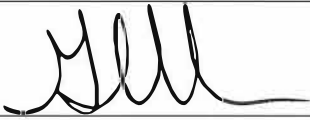




**Department Policy No. FIN-105-02**

<b>Title:</b>	<b>State Purchase Cards</b>
<b>Former Number:</b>	02-003-02
<b>Authorizing Source:</b>	<p><a href="#">RCW 39.26</a> Procurement of Goods and Services</p> <p><a href="#">RCW 42.52</a> Ethics in Public Service</p> <p><a href="#">RCW 43.09.185</a> Loss of public funds—Illegal activity—Report to state auditor’s office</p> <p><a href="#">RCW 43.88.160</a> Fiscal management—Powers and duties of officers and agencies</p> <p><a href="#">State Administrative and Accounting Manual (SAAM), Chapter 20</a> – Internal Controls</p> <p><a href="#">SAAM Chapter 40.30.40</a> Purchase Cards</p> <p><a href="#">Enterprise Services Policy POL-DES-125-03</a>, Use of Credit Cards to Make Purchases of Goods and Services</p> <p><a href="#">Enterprise Services Policy POL-DES-125-03</a>, Direct Buy Purchases and Procurements</p> <p>WMD Policy <a href="#">FIN-111-02</a>, Procurement, Contracting and Leasing</p> <p>WMD Unified Policy <a href="#">UNI-23-01</a>, State Active Duty Expenditure Authority</p> <p>WMD Policy <a href="#">FIN-109-13</a>, Coffee and Light Refreshments and Meals with Meetings</p>
<b>Information Contact:</b>	Chief Financial Officer (CFO) Building #1 (253) 512-7498
<b>Effective Date:</b>	October 7, 2002
<b>Revised:</b>	October 16, 2024
<b>Mandatory Review Date:</b>	October 16, 2028
<b>Approved By:</b>	 <hr/> Gent Welsh, 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 state purchase cards (credit cards).

## Scope

This policy applies to all state employees of the WMD, including Washington Army and Air National Guard members on State Active Duty (SAD), the Washington State Guard, and any federal employee of the WMD who is issued or uses a state purchase card.

## Definitions

1. The Agency Credit Card Administrator administers the purchase card program.
2. The Approving Manager is a state employee of the WMD who authorizes an employee or designated WMD representative to expend state funds using a purchase card and designates them as a Card Custodian.
3. The Card Custodian is an individual designated by the Agency Credit Card Administrator and Approving Manager to maintain custody of and make purchases with an assigned Purchase Card.
4. The Designated Card User is an individual authorized by the Card Custodian to make purchases on behalf of the agency.

## Policy

1. The WMD's Purchase Card Program provides a secure, efficient, convenient, and traceable method for paying for goods and services. Individuals who use a state purchase card are responsible for ensuring all purchases are in accordance with state procurement and ethics laws, and with Department of Enterprise Services (DES) and WMD policies. It is essential that employees have a good understanding of all department and state procurement policies before purchasing any goods or services to ensure that state purchases are legal and allowable. If unsure about the policies, contact the Agency Credit Card Administrator or the Contracts and Procurement Administrator for guidance.
2. **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 must be reported to the agency's Chief Financial Officer, who is responsible for ensuring it is reported to the State Auditor's Office.
3. **Required Procurement Training**  
Per DES policy, all Purchase Card Approving Managers, Card Custodians, and Designated Card Users must complete the following Washington State Learning Center

courses prior to taking responsibility for a state purchase card:

