

 <p>POLICY</p>	Applicability Department Wide		
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	<h2 style="color: blue;">Purchasing Card Policy</h2>		

Approved by



Allyson Brooks, Director
 State Historic Preservation Officer

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Date

Purpose

The purpose of this policy is to provide an efficient and convenient purchasing option, using authorized purchasing and travel cards to improve the efficiency, flexibility, and convenience related to purchasing goods and services.

Purchase cards provide an alternative procurement method for purchases. They are not intended to be considered a procurement approach, or to be used to avoid or bypass purchasing policies. Rather, purchase cards are to be used within the same statutes, rules, policies, and procedures as purchases by any other means of payment.

Policy

- It is the policy of the Department of Archeology and Historic Preservation (DAHP) that all supervisors and employees shall adhere to applicable laws, regulations, policies, and procedures when making purchases using DAHP purchasing/travel cards.
- The purchasing or travel card has a credit limit of \$10,000 month
 - The DAHP purchasing and travel cards are intended to be used to purchase items for official state business only and when not obtainable from vendors under state contract.
 - All purchases made with the purchasing or travel card must adhere to the applicable laws, rules, regulations, and procedures outlined in DAHP's Purchasing Card Policy.
 - The use of a purchasing or travel card to pay for a purchase does not automatically exempt an agency from the purchasing requirements set by OFM State Administrative & Accounting Manual (SAAM) 45.20 Required Procedures for Purchase Card Programs <https://ofm.wa.gov/sites/default/files/legacy/policysc/45.20sc104.pdf>

- Purchasing requirements such as mandatory use of state contracts that would normally apply are still applicable.
- Misuse of the purchasing card may result in revocation of purchasing card privileges and additional disciplinary action, as deemed appropriate, by the Director, up to and including dismissal.

Acceptable use of purchase cards include:

- Goods and services for official state purposes purchased in person, by mail, by phone, or over the internet.
- Purchases complying with all applicable state statutes, rules, policies, and procedures.
- Purchases within spending and other limits established on the card, as established by the agency within the pre-determined agency aggregate

Unacceptable use of purchase cards are not limited to:

- Cash advances.
- Purchases in excess of the limits authorized for the card.
- Gifts/donations.
- Splitting purchases to circumvent the daily or monthly purchase limits on a card, or to avoid competitive bidding limits or purchasing authority limits.
- Purchases between Washington State agencies or between internal departments within an agency, unless prior written approval is received from OFM based on the requirements in Subsection 40.40.10.
- ~~Prepayments unless otherwise authorized by statute or rule. Refer to Subsection 45.20.35.~~
- 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.

Procedure

The Executive Assistant (or EA) is designated as the "Purchasing Card Manager" (or PCM) and shall maintain the agency *Purchasing/Travel Card Transaction Log*. The PCM is responsible for control and distribution of purchase/travel cards within the agency.

The PCM must review State Administrative and Accounting Manual (SAAM) 45.10.70, (Purchase Card Programs <http://www.ofm.wa.gov/policy/45.10.htm>) and accept these roles and responsibilities for managing the purchase card system. The PCM must also safeguard the purchase/travel cards against loss, theft, and unauthorized use. The Purchasing Card Manager must keep the purchase/travel cards in a secured location with the Purchasing/Travel Card Transaction Log.

The Department of Archaeology & Historic Preservation (DAHP) will maintain a *Purchasing/Travel Card Transaction Log*, indicating the date the purchase/travel card was issued, whom it was issued to, and for what specific use. The purchasing card must be returned to the PCM or his/her designee the same-day it was used. An original receipt must accompany the purchasing card upon return.

All on-line purchases with the purchasing card must be performed by the PCM unless circumstances regarding a particular on-line purchase warrant otherwise. If an on-line purchase is made with the purchasing card, a printed order confirmation will suffice as the original receipt and provided to the PCM. A Purchase Order will be made for each purchase card transaction.

Any purchases of \$1,000.00 or more must be approved by the Director or Deputy SHPO.

Security

Purchasing cards and their account numbers must be safeguarded against loss, theft, and unauthorized use. The PCM shall retain all cards in a secure, **locked** location. Additionally, purchasing card numbers shall be kept secure and never left in plain view.

In order to minimize liability for unauthorized purchases, the PCM must report a lost or stolen card immediately by calling the purchasing card contractor's customer service center no later than the next business day.

1. The following information should be provided to the PCM:
 - a. Date card was last used for an authorized purchase.
 - b. Date card was lost or stolen, or suspected lost or stolen.
 - c. Circumstances surrounding the loss.
2. The PCM will immediately make arrangements to cancel the purchasing card and will monitor subsequent billings for unauthorized use.
3. Depending on the circumstances surrounding the lost or stolen card, the Purchasing Manager will recommend changes to card security requirements.

Excluded Items

Purchasing or travel cards shall not be used to:

- Obtain cash advances from financial institutions.
- Make personal purchases.
- Purchase materials or services from a member of the PCM's and/or purchaser's immediate family.
- Purchase items that are obtainable through vendors under State contract.

For purchases out of the office, need approval from Director/Deputy in writing.

- An employee must request in writing or by email approval to use the purchasing/travel card outside of the office.

- The Purchasing/Travel Card Transaction log will be filled out by all employees before removing purchasing/travel card for use outside of the office.
- Upon return, the employee will write an entry in the appropriate (purchase or travel) card transaction log, what was purchased, the amount charged, date, and purpose.
- Give original receipt/confirmation to the EA/PCM who will generate a Purchase Order.
- Return purchasing card to Executive Assistant/PCM.
- The PCM must lock up card in a secure location to avoid unauthorized access.
- If an employee returns with the card to the office after regular office hours, the employee shall keep the card in a secured location and returned to the EA/PCM as soon as possible on the next work day.

