

Administrative Policy No: 13.18

Subject: Credit Cards – Obtaining and Safeguarding

Contact: Director, Contracts, Legal, and Background Checks
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Authorizing Source: [DES Enterprise Services Policy FP.03.01 Use of Credit Cards to Make Purchases of Goods and Services](#)
State Administration & Accounting Manual (SAAM)
[40.30.40](#) Purchase Cards
[40.30.50](#) State Travel Cards

Resources: RCW [42.52](#), Ethics in public service
WAC [292-110-010](#), Use of state resources
Department of Enterprise Services contract [00612](#)
OFM State Administration & Accounting Manual (SAAM):
[20.24](#) Control Activities
DSHS Administrative Policy (AP):
[13.19](#), Credit Cards – Purchases, Payments, and Disputes
[13.20](#), Purchase and Travel Card Rebates
[18.62](#), Allegations of Employee Criminal Activity
[13.08](#), Purchased Goods and Services
[16.10](#), Reporting Known or Suspected Loss of Public Funds
[5.04](#), Records Retention
Forms:
[17-185](#), Purchase Card Use Log
[17-185A](#), Ghost Travel Card Log
[06-157](#), Purchase or Travel Card Application
[06-161](#), Update/Change Request for Purchase or Travel Card
[06-183](#), Purchase or Travel Card User Agreement Renewal
[17-195](#), US Bank Access Online User Set Up
[17-169](#), Loss of Public Funds, Assets, or Illegal Activity
Report
Program Information and Supplemental Guidance:
[DSHS Purchase Card Program Website](#)

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Approved By: **Original signed by Lori Melchiori**
Senior Director, Office of Policy and Rules

Purpose

This policy establishes the requirements for obtaining and safeguarding assigned Credit Cards used by DSHS. This policy supplements state purchase card policies outlined in the DES Enterprise Services Policy [F.03.01](#), as permitted by section 6.d.

Scope

This policy applies to all DSHS employees who use, monitor, or manage credit cards issued under the Department of Enterprise Services contract [00612](#), EXCEPT Voyager fuel cards.

Definitions

Access online means the website the card company provides DSHS employees to manage and monitor DSHS credit cards.

Account manager is the individual the assistant secretary (or designee) assigns the responsibility for monitoring the appropriate use and timely payment of the credit card managing account.

Card company is the vendor(s) Department of Enterprise Services (DES) authorizes to issue credit cards to DSHS.

Card custodian is the individual(s) the Account Manager assigns the responsibility for safeguarding the credit cards(s) and account number(s).

Card user is a DSHS employee granted access to the credit card to make a payment as described in DSHS Admin Policy [13.19](#).

Card user agreement means the approval section on the *Purchase or Travel Card Application* (form DSHS [06-157](#)) or *Update/Change Request for Purchase or Travel Card* (form DSHS [06-161](#)). It also refers to the *Purchase or Travel Card User Agreement Renewal* (form DSHS [06-183](#)).

Contractor is any person, business, non-profit, or government entity who provides services to DSHS under a contractual agreement and not as an employee of DSHS.

Credit card is an account issued through the card company that entitles the holder to pay for goods and services using the DSHS line of credit. The account may be a plastic credit card or a ghost card. DSHS uses a variety of credit cards including purchase cards, department travel cards, combo cards (purchasing + travel) and custom cards (cards with MCC templates designed to meet specific program needs).

Credit card log refers to DSHS Forms [17-185](#) *Purchase Card Use Log*, [17-185A](#), *Ghost Travel Card Log*, or similar internally developed document used to track credit card use during the billing cycle. Logs may be electronic or paper, depending on the business environment.

Credit limit is the maximum dollar amount of purchases allowed on a credit card per billing cycle.

Fiscal analyst is the employee responsible for processing payments to the card company, overseeing the accuracy of the account coding, preparing financial reports, and reconciling credit card accounts.

Ghost card is a credit card account that does not have a plastic card associated with it. The card company issues a letter with the account information instead of an actual card.