- a. WA State Small Purchases
- b. WA State Purchasing and Procurement Ethics

**4. The following items may not be purchased using a state purchase card:**

- a. Cash advances.
- b. Items purchased for personal use.
- c. Food or beverages, unless prior approval is provided in accordance with WMD's [Coffee and Light Refreshments and Meals with Meetings](#) policy or in support of a State Active Duty activation in accordance with WMD's [State Active Duty Expenditure Authority Policy](#).
- d. Materials or services from any family member of the Designated Card User or Card Custodian.
- e. Goods or service from an alternate vendor (direct buy) when the item is available on a statewide contract; the statewide contract or convenience contract must be used whenever one is available.
- f. Airfare or rental car unless the vendors on the statewide contract are not able to provide the airfare or rental car service.
- g. Donations.
- h. Any materials or services that exceed limits authorized for the card.
- i. Goods or services not using a statewide contract that exceed the state's direct buy spending limit, including splitting purchases to circumvent the competitive bidding limits or purchase authority limits.
- j. Alcoholic beverages or tobacco products.
- k. Any goods or services from a vendor that would be considered inappropriate use of state funds, i.e. gambling, adult entertainment, etc.

**5. Procurement Limits**

Card Custodians and Designated Card Users are responsible for determining the appropriate type of procurement and ensuring that all purchases comply with applicable state and federal laws, including state procurement laws, state ethics laws, the state's Administrative and Accounting Manual, DES procurement policies, and the WMD Contracting and Procurement Manual. Specific types of procurements are further defined in WMD's Procurement, Contracting and Leasing policy ([FIN-111-02](#)), and DES policies, and include:

- a. Competitive procurements
- b. Procurements using a statewide contract
- c. Direct buy procurements
- d. Sole source procurements
- e. Emergency procurements

## 6. How to Make a Purchase

- a. An employee identifies the need for goods or services and, if not a Card Custodian or Designated Card User, requests the purchase of the identified goods or services.
  - 1) The Purchase Card may be used in the same manner as any credit card: in-person, online, and over-the-phone.
  - 2) All online purchases must be made through a secure website only. Secure websites start with “https://.”
- b. The Card Custodian or Designated Card User selects to use a Purchase Card as a legal method of procurement.
  - 1) The Designate Card User requests the Purchase Card from the Card Custodian.
  - 2) The Card Custodian ensures that the Designated Card User completes the State Purchase Card Log.
- c. The Card Custodian or Designated Card User uses the Purchase Card to pay for the identified goods or services.
  - 1) The user of the Purchase Card must ensure that they receive a receipt with line-item detail from the vendor. The Card Custodian retains all receipts and any other backup documentation as required for follow-on Purchase Card reconciliation.
  - 2) The Card Custodian ensures that a proper charge code is associated with the purchase.
  - 3) The Card Custodian is responsible for confirming that the goods or services purchased have been received. The agency may not pay the issuing bank for the charges until the goods or services have been received.
  - 4) Upon completion of the transaction, the Designated Card User returns the Purchase Card to the Card Custodian.

## 7. Meals with Meetings/Coffee and Light Refreshments

Meals and refreshments may be purchased with a purchase card only in the following circumstances:

- a. Meals or refreshments must be approved in advance in accordance with WMD Policy FIN-109-13, “Coffee and Light Refreshments and Meals with Meetings.” A pre-approved Approval for Coffee and Light Refreshments or Meals with Meetings form ([WMD Form 1008-13](#)) must accompany the credit card receipt and log.
- b. Activations of the State Emergency Operations Center (SEOC): The Emergency Management Division Logistics section may purchase meals for personnel supporting the SEOC during a partial or full SEOC Activation. Per diem rules must be followed.

## 8. Sales Tax

Sales tax must be paid on all applicable purchases, including for SAD purchases. WMD is not tax exempt for state purchases, even if the purchase will be federally reimbursed.

