



Department Policy No. FIN-105-02

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| Title: | State Purchase Cards |
| Former Number: | 02-003-02 |
| Authorizing Source: | State Rules and Regulations RCW 39.26.090 authorizes agencies to use credit cards (e.g., purchase cards) for making purchases under rules established by Department of Enterprise Services (DES) RCW 43.09.185 requires agencies to report fraudulent activity to the State Auditor's Office. WAC 200-370-010, Use of credit, Charge cards or purchasing cards. State Administrative and Accounting Manual (SAAM), Chapter 45 Purchase Cards. Washington State Ethics Law, RCW 42.52. RCW 39.26.120 Competitive solicitation RCW 39.26.125 Competitive solicitation -Exceptions RCW 39.26.130 Emergency purchases RCW 39.26.110 Training Commercial Card Solutions Contact # 00612 |
| Information Contact: | Rich Shimizu Building #1 (253) 512-7596 |
| Effective Date: | October 7, 2002 |
| Mandatory Review Date: | July 15, 2020 |
| Revised: | July 15, 2016 |
| Approved By: |  Bret D. Daugherty, Major General The Adjutant General Washington Military Department Director |

Purpose

To establish the Washington Military Department's (WMD) policy for use, control, tracking and authorized purchases for Purchase Cards (Credit Cards).

Scope

This policy supersedes any department policy issued on this subject with the same or similar title prior to the effective date of this policy. This policy applies to all state employees of the WMD and Washington Army and Air National Guard members on State Active Duty (SAD).

Policy

The WMD is responsible for ensuring Purchase Card transactions are in compliance with State laws and regulations. The WMD's Purchase Card Program will provide a secure and traceable method for rapid acquisition of purchases, while reducing the amount of paper work required, and adhering to all state and department accounting policies. The use of a Purchase Card is intended to promote purchasing efficiency, flexibility, and convenience.

Misuse of the Purchase Card may include revocation of division or individual Purchasing Card privileges and may result in corrective or disciplinary action up to and including dismissal from the agency. Any known or suspected loss of public funds or assets or other illegal activity regarding purchase card use will be immediately reported to the State Auditor's Office.

Responsibilities

- A. **Adjutant General** will designate an Agency Purchase Card Administrator.
- B. **Agency Purchase Card Administrator – designee in the Finance Division** administers the Purchase Card Program including:
 1. Designates Approving Manager(s) for each division (See Attachment B, Designation of Approving Manager, WMD Form 1002-10).
 2. Recommends policy and procedures to department management.
 3. Maintains a list of authorized Card Custodians.
 4. Trains Approving Managers, Card Custodians and Designated Card Users.
 5. Orders card(s) as needed.
 6. Reviews Purchase Card program annually to ensure proper procedures are followed.
- C. **Accounts Payable Accountant**-Notifies the Asst. CFO and the State Auditor's Office of known or suspected fraudulent credit card activity even if no financial loss has occurred. The form to report fraud can be found at:
<http://portal.sao.wa.gov/SAOPortal/Public.aspx/LossReport>.