Managing account means a parent account that contains a group of one or more credit cards. Managing accounts accept payments, but cannot accept charges for purchases.

Merchant category classification (MCC) codes are four-digit numbers assigned to a merchant's credit card terminal when the merchant registers to accept Visa. These codes classify businesses by the type of goods or services provided.

MCC templates are preset restrictions to prevent credit cards from unauthorized or unallowable use by blocking certain MCC Codes. For example, liquor stores, gambling, and wire transfer MCCs are blocked on all DSHS credit cards. The program administrator creates standard MCC templates to provide general protection to all DSHS credit cards. Account managers may develop custom MCC templates to meet specific program needs.

Operational goods and services refers to expenditures to support the continued operation of DSHS offices and facilities. Procurement of these goods and services is subject to WA state procurement law and policies. It does not apply to institutional local fund or client services expenditures – these areas have different underlying requirements.

Program administrator means the DSHS Purchase Card Program Specialist within the headquarters Central Purchasing Unit. This person is responsible for providing oversight, training, advice, direction, consultation and assistance related to credit cards.

Single purchase limit is the maximum amount per transaction allowed for a credit card.

Policy

- A. The program administrator will provide centralized development, implementation, and monitoring of the DSHS Credit Card program.
- B. The program administrator will ensure card custodians, account managers and fiscal analysts have received necessary training and relevant guidance to fulfill their roles and responsibilities related to the Credit Card program.
 1. Card custodians will take the following, required DES trainings within 90 days of being assigned responsibility for a credit card used to purchase or pay for operational goods and services, unless the card is used exclusively for travel expenditures.
 - a. [WA State Small Purchases](#)

b. [WA State Purchasing and Procurement Ethics](#)

- C. DSHS employees will only use credit cards obtained through the card company. Employees will not use open credit accounts, store credit cards, or stored value cards, unless permitted by [SAAM 40.30.30](#) and DSHS Administrative Policy [19.40.30](#) Gift Cards.
- D. Card custodians will sign a card user agreement at least once every 3 years.
- E. DSHS employees will employ adequate controls to safeguard credit cards and credit card account numbers against loss and unauthorized use, specifically:
1. Secure the credit card (or ghost card letter) in a safe, locked cabinet, or locked drawer, when not in use.
 2. Limit access to the location where the credit card, credit card account numbers, or ghost card letter is stored, to the card custodian and designated backup(s). This includes locations such as network folders.
 3. Do not share or write down credit card account numbers.
 4. Do not store credit card numbers in personal online accounts on mobile devices.
 5. Do not release credit cards and credit card account numbers to volunteers, contractors, or DSHS clients.
 6. Use discretion in selecting online vendors. Consider factors such as:
 - a. Website security (for example, look for https://, lock icon, or other indicators that payment data is being sent through a secure site).
 - b. Vendor reputation among consumers (*for example, check the better business bureau, yelp, or other online consumer reporting websites to look for reported scams*).
 - c. Risks associated with maintaining accounts with third party payment processors (*for example, PayPal*).
 7. Full 16-digit credit card account numbers must **not** be stored in payment, document imaging, or case management systems, including but not limited to:
 - a. Agency Financial Reporting System (AFRS).
Provider One (P1).
 - b. Case management systems including EJAS, STARS, and CARE.
 - c. Institutional local funds systems.
 - d. MODIS
- F. DSHS employees will document the physical change transfer and/or use of credit cards as described in Roles and Responsibilities, section [C3](#) and [C4](#).
- G. All credit card accounts will have a single purchase limit.