## 9. Security

- a. Each Card Custodian and Designated Card User is responsible for the security of the Purchase Card(s). Card Custodians and Designated Card Users will store the Purchase Card in a secure location when not in use and protect account numbers against fraudulent use.
- b. Purchase Card Abuse: If misuse or fraudulent activity occurs, the Card Custodian or Approving Manager must immediately report questionable charges or suspected fraudulent use to the Agency Credit Card Administrator. The Agency Credit Card Administrator, in consultation with the CFO and State Human Resources Director, is responsible for ensuring appropriate corrective action is taken and that the corrective action is consistent with applicable personnel policies.
- c. 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. The CFO is responsible for ensuring the State Auditor's Office is notified.
- d. Lost/Stolen Cards: Card Custodians must report lost or stolen cards to the Agency Credit Card Administrator within 24 hours or the next duty day upon discovery of the loss. The Agency Credit Card Administrator will notify the card provider's customer service center (1-800-344-5696).
- e. Disputed Items: Unauthorized and incorrect charges will be disputed. The Card Custodian will notify the issuing bank and the Accounting Manager or Agency Credit Card Administrator of any unauthorized charges. 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 regarding any disputed items must be submitted to Accounts Payable with the monthly reconciliation.
- f. Employee termination: When an employee terminates their employment with WMD for any reason, or transitions to a position in which they will no longer be the custodian of the purchase card, the supervisor must collect the purchase card from the employee. The supervisor may destroy the card and notify State Finance of the action, return it to State Finance, or request to re-issue the card to another employee by completing the Request for Purchase Card Change Form.

**10. Monthly Reconciliation:** The Card Custodian must submit a monthly reconciliation to the Accounts Payable department **no later than the third Thursday of each month.** Documents are to be submitted to Accounts Payable via SharePoint using the filename "US Bank - last 4 digits of card - statement date using the format MMY." Failure to send required documentation in a timely manner may lead to revocation of the card.

Required documents include:

- Completed online transaction logs – located on the issuing bank's website and used to document purchase and accounting information for each transaction. These must be signed by the Card Custodian and Approving Manager.

- Completed state purchase card logs ([WMD Form 1001-10](#)) – maintained by the Card Custodian to document when the card is issued to a Designated Card User. For purchase cards issued to the Joint Operations Center (JOC), the Receipt Management Data Sheet (RMDS) meets this requirement.
- Receipts with line-item detail – any missing or lost receipt will require a lost/missing receipt affidavit (WMD Form 1005-10).
- Any required “Approval for Coffee and Light Refreshments or Meals with Meetings” forms (WMD Form 1008-13).
- Any Resource Request Approvals required to document purchases in support of the National Guard or State Guard.
- Any approved exemptions to justify a purchase that did not use a mandatory use contract.
- Travel authorization documentation from the traveler’s authorized approver, if written approval for travel was required in accordance with the WMD Travel Policy ([FIN-102-02](#)).

Accounts Payable will review the documentation and ensure that all documentation has been submitted. If discrepancies are found, Accounts Payable will contact the Card Custodian for additional information. If a resolution has not occurred within five (5) working days, Accounts Payable will contact the Approving Manager for follow-up on the issue.

**11. During State Active Duty (SAD) Activation:** All purchases supporting a SAD activation must be approved in accordance with [Unified WMD Policy 23-01](#) (State Active Duty Expenditure Authority). The purchases must be logged and given an authorization number. The JOC is responsible for turning in all logs, supporting documentation and original receipts to Accounts Payable at the end of the mission, or no later than the third Thursday of each month if the mission lasts longer than 30 days. The format of those logs may vary as agreed upon by the JOC and the State Finance JOC Liaison so long as appropriate internal controls are met.

Any purchase from an individual vendor for more than \$30,000 (excluding sales tax) that did not use a statewide contract must be reported to the Contracts and Procurement Administrator immediately for reporting to the DES within three days to comply with the state’s emergency purchase requirements.

