

Administrative Policy No: 13.19

Subject: Credit Cards – Purchases, Payments, and Disputes

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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 Chapter [42.52](#), Ethics in public service law
WAC [292-110-010](#), Use of state resources
State Administration & Accounting Manual (SAAM)
[Chapter 85.32](#), Goods and Services Expenditures
[Chapter 10](#), Travel
[40.20.20](#), Credit Cards and Debit Cards
Department of Enterprise Services contract [00612](#)
DSHS Administrative Policy (AP):
[13.18](#) Credit Cards – Obtaining and Safeguarding
[13.08](#) Purchased Goods and Services
[13.12](#) Competitive Procurements
[13.16](#) Performance Based Contracting
[19.10](#) Travel Policies
[5.04](#) Records Retention

Forms:
[17-185](#), Purchase Card Use Log
[17-185A](#), Ghost Travel Card Log
[02-562](#), Trip Plan
[03-337](#), Travel Authorization

Program Information and Supplemental Guidance:
[DSHS P-Card Program Website](#)
[DSHS Central Purchasing Unit Delegated Authority Website](#)
[DSHS OAS Travel Website](#)

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Approved By: Original signed by Lori Melchiori
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Purpose

This policy establishes Department of Social and Health Services (DSHS) guidance for the use of credit cards.

Scope

This policy applies to all DSHS employees who use, monitor, or manage credit cards.

This policy does not apply to the use of fuel cards.

For policies and information on how to obtain and safeguard credit cards, see DSHS Admin Policy [13.18](#).

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 the account manager assigns the responsibility for safeguarding the credit card(s) and account number(s).

Card user is a DSHS employee granted access to the credit card to make a payment.

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 card or a ghost card (a letter from the card company with the account information, instead of an actual card). DSHS uses a variety of credit card types 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.

Dispute is a transaction that DSHS initiated, where something has gone wrong and the merchant refuses to remedy it. Examples include duplicate charges for the same transaction, non-

conforming or damaged goods, incorrect pricing, failure to issue a refund for returned items, or charged for a cancelled purchase.

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

Fraud is an unrecognized transaction that DSHS did not make or initiate.

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 means a business that accepts payment via credit card.

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.

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.

TRACKS - DSHS official system for processing, monitoring and reporting purchasing and asset activity within the agency.

Policy

- A. DSHS Administrations are encouraged to use credit cards as a form of payment to take advantage of rebates available through the Card Company, when economically feasible.
- B. Credit cards may not be used to avoid or bypass appropriate procurement procedures established by the Office of Financial Management (OFM), Department of Enterprise Services (DES), or DSHS.
- C. DSHS Administrations must ensure credit card transactions comply with applicable state and federal purchasing and travel 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;
7. DSHS Administrative Policy Subchapter [19.10](#), Travel Policies; and
8. [SAAM Chapter 10](#), Travel

D. Credit 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 delegated 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 [40.20.20](#);
5. Prepayments more than 60 days in advance, unless otherwise authorized by statute or rule (refer to SAAM subsection [85.32.50](#)); and
6. Purchases from any merchant, product, or service normally considered to be inappropriate use of state funds, such as:
 - a. Items for personal use, including employee personal meals or fuel for employee-owned vehicles;
 - b. Goods 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; and
 - d. Alcoholic beverages or liquor licenses, unless permitted by statute or rule.

E. Credit 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.

- F.** 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.
 - 1. Card custodians must make a reasonable attempt to resolve disputes with the merchant before requesting a dispute with the card company.
 - 2. Card custodians, fiscal analysts, and account managers must contact the program administrator to request disputes with the card company.
 - 3. The program administrator will submit all disputes on behalf of DSHS offices.
- G.** DSHS must report fraud to the card company within 60 days of the date on the statement on which the disputed or allegedly incorrect transaction first appeared.
 - 1. Card custodians, fiscal analysts, and account managers must report all identified fraud to the program administrator.
 - 2. The program administrator will initiate fraud cases on behalf of DSHS offices.
- H.** Credit card account balances must be paid within 30 days of the statement date.
 - 1. Accounts that reach 90 days past due are subject to suspension and possible closure.
 - 2. Disputes are excluded from this requirement. Do not pay for disputed transactions unless the dispute is resolved in favor of the merchant.
- I.** Administrations are responsible for developing written procedures that describe the payment and reconciliation processes and timelines specific to their card type(s), business needs, and program requirements.

Roles and Responsibilities

A. Card users

- 1. Obtain approval, in writing, prior to requesting use of the credit card.
- 2. Pay for only approved goods, services, or travel expenses.
- 3. Promptly provide receipts and packing slip (or signature confirming receipt of services) to the card custodian.
- 4. If checking out a plastic credit card, promptly return the card to the card custodian once the payment is completed.

B. Card custodians

- 1. Obtain written approval from the card user prior to releasing the credit card (or account number).

2. Use DSHS Forms [17-185](#) *Purchase Card Use Log*, [17-185A](#), *Ghost Travel Card Log* (or similar internally developed form) to record the check out or use of the credit card.
3. Collect receipts and packing slip (or signature confirming receipt of services) from 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 into an organized packet for payment by the fiscal analyst. Supporting documentation must meet minimum requirements outlined in SAAM 85.32 Goods and Services expenditures and include a credit card log.
5. Promptly forward the statement or transaction report and all supporting documentation, in an organized packet, for approval and payment in accordance with administration policy and procedures.
6. Submit dispute requests to the program administrator for any disputes that could not be resolved with the merchant. If a dispute is filed, monitor and cooperate with the card company's investigation of the dispute, which may include gathering documentation or answering questions.
7. Report fraud to the account manager and program administrator.

C. Account managers

1. Develop and implement a process to monitor credit card transactions to ensure:
 - a. Card users make only allowable purchases, in accordance with all applicable laws and policies.
 - b. Disputes and fraud are reported within 60 days.
2. Develop and implement a process to monitor the managing account to ensure:
 - a. Account balances are paid within 30 days of the statement date.
 - b. Payments post accurately to the correct managing account, for the correct amount.

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 credit card balances within 30 days of the statement date.
4. Contact the program administrator to request:
 - a. Refunds of credit balances or overpayments made to the card company; and

- b. Transfer of payments posted to the incorrect managing account.

E. Program administrator

1. Oversee development and maintenance of the agency's policies and procedures regarding the control and usage of credit cards.
2. Develop processes to monitor credit card transactions, payments, and reconciliations for compliance with this policy.
3. Monitor past due managing account balances, and follow-up on accounts that exceed 45 days past due.
4. Act as the liaison between DSHS administrations and the card company to:
 - a. Request refunds or payment transfers.
 - b. File disputes.
 - c. Report fraud.
5. Provide consultation and technical assistance to DSHS administrations related to transaction reporting and account reconciliations.

ⁱ Updated hyperlink to SAAM 85.23.50 in D. 5.