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Purchasing Card Policy

**Office of Procurement and Contracts
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Department of Human Services Purchasing Card Policy

I. PROGRAM OVERVIEW

The Department of Human Services (DHS) Purchasing Card (P-Card) program is administered in compliance with the Statewide Purchasing Card Policy published by the Department of Administrative Services (DOAS), State Purchasing Division (SPD).

Utilizing the P-Card streamlines payments for goods and services for State business use by eliminating the administrative burdens and costs associated with traditional methods of payment. Per the Statewide P-Card Policy, revised effective April 1, 2017, the P-Card may be used as the method of payment for unplanned, non-routine, or urgent point of sale purchases under \$1,000 and for purchases under \$5,000 that are preapproved through the requisition process prior to completing the purchase. Point of sale transactions include purchases made at a physical store, in person, online, or over the phone.

The State-issued P-Card is the only charge card authorized for use by DHS Divisions, Offices, and the local county Departments of Family and Children Services (local county DFCS).

All forms mentioned in this Policy are available on the Office of Procurement and Contracts (OPC) Intranet page under the heading Forms and Documents.

Any questions related to appropriate use of the P-Card can be sent to the DHS P-Card Administrator.

II. P-CARD ACCOUNTS

All accounts must be used only for official State of Georgia business. Cards must be surrendered and destroyed upon termination of employment or upon demand. The DHS P-Card Administrator will close the employee's P-Card account upon termination of employment regardless of reason.

The following requirements apply to all DHS P-Card accounts:

- A. Cardholders are limited to one active P-Card.
- B. Cardholders must be permanent, part-time or full-time State employees whose job responsibilities require use of a P-Card.

- C. Cards will not be issued to temporary workers (e.g. hired from a temporary staffing agency), or contractors (e.g. person hired for a pre-determined period of time for a specific project).
- D. Cards will not be issued in the name of a Division, Office, or work unit.
- E. Cards cannot be shared by multiple employees.
- F. Only the employee whose name is shown on the face of the card is authorized to make purchases with the card, either in person, on-line, or telephone. Use by any other person, even if for State business purposes, is considered misuse of the card. This restriction does not apply to requestors in TeamWorks who are assigned to a cardholder for eProcurement purchases.
- G. To be eligible for a card (and prior to renewal of an existing card), the applicant must meet predetermined background and credit check criteria. This part of the eligibility determination process is performed by the DHS Office of Inspector General (OIG).
- H. The following approvals must be given prior to issuing or renewing a P-Card:
 - 1) Applicant's supervisor
 - 2) Division or Office Director
 - 3) Local county DFCS cards
 - i. County Director
 - ii. Regional Director (applicable only if county Director is applicant)
 - iii. State DFCS Fiscal Director
 - 4) DHS Office of Inspector General (for credit and background checks)
 - 5) DHS P-Card Administrator
 - 6) DHS Chief Financial Officer
- I. Prior to card issuance and/or assuming a role in the P-Card process, the applicant, approver (supervisory and/or fiscal), and Chief Financial Officer (CFO) must comply with specific training requirements. To remain eligible for roles in the P-Card process, training must be refreshed annually, or more often if required by the DHS P-Card Administrator, to ensure the DHS P-Card Program remains compliant with policy and procedural updates.

III. COMPLIANCE WITH LAWS AND POLICY

All procurement laws in the Official Code of Georgia, Annotated, and administrative rules found in the Georgia Procurement Manual (GPM) apply to the use of the P-Card. Cardholders, program users, CFOs or supervisors/approving officials who knowingly, or through willful neglect, fail to comply with the following may be subject to suspension or termination of account privileges or other disciplinary action, up to and including termination of employment and criminal prosecution to the fullest extent of the law.

- Official Code of Georgia, Annotated (O.C.G.A.), sections related to governmental purchasing
- Applicable requirements of the *Georgia Procurement Manual* (GPM)
- *Statewide Purchasing Card Policy*
- State Entity policies and procedures governing procurement and the Purchasing Card Program.