- D. Approving Manager** is the division representative that is responsible for the following:
1. Signs WMD Form 1002-10, Designation of Approving Manager.
 2. Delegates authority to Card Custodians.
 3. Establishes controls for Card Custodian, within the guidelines of this policy, including limits on types of purchases.
 4. Establishes procedures for security of the purchase cards.
 5. Reports to the Agency Purchase Card Administrator any known or suspected inappropriate use of the purchase card.
 6. Reviews Department Card Log (WMD Form 1001-10) monthly and the Access Online printout of transactions.
- E. Card Custodian** is an individual designated by the Agency Purchase Card Administrator and Approving Manager to make purchases using an assigned purchase card. They are responsible for the following:
1. Signs WMD Form 1003-10, Card Custodian Agreement Form. See Attachment C.
 2. Maintains security and control of the purchase card.
 3. Enters information in the Department Card Log (WMD Form 1001-10) each time the card is issued to a designated card user.
 4. Obtains card user signature on WMD Form 1004-10 Card User Agreement (Attachment D) the first time the user is authorized to use the card. These documents should be filed and readily available upon request.
 5. Maintains and reconciles the Access Online transaction log for all purchases.
 6. Secures all original receipts with line item detail for each transaction to ensure that expenses are allowable.
 7. Reports to the Approving Manager any known or suspected inappropriate use of the Purchase Card.
 8. Reports lost or stolen cards immediately to the issuing bank (1-800-344-5696) and Agency Purchase Card Administrator.
- F. Designated Card User** is a WMD employee authorized by the Card Custodian to make purchases on behalf of the agency. The Designated Card User is responsible for the following:
1. Signs WMD Form 1004-10, Card User Agreement Form. See Attachment D.
 2. Makes purchases and receives goods and/or services.
 3. Reviews this policy and procedure before using the Purchase Card.
 4. Ensures purchases are allowable.
 5. Ensures all original receipts with line item detail and required documentation are given to the Card Custodian after completing the purchase.
 6. Reports lost or stolen cards immediately to the Card Custodian.

7. Maintains security and control of the purchase card while it is in their possession.
8. Returns the card as quickly as possible after making the purchase.
9. Federal employees using state credit cards must receive an authorization letter from TAG designating them as an "Officer of the State".

Exclusions

- A.** Cash advances.
- B.** Items purchased for personal use.
- C.** Purchase of materials or services from any family member.
- D.** Purchase of equipment, software and information technology (IT) related items (except by IT staff), materials or supplies restricted by policies, guidelines, or contractual agreements, i.e. purchasing office supplies from a commercial vendor that are available from the contracted vendor.
- E.** Purchase of airfare.
- F.** Gifts or Donations (Does not include valid business use for purchases of gift cards).
- G.** Purchases in excess of limits authorized for the card.
- H.** Splitting of purchases to circumvent the daily or monthly purchase limits on a card or to avoid competitive bidding limits or purchasing authority limits.
- I.** Prepayments.
- J.** Purchase of alcoholic beverages or tobacco products.
- K.** Purchase from any merchant for goods or services considered inappropriate use of state funds, i.e. casinos, adult entertainment centers, etc.
- L.** Employee training without prior written approval from the Human Resources Division.
- M.** Purchase of lodging without prior written approval from the Chief Financial Officer.

Limits

- A. Aggregate Purchasing:** Each Purchase Card issued shall have a specific limit consistent with demonstrated need.
- B. Single Transaction:** The single transaction limit shall not exceed \$10,000 without prior written approval from the Contracts section and Chief Financial Officer or his designee. Purchases shall not be deliberately split into smaller parts to circumvent this limit. This paragraph does not apply to the Purchase Cards issued to the Joint Operations Center for use during a state active duty event. This paragraph does not apply to the IT Division for IT purchases.

Security

Each Card Custodian and Card User is responsible for the security of the Purchase Card(s). Card Custodians and Card Users should ensure that the Purchase Card, when not in use, is in a secure location. Purchase Card account numbers and receipts will also be safeguarded.

- A. Purchase Card Abuse:** If misuse or fraudulent activity occurs, the Approving Manager, in consultation with the Asst. CFO and Human Resources, is responsible for ensuring appropriate corrective action is taken and that the corrective action is consistent with applicable personnel policies. Upon discovery, the Asst. CFO will report questionable charges and suspected fraudulent use to the WMD Chief Financial Officer.
- B. Suspected and Known Fraudulent Misuse:** Per State Law (RCW 43.09.185) the agency is required to immediately report to the State Auditor's Office any known or suspected losses of public funds or assets or other illegal activity regarding purchase card use even if the credit card company reverses the fraudulent charges. Reporting shall be conducted by the Accounts Payable Accountant through the Deputy CFO.
- C. Lost/Stolen Cards:** Purchase Card Custodians must report lost or stolen cards immediately by calling the Purchase Card Provider's customer service center (1-800-344-5696), notifying the Agency Purchase Card Administrator and notifying their Approving Manager.
- D. Disputed Items:** If the Accounts Payable accountant (after consultation with the Card Custodian) determines a charge on the monthly statement is unauthorized or incorrect, they will immediately contact the purchase card provider or merchant, as appropriate, and place the item(s) in dispute. Disputed items will be documented in writing, investigated, and resolved within 60 days, or as soon as possible, from discovery of the charge or from the first statement on which the disputed charge appears. Documentation on any disputed items must be submitted to Accounts Payable with the monthly reconciliation.
- E. Review:** This policy will be reviewed and updated every seven years or as needed by the Deputy CFO.