## Procedures

### 1. How to Request a Purchase Card, or Change a Purchase Card

- a. The intended Card Custodian or supervisor submits the WMD Purchase Card Change Request Form ([WMD Form 1019-23](#)) to the Accounting Manager or Agency Credit Card Administrator. This form is used to:
  - 1) Request a new purchase card
  - 2) Change the purchase card’s custodian or approving manager
  - 3) Request an increase or decrease to the credit limit

- b. The Accounting Manager or Agency Credit Card Administrator will only approve requests after verifying the card requester has completed the required procurement training and, if the user is a federal employee, obtained a written “agent of the state” designation from the Adjutant General.
- c. The Accounting Manager or Agency Credit Card Administrator will contact the issuing bank to order the purchase card and set up user profiles and necessary Merchant Category Codes (MCC) to establish the account.

## 2. Purchase Card Distribution

- a. Once the card is received, the Agency Credit Card Administrator will contact the Card Custodian to arrange for card delivery. The Agency Credit Card Administrator will confirm requestor acknowledgement of requirements for proper use of the purchase card, as explained in this policy and in state law, and obtain signed copies of the required forms (attached at the bottom of this policy).
- b. Agency Credit Card Administrator will provide instructions on using the issuing bank’s website, update the employee access to the account information through the bank website, sign the purchase card out to the Card Custodian, and update the Master Credit Card Tracker file.

## Responsibilities

1. **The Adjutant General** will provide an authorization letter to each federal employee who is a Card Custodian or Designated Card User appointing them as an “Officer of the State.”
2. **The Chief Financial Officer** is responsible for general oversight of all expenditures on behalf of the agency.
  - a. Designates an Agency Credit Card Administrator within the State Finance Division and oversees agency compliance with this policy.
  - b. Reports any known or suspected loss of public funds or assets or other illegal activity regarding purchase card use to the State Auditor’s Office as required per [RCW 43.09.185](#).
3. **The Agency Credit Card Administrator** has responsibility for the following:
  - a. Recommending policy and procedures to the CFO.
  - b. Determining the appropriate type of card, credit limit, Card Custodian and Approving Manager for each card, and approving the ordering of new credit cards on behalf of the agency.
  - c. Ensuring Approving Managers, Card Custodians, and Designated Card Users have been properly trained. Verifies and maintains training records for Approving Managers, Card Custodians, and Designated Users.
  - d. Collecting and maintaining WMD State Purchase Agreement Forms ([\(WMD Form 1021-24\)](#)), WMD Purchase Card Change Request Forms (WMD Form 1019-23), and “Officer of the State” authorization for federal card users.



- e. Ordering purchase cards.
- f. Reporting lost or stolen credit cards immediately to the issuing bank, and/or confirming that it has been reported.
- g. Maintaining a list of authorized Card Custodians and Approving Managers.
- h. Providing purchase card customer service support to Card Custodians and Designated Card Users, including enabling and disabling MCCs.
- i. Reviewing the purchase card program annually to ensure proper procedures and internal controls are followed.
- j. Notifying the Accounting Manager, CFO, and the issuing bank of known or suspected fraudulent credit card activity, even if no financial loss has occurred.

4. **Accounts Payable Supervisor** is responsible for:

- a. Ordering purchase cards.
- b. Reporting lost or stolen credit cards immediately to the issuing bank.
- c. Providing purchase card customer service support to Card Custodians and Designated Card Users, including enabling and disabling MCCs.
- d. Overseeing and ensuring timely payment of purchase card statements on behalf of the WMD.

5. **Accounts Payable Accountants** are responsible for the following:

- a. Verifying online transaction logs submitted to State Finance contain all accompanying receipts, required documentation, and signatures from both the Purchase Card Custodian and Approving Manager.
- b. Notifying Purchase Card Custodians when reconciliation documents are incomplete or incorrect and follows up until corrected.
- c. Notifying Approving Manager of any delinquent purchase card reconciliations.