The State Cards Program Director and State Purchasing Division reserve the right to withdraw any authority or delegated approval due to non-compliance with applicable laws, rules, regulations, policies, and procedures, or the terms of any conditional approval.

A. Personal Purchases Prohibited

Cardholders and other program personnel are prohibited from using the P-Card for the purchase of any goods or services not directly or indirectly related to official State of Georgia business. Intentional use of or approval for the use of the card for personal purchases will result in disciplinary action, up to and including termination from State employment and criminal prosecution.

1. The Official Code of Georgia, Annotated (O.C.G.A.), §50-5-80 states that any person who knowingly uses state funds for personal purchases under \$500 is guilty of a misdemeanor.
2. A person who knowingly uses state funds for personal purchases of \$500 or more is guilty of a felony punishable by one to 20 years in prison.
3. Supervisors or other approving officials who knowingly, or through willful neglect, approve personal or fraudulent purchases are subject to the same disciplinary actions as those making the purchases.
4. Personal purchases, regardless of the dollar value or circumstances, will be reported to the DHS Chief Financial Officer by the DHS P-Card Administrator. Reports of personal purchases will be investigated by the DHS Office of Inspector General, and reported to the State Cards Program Manager.

B. Cardholder Background Checks

O.C.G.A. §50-5-83 requires criminal background checks on all employees hired for positions that are eligible for P-Cards. Likewise, background checks will be run on cardholders at the time of each card renewal.

The Consent for Background Check for P-Card Eligibility form, which must be completed by the employee and forwarded to the DHS Office of Inspector General (OIG) for processing, can be found on the OPC Intranet page under the heading Forms and Documents. The Consent for Background Check for P-Card Eligibility form contains instructions on where to submit the completed form.

C. Cardholder Credit Checks

In addition to background checks for all cardholders, O.C.G.A. §50-5-83 requires credit checks to be completed on all employees who apply for a P-Card. Credit checks must be conducted through existing Statewide contract vendors. OIG will conduct the credit check and indicate either acceptance or denial of the employee's request for a card based on predefined criteria. Additionally, credit checks must be completed prior to P-Card renewal.

Cardholders who receive an unsatisfactory status as a result of the credit check will be provided an opportunity to dispute the report within a reasonable amount of time. However, the cardholder may not receive a P-Card until all preliminary checks have received a satisfactory status.

The Consent for Credit Check for P-Card Eligibility form must be completed by the employee and submitted to OIG for processing. The form can be found on the OPC Intranet page under the heading Forms and Documents. The Consent for Credit Check for P-Card Eligibility form contains instructions on where to submit the form.

D. Split Purchases (Split Transactions) Prohibited

O.C.G.A. § 50-5-69 requires competitive bidding for all open-market purchases anticipated to be \$25,000 or more. However, §50-5-83 sets the legal Single Transaction Limit (STL) for P-Card transactions at less than \$5,000 (e.g. \$4,999.99 or less) unless the purchase is from a Statewide Contract (SWC) and in compliance with State procurement policy. Statewide Purchasing Card Policy requires the STL for unplanned, non-routine, or urgent point of sale P-Card transactions to be set at \$1,000 and purchases that are preapproved and go through the requisition process prior to completing the purchase be set at under \$5,000 (i.e. \$4,999.99 or less). Point of sale transactions include purchases made at a physical store, in person, or over the phone.

1. Cardholders are prohibited from splitting a transaction between two or more transactions on a single account, two or more transactions on multiple accounts, or two or more transactions using the P-Card and a purchase order in order to circumvent competitive solicitation requirements. Refer to the GPM for complete information on bid requirements and procedures.
2. Cardholders are prohibited from splitting a transaction between two or more transactions on a single card number, two or more transactions on multiple card numbers, or two or more transactions using the P-Card and a purchase order in order to circumvent the STL imposed on the card regardless of the amount of the STL.

