



**WEST VIRGINIA DIVISION OF ADMINISTRATIVE SERVICES
AGENCY POLICY STATEMENT**

**SUBJECT: PURCHASING CARD PROCEDURES AND
INTERNAL CONTROLS**

INDEX NUMBER: 303.00

EFFECTIVE DATE: SEPTEMBER 5, 2023

PURPOSE: To establish the internal controls related to the purchasing card procedures for the Division of Administrative Services (DAS). This document is to be used in conjunction with the State Auditor's [Purchasing Card Policies and Procedures Manual](#) and the provisions set forth by Legislative Rule Title 155 Series 7.

REFERENCE: West Virginia Code §15A-2-1 et seq.

RESPONSIBILITY: The Assistant Director – Purchasing Section is responsible for overseeing the development and enactment of Staff Notices and Job Guides to ensure compliance with this and other Policy Statements.

CANCELLATION: Any previous written instruction on the subject including DAS Index Number 303.00 dated March 7, 2023.

APPLICABILITY: All employees engaged in P-Card activities. This Policy Statement is available for general distribution and is not exempt from Freedom of Information Act requests.

DEFINITIONS: None.

POLICY:

I. The purchasing card (P-Card) is utilized to provide an efficient, cost-effective alternative to purchase goods and services up to specified amounts for official business. The P-Card is a payment method. It does not supersede any purchasing processes. An Agency Purchase Order (APO) should be completed in wvOASIS for any non-contract purchase, pursuant to applicable purchasing rules, and an Agency Delivery Order (ADO) must be completed for any contract purchase.

II. General Oversight and Monitoring

The Assistant Director – DAS Purchasing Section shall designate multiple Purchasing Card Coordinators to be responsible for the administration and oversight of the P-Card program. The P-Card Coordinators' duties shall include the following:

A. P-Card Coordinators shall be knowledgeable of P-Card policies and procedures and applicable purchasing laws and guidelines.

- B. P-Card Coordinators must receive training, education, and certification designed and approved by the State Auditor's Office (SAO) P-Card Division within thirty (30) days of assuming the duties of the position. Designated training/education will be required annually thereafter.
- C. The DAS P-Card Coordinators are responsible for the overall administration and auditing of the P-Card program.
- D. Reviewing, on a daily basis, the compliance of the P-Card program with DAS's accounting and internal control procedures and the requirements set forth herein.
- E. Requiring any member of the DAS staff finding an instance of unlawful use, possible fraud, misappropriation, or mismanagement with the P-Card program to report such discovery immediately to the DAS Internal Auditor or designee, and to the Assistant Director – DAS Purchasing Section. In addition to the foregoing reporting requirements, the P-Card Coordinators shall report the incident to the State Auditors' Office within 24 hours.
- F. Establishing individual transaction and credit limits as directed by the Assistant Director – DAS Purchasing Section.
- G. The P-Card Coordinators are responsible for coordinating with DAS Fiscal with regard to funding issues.

III. Separation of Duties

There shall be separation of key duties such as authorizing/purchase requisition (Assistant Director – DAS Purchasing Section), certifying purchasing method (DAS Purchasing), certifying availability of funds (DAS Fiscal), initiating wvOASIS purchasing request (DAS Purchasing), placing order (DAS Purchasing), receiving (DAS Assets), and transaction review/approvals (DAS P-Card Coordinators).

IV. Cost Benefit

Some entities charge a processing fee for credit card transactions. Cost will be evaluated to determine whether it is more advantageous to use the purchasing card or pay with a check. Generally, if the processing fee for the credit card is more than \$75.00 or a maximum of 4% of the total transaction, the transaction should be paid by a method other than P-Card. If purchase is made using an alternative method, the extended description section of the wvOASIS payment document shall contain a note explaining why the purchasing card was not used.

V. Physical Control of Records

Supporting documentation for each transaction shall be collected and maintained by the P-Card holder (Cardholder). The Cardholder will upload the supporting documentation to

the wvOASIS transaction and reconcile each transaction. The wvOASIS P-Card transactions are to be reconciled daily or as they occur.

P-Card purchase records and individual files for each Cardholder are maintained by the Cardholder and are stored in a secure location to which only authorized individuals have access. The Cardholder maintenance files are maintained by the P-Card Coordinators and are also stored in a secure location to which only authorized individuals have access.

