

PURCHASE CARD USE

- Policy Number:** BP # 103
- Effective Date:** Approved by the **Eastern Washington State Historical Society (EWSHS)** Board of Trustees on November 4, 2015
- Application:** Applies to all EWSHS employees who need to use a state purchase card for official state business.
- History:** This Policy replaces policy HR # 213.
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Article I PURPOSE

This Policy is being adopted consistent with the EWSHS's obligation to adopt policies and procedures in accordance with the Washington State Administrative and Accounting (SAAM) Manual: Policy 45.10-Purchase Card Programs and EWSHS's specific obligations pursuant to Policy §45.10.60a.

EWSHS uses purchase cards, travel cards and a "rental car" card (a "ghost card" held by the State of Washington for the state rental car contract). These cards may be collectively referred to for the purposes of this policy as purchase cards. Purchase cards are not intended to be considered a procurement approach, or to be used to avoid or bypass purchasing policies. Purchase cards are to be used within the same statutes, rules, policies, and procedures as purchases by any other means of payment.

Article II RESPONSIBILITIES FOR ADMINISTRATION AND COMPLIANCE

- A. Purchase Card Program Administrator:** EWSHS delegates authority for the agency Purchase Card Program Administrator to the Chief Financial Officer. The Program Administrator is the person responsible for ensuring compliance with the following procedures and internal control requirements:
1. Managing and providing oversight of the purchase cards used within the agency. EWSHS utilizes two types of Purchase Cards: cards issued in the name of the EWSHS; and a rental car card held by State of Washington for the state rental car contract.
 2. Enforcing EWSHS policies and procedures for using the purchase cards.
 3. Ensuring EWSHS policies and procedures related to purchase cards, including disciplinary procedures for unauthorized use; card renewal procedures, procedures related to compliance with Washington State Ethics Law, Chapter 42.56 RCW are reviewed and updated.
 4. Ensuring that a card user agreement form has been signed by both the card user and appropriate approving official before use of the card, and maintaining copies of the signed agreements in the agency's files.
 5. Ensuring card users are advised of spending limits on cards. Maintaining a list of current card custodians and designated card users that are authorized to use cards.
 6. Ordering or obtaining cards from the issuing bank and distributing new and reissued cards to card custodians.
 7. Providing training to approving officials, card custodians, and designated card users in the management, security, and use of the card.

8. Reviewing the agency purchase card program at least annually to ensure that proper procedures are being followed.
9. Ensuring card users satisfy documentation requirements for purchases.
10. Ensuring the reporting of stolen or missing cards.
11. Closing card accounts, as necessary and collecting cards upon employee reassignment or termination and destroying cards upon expiration.

B. Approving Official: EWSHS designates the Chief Financial Officer as the agency's Approving Official. The Approving Official is responsible for ensuring compliance with the following procedures and internal control requirements:

1. Complying with all state, agency, and purchasing statutes, rules, policies, and procedures;
2. Establishing authorization controls for each card which includes limits on the types of purchases, dollar limit per transaction and billing cycle purchase limit. However, in no circumstance shall the spending limit on purchase cards exceed \$3,500 or an aggregate total without prior Board approval. The spending limit on the rental car cards shall not exceed a \$5,000 spending limit absent Board approval.
3. Maintaining procedures for maintaining security of the purchase cards.
4. Monitoring, reviewing, and approving card transactions to ensure compliance with purchase card policies and procedures.
5. Timely reconciliation of card statement and reconciliation of purchases made during the billing cycle by matching the purchase card statement to the purchase card transaction log and the documentation obtained from the merchant on purchases.
6. The approving official will review, sign, and date the reconciliation within 10 business days of the statement date. Disputed transactions should be reported to the bank within 60 days of the statement cycle date. Once all items have been reconciled, the approving official gives bank statement with all documentation to Program Administrator for review and payment will be made to issuing bank.
7. Ensuring the reporting of stolen or missing cards.