- H.** DSHS administrations will ensure all changes to credit card and managing account assignments, credit limits, and custom MCC templates are approved as described in Roles and Responsibilities, sections [A1](#), [A2](#), [A5](#), [A6](#) and [B](#).
- I.** DSHS administrations will perform an inventory count of assigned credit cards at least monthly. Refer to Roles and Responsibilities section [A3](#).
- J.** DSHS administrations may develop supplemental credit card policies and procedures that meet the unique needs of their programs and business environments. Policies and procedures developed by the administrations must comply with DES, SAAM and DSHS Administrative Policy.
- K.** DSHS administrations will ensure key credit card duties are adequately segregated among employees. At a minimum,
1. Assign the functions of card custodian, account manager and assistant secretary designee to different DSHS employees.
 - a. The account manager will not be an employee who reports to the card custodian.
 - b. The assistant secretary designee will not be an employee who reports to the card custodian or account manager.
 2. Ensure card custodians and card users are not assigned responsibility for reconciling the account.
 - a. DSHS employees who have physical custody of a credit card will not perform reconciliations of the credit card statement or managing account.
 - b. Card custodians will compile payment documentation for submission to a fiscal analyst or account manager in a manner that facilitates reconciliation.
 3. Ensure card custodians and card users are not responsible for performing monthly inventories of the plastic credit cards.
- L.** DSHS administrations will ensure all card custodians, account managers, and fiscal analysts have an active Access Online profile for obtaining statements and for monitoring activity and balances on their assigned credit card(s). Refer to Roles and Responsibilities section [A4](#).
1. The chief audit executive must approve access for staff within internal audit and consultation.
 2. The central purchasing unit manager must approve access for program administrators.
- M.** DSHS administrations will report changes in job duties, agency transfers, or employee terminations to the Program Administrator within five business days. Refer to roles and responsibilities, sections [A2](#) and [B2](#).

- N. DSHS employees are subject to discipline, as allowed by RCW, agency policy, or collective bargaining agreement, based on any one or more of the following:
1. Actions that violate DSHS policy;
 2. Supervisory work directive; and
 3. Suspected or proven criminal activity.
- O. The central purchasing unit is authorized access to any records or supporting documentation needed to demonstrate compliance with this policy or with DSHS Administrative Policy [13.19](#).
- P. The central purchasing unit reserves the right to freeze credit card accounts, lower credit limits, and single purchase limits, or take other actions deemed appropriate to respond to serious and repeated non-compliance with DSHS, DES, and OFM policies and state procurement law.
- Q. DSHS administrations and programs that are unable to comply with specific requirements in this policy will contact [internal audit and consultation](#) for assistance with developing compensating controls. The program administrator will provide written authorization for any exceptions.

Roles and Responsibilities

A. Account managers

1. Review and approve or deny requests for new credit cards. Send approved requests to the assistant secretary or designee.
2. Notify the program administrator in writing when there is a change in card custodian
 - a. Complete an Update/Change Request for Purchase or Travel Card ([Form 06-161](#)) to add a new card custodian.
 - b. If a card Custodian separates from DSHS and their replacement has not been identified, [send an email to the program administrator](#) to remove the card custodian.
3. Inventory the assigned plastic credit cards monthly.
 - a. Observe the credit cards in the possession of the card custodian.
 - b. If any credit cards are checked out at the time of inventory, review the credit card log and verify there is a corresponding entry.
 - c. Document the inventory in writing, including the date and signature of the individual performing the inventory.
 - d. Account managers located separately from card custodians may choose to perform less frequent, surprise inventories OR to designate an employee at the card custodian's home office to verify the credit card is present. Account

- managers must document surprise inventory procedures or delegations in writing.
- e. Ghost cards are exempt from this requirement.
4. Approve access to the card company's website via *US Bank Access Online User Set Up* ([Form 17-195](#)) for employees other than the card custodian, with the following exceptions:
 - a. Consolidated Business Center (CBS) account managers may approve employee access cards managed by DSHS programs, if required by the employee to perform job duties.
 - b. Request changes to existing profiles or removal of access by sending an email to the [program administrator](#).
 5. Approve temporary changes to single purchase limits and credit limits in writing by [sending an email to the program administrator](#).
 6. Approve permanent or temporary changes to custom MCC templates in writing by [sending an email to the program administrator](#).
 - a. Review and approve or deny requests for temporary changes to standard MCC templates when requested by the Program Administrator.
 7. Reconcile managing account balances to cardholder account balances at least monthly to ensure account balances are paid accurately and past due balances are researched and addressed immediately.