VI. Purchasing Card Procurement Process

DAS P-Card internal controls and procedures do not supersede State Purchasing Policies & Procedures but are to provide guidelines to the Cardholder to ensure proper use of the card is followed. THE P CARD IS ONLY A "PAYMENT METHOD" FOR GOODS AND SERVICES RECEIVED. Any question concerning purchasing rules, policies, or procedures should be referred to the Assistant Director – DAS Purchasing Section.

PURCHASING CARD USE

- A. Plan for and identify purchase need. Lack of planning does not constitute an emergency.
- B. Secure approval from authorized DAS manager/supervisor and the Assistant Director – DAS Purchasing Section via a signed Purchase Requestion.
- C. When obtaining quotes, always ask vendor if there is a transaction fee.
- D. The Purchase Requestion will be routed to the DAS Purchasing Manager. The DAS Purchasing Manager and the members of the DAS Purchasing Section review the Purchase Requestion to determine the appropriate procurement processing method. This ensures that the DAS Purchasing Section has vetted the process to ensure all proper procedures have been followed before placing an order.
- E. After verifying funding is available, the DAS Purchasing Section will prepare the ADO/APO, etc., if required. Upon approval of the ADO/APO, the DAS Purchasing Section can proceed with the purchase.
- F. Place order with the vendor. (Cardholder account numbers *are not* to be transmitted via unsecured Inter/Intranet)
 - o Exchange credit card information with the vendor;
 - o Provide the agency's tax-exempt number to the vendor. (provide an Exemption Certificate upon vendor request) (Note: Agency is only exempt from WV State Sales Tax)
 - o For shipped orders obtain full delivery information;
 - o For shipped orders ask for exact shipping cost. (If the exact shipping cost is unavailable make sure the total amount plus shipping does not exceed the Cardholder's transaction limit); and

- Request an itemized sales receipt be sent inside the package or mailed/emailed separately.

G. Receive/Pick-Up Goods

- For shipped orders, DAS Asset Section will inspect goods/materials for quality, quantity and damage;
 - If the Cardholder picks up the item, inspection will be performed before payment.
- The Cardholder then checks the credit card ticket (before signing if a walk-in purchase) and the vendor's sales receipt/counter ticket for accuracy;
- Cardholder retains his or her copy of the credit card ticket and signs and dates the sales receipt/invoice and attaches these documents to the Cardholder's USBank statement. The Cardholder must ensure that the required purchase documentation is kept secure and private.
- For delivery of goods or commodities, the authorized receiver must certify the delivery and complete a **Receiving Report (or signed dated itemized packing slip)** and forward it to the Cardholder, who will attach it to their USBank cardholder statement.
- If, however, the Cardholder receives the goods or commodities purchased, he or she is only required to sign the delivery ticket and attach all receipts and packing slips with their USBank cardholder statement. Once the Cardholder returns to the work location, the merchandise must be verified by an individual other than the Cardholder. The verifying individual must also sign the Receiving Report/Delivery ticket/packing slip, etc.

H. P-Card Reconciliations

- All P-Card transactions are to be reconciled with proper documentation within 3 business days after charges show on accounts. However, those transactions that show on account 1-2 business days from the monthly reconciliation deadlines established by P-Card Coordinators shall be reconciled by the monthly deadline date.
- Supervisors are expected to actively maintain oversight to ensure compliance.

VII. Travel Card Use

- A. DAS Travel Card guidelines are not intended to supersede State Travel Policies & Procedures but are to provide guidelines to the Cardholder to ensure proper use of the card is followed. THE TRAVEL CARD IS ONLY A "PAYMENT METHOD" FOR ALLOWABLE TRAVEL EXPENSES. A signed Travel Authorization Form must accompany the travel request and related charges. The DAS P-Card Coordinators and DAS Cardholders shall refer to the State Travel Policy. Any questions concerning Travel rules should be referred to the DAS Purchasing Manager or Assistant Director – DAS Purchasing Section.

B. Travel Card Charges

- The Travel Card is restricted to authorized charges only: approved business expenses generated while engaged in job related activities away from the regular place of employment and the Cardholder must follow all state travel rules.
- ***The Travel Card is intended for travel use ONLY.*** Travel Card purchases are to be made by *authorized personnel ONLY*. Travel Card holders **ARE NOT** authorized to purchase items and/or services on behalf of the organization or unrelated to their approved travel.
- **Travel Card Approved Use:** Approved business travel expenses include, but are not limited to:
 - registration fee payments
 - airline ticket payments
 - vehicle rental payments
 - gasoline for vehicle rentals
 - other transportation
 - hotel folio payments including business related costs such as phone and internet
- **Travel Card Use Prohibited:** Travel Card expenses ***shall not include:***
 - meals
 - State sales tax, (out-of-state vendors may charge tax)
 - personal expenses
 - cash advances
 - cash or cash-credits
 - gasoline for personal auto
 - alcohol
 - no personal expenses on hotel folios such as room service or movies
 - no unauthorized purchases of non-travel related items
- All Travel Card payments will be reviewed for compliance to Purchasing Rules and Regulations/WV State Travel Rules.