Procedures

- A. How to Make a Purchase:** Employee must be familiar with all Department and State procurement policies and ensure the purchase is allowable. The State Administrative & Accounting Manual, Chapter 45, provides control and accountability over Purchase Card use. These rules are found at <http://www.ofm.wa.gov/policy/default.asp>. If unsure, contact the Agency Purchase Card Administrator for guidance. Items purchased on-line must be completed through a secure website only. Secure websites are identified as those starting with **https://**.

1. Designated Card Users and Card Custodians

- (a) Employee identifies need for goods and determines that using the state Purchase Card is the most efficient method for obtaining the item(s) required.
 - (b) Designated Card User requests the Purchase Card from the Card Custodian who completes the Department Card Log.
 2. The Card Custodian places the receipt with line item detail and all other backup documentation into a monthly transaction file. On a monthly basis a copy of the Department Card Log, the monthly transaction listing from Access Online, and all original receipts must be sent to the Accounts Payable department no later than the 21st of the month. Failure to send required documentation in a timely manner may lead to revocation of the card.
- B. Department Card Log:** The Department Card Log must be maintained by the Card Custodian. Each time the card is issued to a user, all required information must be entered into the Department Card Log (WMD Form 1001-10, Attachment A). This log must be completed and turned in to Accounts Payable no later than the 21st of each calendar month.
- C. On-Line Transaction Log:** The on-line transaction log can be found at <https://access.usbank.com> and is used to document each purchase and specify the accounting information that is pertinent to each transaction. This log must be completed and turned in to Accounts Payable no later than the 21st of each calendar month.
- D. During State Active Duty (SAD) Activation:** All purchases supporting a SAD activation must be preapproved by the Joint Operations Center (JOC). The purchases are logged into the Purchase Card template and given an authorization number. At the end of the SAD activation the JOC is responsible for turning in all logs, supporting documentation and original receipts to Finance.
- E. Monthly Reconciliation:** Accounts Payable will review the monthly transaction log and original receipts and ensure that all purchases are consistent with this policy and state law. If discrepancies are found, Accounts Payable will contact the Card Custodian for additional information. If resolution has not occurred within five (5) working days, Accounts Payable will contact the Asst. CFO for follow up on the issue.
1. Lodging, meals and extra ordinary expenses over \$10,000 are allowed for SAD events without prior authorization from the CFO. Any purchase of a single item for over \$10,000 must be reported to the State Contracts section immediately for reporting to the Department of Enterprise Services (DES) within in three days.
 2. For purchases of meals a head-count sheet must accompany the credit card receipt for each meal purchased. Per Diem rules apply to the cost of meals and lodging.
 3. A 20% limit on tips for meals apply. Gratuities exceeding 20% are the responsibility of the individual paying for the gratuity. The JOC will be

responsible for recovering this cost.

4. Sales tax must be paid on all SAD purchases.
5. Any missing or lost receipt will require a missing receipt affidavit.

F. How to Request a Purchase or Travel Card

1. Contact the Fiscal Analyst (FA) 4 at (253) 512-8423 to make a request.
2. Once the card is ordered the FA 4 informs the requester and the Agency Purchase Card Administrator.
3. Once the card is received the Agency Purchase Card Administrator will contact the requestor and provide the necessary forms (Attachments B through E).
4. A travel card will only be provided to permanent and project employees; a travel card will not be provided to a non-permanent employee.