C. Fiscal Staff: EWSHS fiscal staff members are responsible for compliance with the following procedures and internal control requirements:

1. Receiving approved card statements and reconciling with the corresponding monthly invoices.
2. Reconciling purchase card transactions against approved expenditures and ensuring that all purchase card transactions have been recorded and coded.
3. Ensuring timely payment of card program invoices.
4. Ensuring receipt of goods or services prior to payment of the purchase card bill, as applicable.
5. Ensuring that any disputes with the merchant are resolved, and arranging for credits, etc.
6. Ensuring the reporting of stolen or missing cards.

D. Card Custodian: The Fiscal Analyst will serve as the Card Custodian. The Chief Financial Officer and Confidential Secretary shall serve as backups. The Card custodian is responsible for compliance with the following procedures and internal control requirements:

1. Complying with all state, agency, and purchasing statutes, rules, policies, and procedures.
2. Ensuring designated card users complete State Small Purchases training.
3. Maintaining a current list of designated card users who are authorized to use the

- purchase card.
4. Insuring designated card users receive training on the use of the card.
 5. Ensuring card users are advised of card spending limits.
 6. Maintaining a card log for designated card users to check out and check in a purchase card for use and record the business purpose for each use of the card.
 7. Tracking and verifying designated card user transactions.
 8. Ensuring that designated card users obtain and submit valid supporting documentation for each purchase made.
 9. Maintaining a purchase card transaction log for all transactions made according to agency procedures.
 10. Safeguarding card security at all times. The card shall be kept in a secured (locked) location while not in use. The only people authorized to use the department card are the card custodian and/or the designated card user(s).
 11. Reporting lost or stolen cards immediately following agency procedures.

E. Purchase Card Users Cards: Department card users are responsible for the following procedures and internal control requirements:

1. Specific EWSHS personnel will be designated as “card users.” Designated card users will complete Washington State Small Purchase training, prior to a purchase card being issued and used.
2. Card users will use the purchase card in accordance with all state and agency statutes, rules, policies, and procedures.
3. Card users will comply with the Washington State Executive Ethics Act, chapter
4. 42.56 RCW including but not limited to the following: card users will not participate in any business or other transactions in which they may have an interest, financial or otherwise, directly or indirectly that is in conflict with the proper discharge of the card users official duties on behalf of EWSHS. Card users will refrain from using their authority to use the purchase card in any manner which provides them with a special privilege or exemption for themselves, or their spouse, child, parents, or other persons. Card users will not use the purchase card for any private benefit or gain to themselves or another.
5. Card users will safeguard the security of the card at all times. Card users will check out and check in the card on a department card log immediately before and after use and describe the business purpose for each purchase and report lost or stolen cards immediately to the Agency Program Administrator and Approving Official.
6. Card users shall obtain prior approval of the Purchase Cards in advance from the Supervisor / Budget Manager. Card users shall obtain and submit valid approval and supporting documentation to Fiscal Staff for each purchase made.

Article III

Handling Conflicts and/or Appearance of Conflicts:

Key duties and responsibilities for purchase cards have been assigned in a manner that ensures a proper separation of duties. Generally, the EWSHS Fiscal Analyst will serve as the Approving Official and the Chief Financial Officer will serve as the Agency Program Director. However, for transactions involving the Fiscal Analyst the Purchase Card Program Administrator/Senior Fiscal Analyst will serve as the Approving Official. For transactions involving the Agency Program Director/Senior Fiscal Analyst the Executive Director or his/her designee will serve as the Approving Official. For transactions involving the Executive Director, the Board President or designee will serve as the Approving Official.

