Purpose

This policy establishes Department of Social and Health Services (DSHS) guidance for the use of Purchase Cards.
Scope

This policy applies to all DSHS employees who use, monitor or manage Purchase Cards.

This policy does not apply to the use of Department Travel Cards (See DSHS AP 13.21), or fuel cards.

For policies and information on how to obtain and safeguard Purchase Cards, see DSHS AP 13.18.

Definitions

Access Online means the website the Card Company provides DSHS employee to track card use, payment status, file disputes, and perform other accounting and reporting activities.

Account Manager is the individual the Assistant Secretary (or designee) assigns the responsibility for monitoring the appropriate use and timely payment of the Purchase Card Managing Account.

Card Company is the vendor(s) Department of Enterprise Services (DES) authorizes to issue purchase or travel accounts to DSHS.

Card Custodian is the individual the Account Manager assigns the responsibility for safeguarding the purchase card(s) and account number(s).

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.

CPU P-Card Administrator means the DSHS Purchase Card Program Administrator within the Headquarters Central Purchasing Unit. This person is responsible for providing training, advice, direction, consultation and assistance related to Purchase Cards.

Designated Card User is a DSHS employee who presents a written request for the purchase of goods or for payment for services rendered, approved by the applicable approval authority, where use of the Purchase Card is appropriate and allowable. DSHS uses a variety of written requests, depending on the program, including TRACKS Purchase Orders or PCARD Orders, travel authorization forms, institutional local fund requests, and authorizations for client purchases.

Dispute is a disagreement between the Merchant and DSHS that cannot be resolved. Examples include duplicate charges for the same transaction, non-conforming or damaged goods, incorrect pricing, and failure to issue a refund.

Fiscal Analyst is the employee responsible for processing payments to the Card Company, overseeing the accuracy of account coding, preparing financial reports, or reconciling Purchase Card accounts.
**Ghost Card** is a Purchase Card account that does not have a plastic credit 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 Purchase Cards. Managing accounts accept payments, but cannot accept charges for purchases.

**Purchase Card** is a credit card issued to make authorized purchases on behalf of DSHS. The card may be a plastic credit card or a Ghost Card. Purchase cards are a tool to streamline purchasing and accounts payable functions by offering an alternative to cash, vouchers, and open purchase orders. Purchase cards are also a cost effective way to pay for small purchases where the transaction costs exceed the value of the purchase. Purchase cards are also called P-Cards.

**Single Purchase Limit** is the maximum amount per transaction allowed for a Purchase Card.

**TRACKS** - The electronic purchasing and inventory system used within DSHS to track agency purchases and monitor tagged asset inventory.

**Policy**

A. The Purchase Card Program is not intended to avoid or bypass appropriate procurement procedures established by the Office of Financial Management (OFM), Department of Enterprise Services (DES), or DSHS.

B. DSHS Administrations must ensure Purchase Card transactions comply with applicable state and federal purchasing, requirements including, but not limited to the following:

1. Mandatory use of state contracts
2. DSHS Administrative Policy 13.08, Purchased Goods and Services
3. DSHS Administrative Policy 13.12 Competitive Procurements
4. DSHS Administrative Policy 13.16 Performance Based Contracting
5. Delegated Authority Limits (DSHS CPU Delegated Authority Website)
6. Office of Minority and Women’s Business Enterprises (OMWBE) requirements

C. Purchase Cards must not be used in any manner listed below (adapted from DES Policy FO.03.01)

1. Splitting purchases to circumvent the Single Purchase Limit on a card, or to avoid competitive bidding limits or purchasing authority limits.
2. Cash advances.
3. Gifts or Donations (excluding items for employee recognition awards)
4. Purchases between state agencies or between internal departments within an agency, unless prior written approval is received from OFM based on the requirements in SAAM Subsection 40.40.10.
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5. Prepayments unless otherwise authorized by statute or rule (refer to SAAM subsection 85.32.50).

6. Purchases from any merchant, product, or service normally considered to be inappropriate use of state funds, such as:
   a. Items for personal use.
   b. Materials or services from any member of the Designated 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.

C. Purchase Cards must not be used to make purchases for contractors unless specified in contract. Purchases for contractors must be made in accordance with the provisions of the appropriate contract.

D. DSHS must file Disputes with the Card Company within 60 days of the date on the statement on which the disputed or allegedly incorrect transaction first appeared. Card Custodians must make a reasonable attempt to resolve disputes with the merchant before initiating a Dispute with the Card Company.

E. Purchase Card account balances must be paid in full within 30 days of the statement date. Accounts that reach 90 days past due are subject to suspension and/or possible closure.

Roles and Responsibilities

A. Designated Card Users
   1. Obtain approval, in writing, prior to requesting use of the Purchase Card.
   2. Purchase only approved goods or pay only for approved services rendered.
   3. Promptly provide receipts and packing slip (or signature confirming receipt of services) to the Card Custodian.
   4. If checking out a plastic Purchase Card, promptly return the card to the Card Custodian once the purchase is completed.

B. Card Custodians
   1. Obtain written approval from the Designated Card User prior to releasing the plastic Purchase Card or Ghost Card number.
   2. Use DSHS Form 17-185 Purchase Card Use Log (or similar internally developed form to record the check out or use of the Purchase Card.
3. Collect receipts and packing slip (or signature confirming receipt of services) from Designated Card Users and attach to the corresponding approval document.

4. Use the monthly billing statement or transaction reports from Access Online to compile supporting documentation for payment by the Fiscal Analyst. Supporting documentation includes, but is not limited to:
   a. Original receipts
   b. Packing slips or signature confirming receipt of services
   c. Written approval for purchase
   d. DSHS Form 17-185 Purchase Card Use Log (or similar substitute form)

5. Create a payment document and enter the appropriate account coding for all valid charges.

6. Promptly forward the payment document and all supporting documentation for approval and payment in accordance with Administration policy and procedures.

7. Notify the Account Manager and CPU P-Card Administrator of any Disputes. If a dispute is filed, monitor and cooperate with the Card Company’s investigation of the dispute, which may include gathering documentation from staff.

C. Account Managers

1. Develop and implement a process to monitor Purchase Card account activity to ensure:
   a. Designated Card Users make valid purchases, in accordance with State and DSHS purchasing policies and within delegated authority.
   b. Account Balances are paid within 30 days.

D. Fiscal Analysts

1. Process payments in accordance with SAAM Chapter 85.32

2. Identify the correct Managing Account number on the payment document.

3. Pay Purchase Card balances in full within 30 days of the statement date.

4. Contact the CPU P-Card Administrator to request:
   a. Refunds of credit balances or overpayments made to the Card Company
   b. Transfer of payments posted to the incorrect Managing Account

E. CPU P-Card Administrator

1. Oversee development and maintenance of the agency’s policies and procedures regarding the control and usage Purchase Cards.
2. Monitor past due Purchase Card balances, and follow-up on accounts that exceed 45 days past due.

3. Assist Cardholders, Account Managers, and Fiscal Analysts with filing, tracking, and resolving Disputes.

4. Act as the Department liaison between DSHS Administrations and the Card Company when requesting refunds or payment transfers.

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i Updated hyperlinks

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- Remove links to repealed WACs and rescinded policies – SAAM Chapter 45, AP 13.22
- Add link to new DES purchase card policy
- Fix broken links to forms, bank contract
- Add new alternate version of p-card log for ghost travel cards
- Remove references to individual travel cards