Important Note: DHS has established P-Card credit limits at \leq \$1,000 Single Transaction Limit (STL) and \leq \$5,000 Cycle Limit (CL). The card limits submitted in the DHS P-Card Plan, approved by the Office of Planning and Budget (OPB) and the Department of Administrative Services (DOAS), State Purchasing Division (SPD), may not be changed except as approved in the Special Approvals section of the DHS P-Card Plan. The DHS P-Card Plan is available for view on the OPC Intranet page under Forms and Documents.

E. Payment of Sales Tax

O.C.G.A. §48-8-3 exempts purchases made by Agencies, Universities, Colleges, and Technical Colleges from State Sales and Use Tax when payment is made with appropriated funds. Cardholders must present the Department of Revenue Sales and Use Tax Exemption, Form ST- 5, to suppliers upon request. This form is available on the Department of Revenue website at <http://dor.ga.gov> by searching for ST-5. A DHS-specific Form ST-5 is available on the OPC Intranet page under the heading Forms and Documents.

The requirement for out-of-state suppliers to charge Sales and Use Tax on shipments to purchasers in the State of Georgia does not apply to tax-exempt State Entities. In order to avoid confusion, the cardholder must provide out-of-state suppliers with a copy of the ST-5 prior to placing an order to be shipped into the State of Georgia. If the supplier refuses to remove taxes, the cardholder must make the purchase from a different supplier whenever possible.

Cardholders are responsible for ensuring that merchants do not charge tax or provide a credit for inadvertent charges.

1. If taxes are charged, the cardholder must contact the merchant to obtain a credit to the account. Sales tax cannot be disputed with the Bank.
2. Credits cannot be obtained by any other method, including, but not limited to, cash, gift cards, or store credit.
3. Documentation of attempts to obtain credit for any State Sales and Use Tax charged in error must be maintained with the documentation for the transaction where the tax was charged. The documentation must be uploaded with the reconciliation documents with comments clearly explaining (in detail) the efforts to obtain a credit.
4. In instances where attempts to obtain credit for tax are unsuccessful, cardholders must apply to the Georgia Department of Revenue (DOR) for a refund of sales taxes paid in error. The form to use for this request is the Department of Revenue's Claim for Sales and Use Tax Refund, Form ST-12. In addition to the ST-12, the cardholder must also submit either (1) a Waiver of Vendor's Rights, Form ST-12A, or (2) a Purchaser's Claim for Sales Tax Refund Affidavit, Form ST-12B. These forms contain instructions for their use and are located at <http://dor.ga.gov>. Documentation regarding application to DOR for a tax refund must be uploaded with the reconciliation documents.

F. Records Retention Requirements

The University System of Georgia maintains the official Records Retention Schedule for the State of Georgia. Records Retention Schedules are available at: http://www.georgiaarchives.org/records/retention_schedules.

1. Documents related to transactions (e.g. receipts) are accounting records and must be maintained for five (5) years according to the requirements of Accounts Payable Files.
2. Documents related to the issuance of accounts to employees (e.g. profile forms) are accounting records and must be maintained for seven (7) years upon issuance of P-Card according to the requirements of Credit Card Administration Records.
3. Supporting documentation for DHS P-Cards issued to Division or Office employees is maintained electronically. TeamWorks users upload documentation as part of the electronic reconciliation process in TeamWorks. The electronic documentation is maintained in TeamWorks for the required 5 years.
4. Supporting documentation for local county Departments of Family and Children Services (local county DFCS) cards is submitted to DFCS Regional Accounting monthly after it is uploaded in the Bank of America Works system by the cardholder.
5. The electronic documentation will be cataloged by the DHS P-Card Administrator under each cardholder's name for the required 5 years for record retention compliance.
6. Cardholder profile forms, documentation of background and credit checks, as well as training records relevant to P-Card eligibility are maintained in electronic files by the DHS P-Card Administrator for the required 7 years.

