-Cards and card activity are subject to audit by Internal Audit Services and the Audit and Certification section of the Materials Management Office. Internal Audit Services is required to include a P-Card audit in its annual written work plan. Audits will address:

1. Adequacy of internal procedures
2. Appropriateness of Cardholder spending limits
3. Adequacy of review, reconciliation and payment procedures
4. Adequacy of documentation for transactions
5. Compliance with the South Carolina Consolidated Procurement Code and State and Agency procedures

Documents that support P-Card purchases must be maintained by the Administration Division/Office for future audit purposes in accordance with the Security and Storage section of this document.

Emergency Transactions:

During the time of an emergency such as a natural disaster, the Agency P-Card Administrator may request that either the Office of the Comptroller General temporarily un-block certain MCCs, the Materials Management Office temporarily raise the transaction limits for specific cards, or both. When possible, requests must be made in writing through the Agency P-Card Administrator to the Office of the Comptroller General and/or the Materials Management Office. Critical emergencies may necessitate direct requests to the Office of the Comptroller General. Ronnie Head can be reached at (803) 734-2347 or rhead@cg.sc.gov.

Emergency transactions over \$2,500 may be handled with the P-Card as long as prior approval is obtained, internal office procedures and the South Carolina Consolidated Procurement Code are followed and an Emergency Justification and Authorization Form is completed and submitted to the Office of Administrative Services. If an emergency situation arises which requires the temporary increase of the STL above \$2500, prior written approval must be obtained from John White with the Procurement Services Division of SFAA at (803) 737-0768 or jwhite@mmo.sc.gov.

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Security and Storage:

Cardholders must always treat the purchasing card with at least the level of care a reasonably prudent person would exercise with his or her own personal credit cards. The card must be in a secure location and the account number must be carefully guarded. The only person entitled to use the card is the person whose name appears on the face of the card. The card or its account information must not be shared with another person for any reason.

Cardholder Activity Statements, vendor receipts/packing slips/charge slips and quotes concerning the P-Card program must be maintained in a secure location within the Division/Office for four (4) fiscal years. The fiscal year of the statement date on which the transaction appears will be considered year one (1) of the four (4). Records cannot be destroyed without proper authorization from the Office of Administrative Services and the Department of Administration's Records Officer.

Reporting Suspected Fraud, Misuse or Abuse:

Anyone suspecting a P-Card is being misused or fraudulently used should immediately contact the Agency P-Card Administrator, Jennifer V. Abney at (803) 737-1580, or procurement@admin.sc.gov. Or, contact the Office of the Inspector General at (803) 896-4729 or (855) 723-7283.

Cardholder Activity Reconcilers and Office Liaisons suspecting fraud or abuse must contact the Agency P-Card Administrator as soon as practicable. Upon determination or discovery that fraud or misuse exists, the Agency P-Card Administrator must notify the Purchasing Card Liaison of the Materials Management Office and the Comptroller's General's Office in writing within two business days.

Customer Service:

Bank of America Customer Service is available 24 hours a day at (888) 449-2273 for:

1. reporting a lost or stolen card
2. disputes or billing errors
3. account information

For all other questions or issues, please contact the Agency P-Card Administrator, Jennifer V. Abney at (803) 737-1580 or procurement@admin.sc.gov.