6. **Approving Manager** is a state employee, and is responsible for the following:

- a. Completing the required procurement training.
- b. Authorizing employees or designated WMD representatives as Card Custodians to expend state funds using a purchase card.
- c. Signing [WMD Form 1021-24](#), State Purchase Card Agreement.
- d. Establishing controls for Card Custodians, within the guidelines of this policy, including limits on types of purchases.
- e. Establishing procedures for security of the purchase cards.
- f. Reviewing online transaction reports, State Purchase Card Log ([WMD Form 1001-10](#)), and receipts monthly. Confirms all purchases have accompanying receipts, are appropriate and in accordance with this policy, designates a charge code for each transaction, and signs the reconciliation documents to confirm that this review has been completed.



- g. Reports to the Agency Credit Card Administrator any known or suspected inappropriate use of the purchase card.

7. **Card Custodian** is responsible for the following:

- a. Completing the required procurement training.
- b. Signing [WMD Form 1021-24](#), State Purchase Card Agreement.
- c. Maintaining security and control of the Purchase Card.
- d. Using the agency Purchase Card to make purchases on behalf of the WMD in accordance with state procurement laws, ethics laws, agency policy, and delegated purchase authority.
- e. Ensuring all purchases made by Designated Card Users comply with state procurement laws, ethics laws, agency policy, and delegated purchase authority.
- f. Maintaining records of Designated Card Users they authorize to use their purchase card. This includes:
  - 1) Confirming the Designated Card User has completed the required procurement training by contacting the Contracts and Procurement Administrator or the Human Resources Division.
  - 2) Collecting and maintaining a WMD Designated Card User Agreement Form ([WMD Form 1004-10](#)) for each card user the Card Custodian authorizes to use the card and making these documents readily available upon request.
- g. Entering information in the State Purchase Card Log ([WMD Form 1001-10](#)) each time the card is issued to a Designated Card User.
- h. Maintaining and reconciling the online transaction report for all purchases.
- i. Collecting all original receipts with line-item detail for each transaction to ensure expenses are allowable.
- j. Signing and submitting reconciliation documentation to the Approving Manager for review and approval.
- k. Submitting the approved reconciliation documentation to State Finance.
- l. Reporting to the Approving Manager, Agency Credit Card Administrator or Accounting Manager any known or suspected inappropriate use of the Purchase Card immediately upon discovery.
- m. Reporting lost or stolen cards immediately to the Accounting Manager and/or Agency Credit Card Administrator.

8. **Designated Card User** is responsible for the following:

- a. Completing required procurement training.
- b. Reviewing and acknowledging all Purchase Card policies and procedures.
- c. Signing [WMD Form 1004-10](#), Designated Card User Agreement Form.

- d. Properly using the agency Purchase Card to make purchases on behalf of the WMD in accordance with state procurement laws, ethics laws, agency policy, and delegated purchase authority.
- e. Maintaining security and control of the purchase card.
- f. Providing all receipts with line-item detail and appropriate charge code(s) to the Card Custodian after completing the purchase.
- g. Timely returning the card after making authorized purchases.
- h. Reporting lost or stolen cards immediately to the Card Custodian.



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

**WMD State Purchase Card Log**

Name of Division/Section: \_\_\_\_\_

Last 4 Digits: \_\_\_\_\_

Month/Year \_\_\_\_\_

Date Issued	Date Returned	Designated Card User	Receipt/ Invoice Received Y/N	Vendor	Program Index	Description of Items Purchased	Amount of Purchase	Purpose of Items Purchased	Date Received

My signature below indicates that all purchases have been reviewed and comply with WMD Policy FIN-105-02 (State Purchase Card Policy), DES Purchasing Policies, and applicable WACs and RCWs.