**Article IV
Card Usage**

- A. Acceptable Uses of the Purchase Card:** Acceptable uses of the purchase card include:
1. Goods and services for official state purposes purchased in person, by mail, by phone, or over the internet.
 2. Purchases complying with all applicable state statutes, rules, policies, and procedures.
 3. Purchases within spending and other limits established on the card, as established by the agency within the pre-determined agency aggregate limit.
 4. Purchases between Washington State agencies, but only when:
 - a. The paying and/or receiving account is a local account (not a treasury, treasury trust, petty cash account); and,
 - b. The receiving agency agrees to accept the inter-agency purchase card payments. Receiving agencies have the right to refuse acceptance of purchase card payments from other state agencies.
- B. Unacceptable Uses of the Purchase Card:** Unacceptable uses of the purchase card include, but are not limited to:
1. Cash advances.
 2. Purchases in excess of the limits authorized for the card.
 3. Gifts/donations.
 4. Splitting purchases to circumvent the daily or monthly purchase limits on a card, or to avoid competitive bidding limits or purchasing authority limits.
 5. Purchases between internal departments within an agency, unless prior written approval is received from the Office of Financial Management (OFM).
 6. Prepayments unless otherwise authorized by statute or rule.
 7. Purchases from any merchant, product, or service normally considered to be inappropriate use of state funds, including, but not limited to:
 - a. Items for personal use.
 - b. Materials or services from any member of the card user's immediate family.
 - c. Equipment, materials, services, or supplies restricted by state statutes, rules, policies, procedures, guidelines or contractual agreements.
 - d. Alcoholic beverages or liquor licenses, unless permitted by statute or rule.

**Article V
Consequences of Policy Violations**

Violation of this policy constitutes misconduct. Any employee who is found to have violated this policy may be counseled by management and, as with any policy violation, may be subject to disciplinary action up to and including dismissal. Additionally card users who improperly use a purchase card may be subject to criminal prosecution and penalties to the full extent provided by law.

References that apply to this policy

SAAM Manual: Policy 45.10	RCW 39.26 Procurement of Goods and Services
SAAM Manual: Policy 45.20	RCW 42.56 Ethics in Public Service
SAAM Manual: Policy 85-32-30a	

**Washington State Purchasing Card Program
Review of Policies & Procedures**

Card User Printed Name	Signature	Date
Supervisor Printed Name	Signature	Date

By signing this document I acknowledge that I understand and agree to comply with the requirements as outlined.

Card User Requirements and Expectations

- Purchasing Card is to be used for official state business only.
- Purchasing Card is an alternative method for payment of goods and services.
- Purchasing Rules and Regulations will be followed. Including but not limited to:
 - RCW 39.26
 - EWSHS Policies
 - SAAM-State Administrative & Accounting Manual. SAAM 45.10; SAAM 85-32-30a “At a minimum, payment processing documentation should include evidence of authorization for purchase, receipt of goods or services, and approval for payment.”
- Transactions will be reviewed and coded on line in payment net weekly.
- Proper documentation will be attached to monthly statement and submitted to Supervisor (or designee) by the last day of the month.
 - If product/services and backup documentation has not been received by month end, transaction will be reviewed and coded to verify posted transaction is valid and initiated by cardholder.
 - Statement transaction is to be marked to identify follow-up action is required to finalize.
 - Follow-up will be a coordinated effort between cardholder and financial office.

Supervisor (or designee) Requirements and Expectations

- If card user is submitting statements directly to finance, supervisor is responsible to ensure it is sent by month end.
- Ensure card users are appropriately trained.
- Ensure card users remain in compliance with requirements and expectations.

The card will not be used:

- to obtain cash advances
- for purchases in excess of the limits authorized for the card
- for gifts/donations
- for splitting purchases to circumvent the daily or monthly purchase limits on a card, or to avoid competitive bidding limits or purchasing authority limits
- for payment to another State Agency
- for prepayments unless authorized by statute or rule
- for purchases from any merchant, product or service normally considered to be inappropriate use of state funds, including, but not limited to:
 - Items for personal use.
 - Materials or services from any member of the card user's immediate family.
 - Equipment, materials, services, or supplies restricted by state statutes, rules, policies, procedures, guidelines or contractual agreements.
 - Alcoholic beverages or liquor licenses, unless permitted by statute or rule.