G. Required Procurement Training

Card Custodians and Designated Card Users must take the WA State Small Purchases and WA State Purchasing and Procurement Ethics

H. Additional Requirements for Unique Purchases:

1. **Training Registrations and Conferences:** A Training Request Form approved by the employee's supervisor and the Human Resource Office must accompany the transaction log and credit card receipt. A copy of the registration form must accompany the charge slip.
2. **Coffee and Light Refreshments or Meals with Meetings:** A preapproved Coffee and Light Refreshments or Meals with Meetings form (MIL Form 1008-13) must be completed prior to the event.

Meals may be purchased with a credit card for the following reasons:

- (a) The Logistics section may purchase meals during the first 36 hours of an EOC activation. Written authorization, using Form 1008-13 Coffee and Light Refreshments or Meals with Meetings, from the Chief Financial Officer must be received prior to purchasing meals after the first 36 hours. Per diem rules must be followed.
- (b) Meals with meetings lasting more than four (4) hours. A pre-approved Form 1008-13 Coffee and Light Refreshments or Meals with Meetings must accompany the credit card receipt and log along with a list of attendees.
 - (1) The cost of each individual meal must meet the per diem allowance for the area and cannot include alcoholic beverages. Meals will not be consumed at places the public may view as an inappropriate use of state paid time, such as casinos, taverns or bars.

Attachment A
 Page ___ of ___
 Washington State Military Department
 Department Card Log

| Designated Card User | Name of Division/Section Card Custodian | Date | Approving Manager | Month/Year | Date | Receipt/Invoice Rec'd Y/N | Program Index | Vendor | Description of Items Purchased | Amt of Purchase | Purpose of Items Purchased |
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STATE OF WASHINGTON
MILITARY DEPARTMENT
Camp Murray, Washington 98430-5000

I hereby acknowledge receipt of the State Purchase Card, Account No._____. As the Approving Manager, I agree to the following statements and will contact the Agency Program Administrator if I am unclear as to the policies or procedures for use of the card.

1. I agree to establish written authorization controls for the Card Custodian or Cardholder listed below.
2. I agree to establish procedures for maintaining security of the Purchase cards.
3. I agree to report to the Agency Program Administrator any known or suspected inappropriate use or fraudulent use of the purchase card.
4. I agree to have all purchases reconciled monthly with the bank on-line transaction log and the Department Card Log. I agree to have all original receipts submitted to the WMD Accounts Payable Department monthly.
5. When appropriate, I agree to sign and have all Department Card Logs signed by the Card Custodian and submit all original receipts to the Accounts Payable Department along with the signed Department Card Log.
6. I agree to report lost or stolen cards immediately to the Agency Program Administrator.
7. I agree to adhere to Financial Service Policy FIN-105-02.
8. I understand that violations of this agreement, or agency established policies and procedures governing the use of this card may result in cancellation of division purchasing card privileges.

Name: _____ Date: _____



STATE OF WASHINGTON
MILITARY DEPARTMENT
Camp Murray, Washington 98430-5000

As Approving Manager, I _____ delegate authority to manage the use of the Purchase Card Account No. _____ (last six digits only) to the Card Custodian: _____.

As the Card Custodian, I agree to the following statements and will contact the Agency Program Administrator if I am unclear as to the policies and procedures for use of the card. I agree to adhere to Financial Services Policy FIN-105-02. I agree to have all purchases reconciled monthly with the Department Card Log by the designated Card User and to submit all original receipts to the WMD Accounts Payable Department along with a signed copy of the Department Card Log. I agree to have all purchases reconciled monthly with the bank on-line system transaction log by the Card User and to ensure that the Card User submits all original receipts to the WMD Accounts Payable Department. Additionally, the card will not be used for the following:

1. Cash Advances.
2. Items purchased for personal use.
3. Materials or services purchased from any member of the Designated Card User's or Cardholder's family.
4. Purchases of equipment, materials or supplies restricted by policies, guidelines, or contractual agreements, i.e. purchasing office supplies from a commercial vendor that are available from the contracted vendor.
5. Purchase of air fare.
6. Gifts or donations.
7. Purchases in excess of limits authorized for the card.
8. Splitting purchases to circumvent the daily or monthly purchase limits on a card, or to avoid competitive bidding limits or purchase authority limits.
9. Prepayments for goods and services.
10. Purchase of alcoholic beverages or tobacco products.
11. Purchases from any merchant for goods or services considered an inappropriate use of state funds.
12. Using the card for employee training without written approval from the Human Resources Department.

I understand that violations of this agreement, or agency established policies and procedures governing the use of this card may result in cancellation of division purchasing card privileges and may result in corrective or disciplinary action.

Signature (card custodian): _____ Date: _____

Signature (approving manager): _____ Date: _____



STATE OF WASHINGTON
MILITARY DEPARTMENT
Camp Murray, Washington 98430-5000

I hereby acknowledge receipt of the State Purchase Card, Account No._____.
I agree to adhere to Financial Services Policy FIN-105-02.

As the Designated Card User, I agree to the following statements and will contact the Agency Program Administrator if I am unclear as to the policies and procedures for use of the card. I agree to have all purchases reconciled monthly with the Department Card Log. I agree to maintain security of the purchase card at all times. Additionally, the card will not be used for the following:

1. Cash Advances.
2. Items purchased for personal use.
3. Materials or services purchased from any member of the Designated Card User's or Cardholder's family.
4. Purchases of equipment, materials or supplies restricted by policies, guidelines, or contractual agreements, i.e. purchasing office supplies from a commercial vendor that are available from the contracted vendor.
5. Purchase of air fare.
6. Gifts or donations.
7. Purchases in excess of limits authorized for the card.
8. Splitting purchases to circumvent the daily or monthly purchase limits on a card, or to avoid competitive bidding limits or purchase authority limits.
9. Prepayments for goods and services.
10. Purchase of alcoholic beverages or tobacco products.
11. Purchases from any merchant for goods or services considered an inappropriate use of state funds.
12. Using the card for employee training without written approval from the Human Resources Department.

I understand that violations of this agreement, or agency established policies and procedures governing the use of this card may result in cancellation of division purchasing card privileges and may result in corrective or disciplinary action.

Name: _____ Date: _____

Signature: _____



STATE OF WASHINGTON
MILITARY DEPARTMENT
Camp Murray, Washington 98430-5000

RECEIPT OF CORPORATE TRAVEL CARD

I hereby acknowledge the receipt of my US Bank Corporate Travel Card,

Last four digits of the account number _____

In consideration of the Military Department obtaining the card and providing it to me, I agree to the following:

1. I will use the card whenever possible for my business related travel expenses, such as meals, hotels, and car rentals. I will not use this card for personal purchases. Using the card for other than travel related expenses is prohibited by Article VIII, Section 5 of the Constitution of the State of Washington and may result in cancellation.
2. I understand that US Bank will bill me monthly for all charges made to the card and that I will be personally responsible for paying all charges to the card. If I fail to pay US Bank, my wages may be subject to garnishment.
3. I will pay all charges in full shown on my US Bank monthly billing statement promptly upon receipt of the statement. I understand that I am personally responsible for, and I will promptly pay, any late payment charges that may be assessed by US Bank if my account becomes delinquent.
4. I will promptly submit travel vouchers covering amounts charged to the card and will attach a copy of each card transaction.
5. I understand that my card privileges may be suspended or canceled if I am delinquent in paying US Bank.
6. I will promptly return the card to the Military Department if requested to do so or if my employment with the Department is terminated.
7. I understand that my failure to follow these guidelines may result in corrective or disciplinary action up to and including my dismissal from employment.

Employees Signature

Date

Printed Name