Card Custodian Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Approving Manager Signature: \_\_\_\_\_ Date: \_\_\_\_\_



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

### **WMD State Purchase Card Agreement**

We hereby acknowledge responsibility for custody, use, and oversight of the State Purchase Card ending with four digits \_\_\_\_\_

Effective Date: \_\_\_\_\_

#### **Card Custodian Responsibilities:**

1. I agree to adhere to WMD Policy FIN-105-02, State Purchase Cards.
2. I understand that the card will not be used for the following:
  - a. Cash advances.
  - b. Items purchased for personal use.
  - c. Food or beverages, unless prior approval is provided in accordance with WMD's Coffee and Light Refreshments and Meals with Meetings policy or in support of a SAD activation.
  - d. Purchase of materials or services from any of my family members.
  - e. Purchase of any good or service from an alternate vendor (direct buy) when the item is available on a statewide contract; the statewide contract or convenience contract must be used whenever one is available.
  - f. Purchase of airfare or rental car unless the vendor on the statewide contract is not able to provide the airfare or rental car service needed.
  - g. Donations.
  - h. Purchases exceeding limits authorized for the card.
  - i. Purchases that exceed the state's direct buy spending limit, unless a statewide contract is used. I understand that I may not split purchases to circumvent this limit.
  - 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. gambling, adult entertainment, etc.
3. I agree to reconcile all purchases monthly and will submit all required documentation to the Approving Manager by the third Thursday of each month:
  - l. The bank's Online Transaction Log
  - m. All receipts and pre-approval forms as required
  - n. Charge codes and accounting codes for every transaction
  - o. State Purchase Card Log (WMD Form 1001-10) (optional if no other card users)
4. I agree to adhere to the written authorization controls and procedures established by the Approving Manager.
5. I understand that violations of this agreement or agency established policies and procedures governing the use of this card may result in cancellation of my ability to use a purchase card, revocation of division purchase card privileges, and may result in corrective or disciplinary action.

**Approving Manager Responsibilities**

1. I agree to adhere to WMD Policy FIN-105-02, State Purchase Cards.
2. I agree to establish written authorization controls for the Card Custodian.
3. I agree to establish procedures for maintaining security of the Purchase Cards.
4. I agree to report to the Agency Credit Card Administrator any known or suspected inappropriate use or fraudulent use of the purchase card.
5. I agree to ensure all purchases are reconciled monthly. I agree to review the Online Transaction Log, the State Purchase Card Log (WMD Form 1001-10), and all receipts, and confirm that all documentation has been provided.
6. I understand that my approval of the reconciliation documentation indicates my concurrence that all purchases made using this card were for legitimate business purposes in compliance with state law, DES policy, and WMD policy.
7. I agree to report lost or stolen cards immediately to the Agency Credit Card Administrator.
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 this purchase card or of division purchase card privileges.

**Card Custodian**

Primary

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Secondary (Optional)

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

**Approving Manager**

Primary

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Secondary (Optional)

Name: \_\_\_\_\_

Signature: \_\_\_\_\_



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

**WMD Designated Card User Agreement**

As a Designated Card User:

1. I agree to adhere to WMD Policy FIN-105-02, State Purchase Cards.
2. I understand that the card will not be used for the following:
  - a. Cash advances.
  - b. Items purchased for personal use.
  - c. Food or beverages, unless prior approval is provided in accordance with WMD's Coffee and Light Refreshments and Meals with Meetings policy or in support of a SAD activation.
  - d. Purchase of materials or services from any of my family members.
  - e. Purchase of any good or service from an alternate vendor (direct buy) when the item is available on a statewide contract; the statewide contract or convenience contract must be used whenever one is available.
  - f. Purchase of airfare or rental car unless the vendor on the statewide contract is not able to provide the airfare or rental car service needed.
  - g. Donations.
  - h. Purchases in excess of limits authorized for the card.
  - i. Purchases not using a statewide contract that exceed the state's direct buy spending limit, including splitting purchases to circumvent the competitive bidding limits or purchase authority limits.
  - 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, etc.
3. I agree to maintain security of the purchase card at all times and promptly return it to the Card Custodian, along with receipts and charge codes for all transactions.
4. I understand violations of this agreement or agency policies and procedures governing the use of this card may result in cancellation of my purchase card, revocation of division purchase card privileges, and may result in corrective or disciplinary action, up to and including dismissal from the agency

Designated Card User Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_