B. Assistant secretaries or designees

1. Review and approve or deny requests for credit cards held by their administration. Send approved *Purchase or Travel Card Application* ([Form 06-157](#)) to the [program administrator](#).
2. Review and approve or deny permanent changes to credit limits, single purchase limits, or account managers for credit cards held by their administration. Send approved *Update/Change Request for Purchase or Travel Card* ([Form 06-161](#)) to the [program administrator](#).

C. Card custodians

1. Safeguard the credit cards and account numbers in a locked location to protect against loss, theft, and unauthorized use.
2. Keep physical possession of the credit card and/or ghost card letter.
3. Only release the credit card to card users, as defined in this policy.
4. Document card usage using a credit card log.

- a. Complete the credit card log immediately when using the credit card or checking the card out to a card user. Do not create logs after-the-fact from statement data.
 - b. When a credit card physically changes hands, both the card custodian and card user must initial the log at the time the transfer of the card occurs.
5. Report lost or stolen cards and unauthorized transactions to the program administrator and account manager.

D. Card users

1. Follow purchasing guidelines when making purchases (i.e. state contracts are utilized, delegated purchase limits are not exceeded). See DSHS Administrative Policy [13.08](#) & [13.19](#).
2. Safeguard the credit card from potential loss, theft, or unauthorized use.
3. Promptly return the credit card and receipts, order confirmations or other documentation to the card custodian after the payment is completed.
4. Immediately report lost credit cards to the card custodian.

E. Fiscal analysts

1. Reconcile purchase card statements to supporting documentation to ensure purchases are valid.
 - a. Perform reconciliations at least monthly.
 - b. Immediately report any unsupported or questionable purchases to the account manager.

F. Program administrator

1. Serve as subject matter expert and provide intranet resources, training, technical assistance and consultation on:
 - a. Credit card internal controls, procedures, policy compliance, best practices, fraud prevention, and account configuration options.
 - b. Using the Access Online website.
2. Oversee creation and update of the agency's policies, forms, and general procedures regarding the control and usage of credit cards.
3. Determine the agency account structure as it pertains to:
 - a. Selection and implementation card company products.
 - b. Managing account credit limits.
 - c. Standard MCC templates.
 - d. Fraud prevention and detection strategies.

4. Review requests for credit cards and credit card account changes for completeness, accuracy, and proper approval. Submit approved requests to the card company.
5. Maintain Access Online system users.
 - a. Review requests for Access Online system access additions, changes, or deletions for completeness, accuracy, and proper approval. Submit approved system access changes to the card company.
 - b. Automatically grant system access to all account managers and card custodians.
6. Monitor compliance with this policy including:
 - a. Verify in writing, at least annually, the list of credit cards, card custodians, and account managers for accuracy.
 - b. Ensure all card custodians have signed a card user agreement within the past 3 years.
 - c. Conduct periodic reviews of Access Online users to ensure separated employees are removed and access is still appropriate.
 - d. Conduct periodic reviews of credit card transactions and transaction line items.
7. Maintain documentation for all DSHS credit cards, including:
 - a. Approved *Purchase or Travel Card Application* forms.
 - b. Approved *Update/Change Request for Purchase or Travel Card* forms.
 - c. Approved *US Bank Access Online User Set Up* forms.
 - d. Signed *Card User Agreement Update* forms.
 - e. Assistant secretary written delegation of authority to designees.
 - f. Account manager approvals of temporary increases and MCC template changes.
8. Report lost or stolen cards promptly by:
 - a. Contacting the card company.
 - b. Submitting a *Loss of Public Funds, Assets, or Illegal Activity Report* ([Form 17-169](#)) [Internal Audit and Consultation](#), if required.
9. Act as the liaison between:
 - a. DSHS and the card company.
 - b. DSHS and the Department of Enterprise Services (DES) regarding agency needs pertaining to credit cards and/or the card company.