Travel Card

1. Lodging

- The travel card will be used to hold the hotel room until a Credit Card Authorization is arranged with the hotel for room, taxes, and parking.
- When it is necessary to cancel a room reservation, the employee shall notify the EA/PCM as soon as possible to make the cancellation. The EA/PCM shall make a record of the cancellation confirmation and any penalty assessed to the agency resulting from the cancellation.
- In the absence of the EA/PCM, the employee for whom the room reservation was made will be responsible to cancel the reservation as soon as possible, make a record of the cancellation confirmation, and settle any penalty assessed to the agency. The Employee shall make a record of all transactions made as a result of the cancellation and copy the EA/PCM.

2. Rental Cars

- The State has a contract with Enterprise Car Rental (NOT the Dept. of Enterprise Services (DES)) for vehicle rental.
- The State contracted travel agency will be notified when an employee is traveling by air if a rental car is needed for the employee's travel.
- The travel agency will contact the Enterprise Car Rental to make arrangements for the traveling employee.
- If there is a problem with the State contracted Enterprise Car Rental, and the employee needs to pay for the car rental, the employee will note the amount on the TEMS Travel Reimbursement request with receipts.

Prepaid Training, Conference Registration

A [Training Request Form](#) and a [Travel Request Form](#) must be submitted and approved by the Director prior to registering for training or a conference.

Invoice Processing and Reconciliation

1. The DAHP Purchasing Manager is responsible for ensuring that payment is executed in a timely manner.

2. The Purchasing Manager is responsible for submitting payments to the purchasing card contractor within the required contractual-obligation period. DAHP will operate a 30-day cycle period, beginning the first day of each month.
3. At the end of each billing cycle, the contractor will submit (electronically or by mail) a monthly activity statement that will detail charges billed during the month.
4. The Purchasing Manager is responsible for reconciling the monthly purchasing card statement against the transaction logs kept for the purchasing cards.
5. If there are no discrepancies, the Purchasing Manager will process an A45 submittal form with the Purchasing Card Statement and the Travel Card Statement along with itemized receipts to DES Accounts Payable.

Disputes and Discrepancies

1. To dispute an item, the Purchasing Manager must call the contractor.
2. The dispute must be documented in writing within 60 days of the first statement on which the disputed charge occurred. To facilitate this, once the Purchasing Manager calls to dispute an item, the purchasing card vendor will send a letter to DAHP instructing the Purchasing Manager to provide specific written information on the dispute to the contractor.
3. When a dispute has been resolved, a line item credit will be put on the statement and reflect a note about the credit. The outstanding balance will be adjusted by the credit amount to reflect the final settlement of the disputed item.
4. Disputed items will be reflected in subsequent statements' outstanding balance, **but will not** be included in the total amount due.
5. A separate "dispute folder" will be maintained which will hold only that documentation pertaining to disputes and their resolution. This will facilitate answering specific dispute-related questions from the auditor and within DAHP.

Audits and Reviews

1. The Purchasing Manager will:
 - a. Review reports and vendor statements periodically to determine if alternate acquisition strategies should be developed.
 - b. Review and analyze account billings and management reports to monitor purchases and program implementation.
 - c. Provide recommendations for changes to this policy or its implementation to the agency Director and/or Deputy Director.
2. The agency Director and/or Deputy Director will review the purchasing card program annually to determine if proper controls over the use of purchasing cards are being exercised.

Definitions

1. **Purchasing Card**

For the purposes of this policy, the term purchasing card shall mean the DAHP purchasing or travel card.

2. **DAHP Purchasing Card Manager**

For the purposes of this policy, the DAHP Purchasing Card Manager, (PCM) is an individual designated by the Director and will maintain custody of the purchasing card.

3. **Misuse**

Misuse includes, but is not limited to, the following infractions:

- Purchasing items that are available from state contract unless the purchase falls under an authorized exception to that contract.
- Making purchases that exceed an individual's delegated purchase authority limit.
- Using the purchasing card for any items indicated as excluded in this policy and procedures document.

4. **Purchasers**

The PCM is authorized to purchase material, equipment, supplies, or services with agency purchasing cards. Staff must request in writing approval from the Director/Deputy Director to use the purchasing/travel card outside of the office.

Reference

WAC 236-48-252 Credit limits. When an agency determines that the use of credit, charge or purchasing cards will be to its advantage, the source will be the existing state contract. The Department of Enterprise Services will establish an aggregate credit limit for each agency. Each agency director will then establish a credit limit for each card ordered within that aggregate limit. Any requests for exception to the agency aggregate monetary limit must be made in writing by the agency head to the director, office of state procurement, who will approve or deny. Dollar limitations shall not apply to travel related expenditures such as food, lodging, airfare, and vehicle rental. [Statutory Authority: Chapter 43.19 RCW. 99-15-070, § 236-48-252, filed 7/19/99, effective 8/19/99. Statutory Authority: RCW 43.19.180 - 43.19.1932 and 43.19.520 - 43.19.538. 89-17-094 (Order 89-02), § 236-48-252, filed 8/22/89, effective 9/22/89. Statutory Authority: Chapter 43.19 RCW. 83-18-004 (Order 83-03), § 236-48-252, filed 8/26/83.]