ATTACHMENTS:

#1 Monthly Cardholder Review Process, etc.

APPROVED SIGNATURE: _____


Joseph C. Thornton, Director

9.6.23
Date

DAS Policy Statement 303.00 – ATTACHMENT#1
MONTHLY CARDHOLDER REVIEW PROCESS, ETC.

September 5, 2023

STATEMENTS

- The closing date for charges is **typically around the 15th** of the month. All billings are monthly. Therefore, any charges received by the contract P-Card company (USBank) through the 14th of the month will be on the monthly billing.
- A monthly "Cardholder Statement" (not an invoice) should be accessed by the Cardholder on the US Bank website found at: <https://access.usbank.com/> on the 16th day of the month. It lists each billed charge for the preceding billing cycle.
- The Cardholder will promptly compare his or her monthly purchases to the P-Card "Cardholder Statement" by verifying each transaction of the P-Card "Cardholder Statement" to the P-Cardholder's tickets and sales receipts.
- The Cardholder will determine that all relevant supporting documentation required for each purchase, expenditure, credit, refund, or disputed charge is present, properly completed, and attached to the Cardholder Statement.
- Receipts/invoices supporting purchases and expenditures are to be properly itemized. If an acceptable form of receipt is not available, the Cardholder is to create an itemized list that satisfies receiving report (and itemized receipt requirements).
- The Cardholder will validate or dispute each transaction by logging on to wvOASIS. In wvOASIS, the Cardholder will: enter the reconciliation status (Reconciled or Not Reconciled), upload and attach all required documentation and receipts, reference appropriate ADO/APO and update the receipt date and receiver's name.
- **Cardholders are expected to exercise due diligence and ensure personal charges are never made on the purchasing card.** In the case when a personal charge may **accidentally** be made on the purchasing card, the Cardholder will attempt to get the charge credited or will refund the department for the charge. The Cardholder must download all receipts and documentation for the charge and the credit or refund. Additionally, the Cardholder must self-report the incident to the State Auditor's Office at pcardselfreport@wvsao.gov, and to the DAS P-Card Coordinators.
- P-Card Coordinators will review the transactions and documents of each of their Cardholders on wvOASIS to confirm:
 - That all transactions are known and are "authorized";
 - That required documents such as: invoices, receipts, hotel folios, hospitality forms, and receiving reports are retained and comply with information requirements;
 - That no discrepancies are found.
- If the receipt does not clearly describe the item, the Cardholder must provide that missing information. The Cardholder must write the missing information on the receipt or as an attachment.

CARD/ACCOUNT MAINTENANCE

All Cardholder name changes, address changes, and account cancellations must be completed in coordination with the PCard Coordinators.

LOST/STOLEN CARD REPORTING

The Cardholder, following a thorough search for his or her lost or stolen card, must immediately call the financial institution at 1-800-344-5696, and the P-Card Coordinators to report a lost or stolen card. (Reporting must be done within 24 hours of card loss to ensure limited liability.) The financial institution will issue the Cardholder a new card.

P-CARD ABUSE POLICY

DAS operates at the highest of professional and ethical standards. It is the responsibility of all Cardholders and P-Card Coordinators to abide by the policies and procedures associated with participation in the card program and to supply any information that may be associated with any card misuse or abuse. This office will appropriately and immediately address discovered instances of agency P-Card abuse.

MONTHLY P-CARD COORDINATOR REVIEW

A monthly review will be performed by P-Card Coordinators. The scope of this review will ensure transactions contain appropriate supporting documentation and that ADO/APO are referenced on P-Card transactions.

INTERNAL AUDITS

The DAS Internal Auditor may audit Cardholders on a periodic basis. The findings will be reported to the members of the Internal Audit Committee, Assistant Director – DAS Purchasing Section, DAS Assistant Director - Fiscal Section, and the DAS P-Card Coordinators. Follow-up reviews will be completed to ensure that previous audit findings have been resolved in a timely manner.