G. Internal Revenue Service 1099 Reporting

In 2011, the Internal Revenue Service announced changes to the IRS Revenue Code, Section 6050W, which shifted the burden of payment reporting requirements from the purchaser to the supplier's merchant bank when the P-Card is used as the method of payment for a reportable transaction. Because of the shift in responsibility, participants in the State's P-Card program are no longer required to report total P-Card transactions in excess of \$600 with certain suppliers. This change applies only to P-card transactions. Reporting for all other payment methods, including checks, ACH, and other means, remains the responsibility of the Entity making the payments. DHS 1099 Reporting is performed by the Office of Financial Services (OFS).

H. E-Verify

The Georgia Security and Immigration and Compliance Act, O.C.G.A. §13-10-91, requires suppliers to file an affidavit that the supplier and its subcontractors have registered and participate in the federal work authorization program known as E-Verify. This program is intended to ensure that only lawful citizens or lawful immigrants are employed by the supplier or subcontractor. All State Entities are required to obtain this signed and notarized affidavit from suppliers prior to entering into any service contract \$2,500 or greater involving the supplier's physical performance of services within the State of Georgia. The State of Georgia Attorney

General's Office has interpreted this to include one-time P-Card transactions for services.

For P-Card transactions that meet this definition, the cardholder is responsible for ensuring receipt of this affidavit. A copy of this affidavit must be included with all transaction documentation, including uploading a PDF version to TeamWorks (or the Bank of America Works system for local county DFCS cardholders).

IV. ROLES AND RESPONSIBILITIES

The DHS Agency Procurement Officer (APO) serves as the official liaison between DHS and DOAS SPD personnel for all matters related to the DHS P-Card program. The DHS APO serves as the DHS P-Card Program Administrator.

A. P-Card Plan

Each State Entity is required to have an approved P-Card Plan. Items required in the P-Card Plan must include but are not limited to the following:

1. Justification of need for each cardholder or job class.
2. Justification of need for point of sale purchases based on job requirements.
3. A scenario of card distribution that meets the statutory requirement of a maximum of 100 cards.
4. Time limits for determining when to cut off or cancel dormant cards based on job requirements.
5. Spending limits (with appropriate waiver requests) based on job requirements and business model.
6. An overview of Internal Controls surrounding card use.
7. Approval chain for each cardholder.

Amendments must be submitted for approval as business needs change. All DHS P-Card Plans and subsequent amendments must be reviewed and approved by the DHS Commissioner and DHS Chief Financial Officer and submitted to DOAS for approval in conjunction with the Office of Planning and Budget (OPB). Compliance audits will be conducted against the plan.

B. Agency Head

The Commissioner of the Department of Human Services is responsible for reviewing and approving the DHS P-Card Plan and all amendments prior to submission to DOAS/OPB. Agency Heads cannot be issued a P-Card.

C. Chief Financial Officer

The DHS Chief Financial Officer is responsible for overseeing the DHS P-Card program. Duties of the Chief Financial Officer include:

1. Successful completion of the CFO Card Program Training module
2. Submission of the completed CFO Card Program Acknowledgement form
3. The appointment of the DHS P-Card Administrator
4. Approval of qualified cardholders and approvers
5. Review and approval of the Annual Self Audit of the DHS P-Card Program
6. Review and approval of policies in conjunction with the DHS P-Card Administrator annually
7. Review and approval of the DHS P-Card Plan and all amendments
8. Submission of the DHS P-Card Plan to the DHS Commissioner

D. DHS P-Card Administrator

The DHS P-Card Administrator serves as the main point-of-contact and serves as a liaison between the DHS CFO, the DOAS State Purchasing Division, and other card program personnel. In some cases, responsibilities may be shared with and/or delegated to the DHS P-Card Financial Examiner.

The DHS P-Card Administrator fulfills responsibilities in the following areas:

1. Card Management

- a. Develops and maintains the DHS P-Card policy to address policy areas unique to DHS or that are not covered by the Statewide Purchasing Card Policy.
- b. Cannot be a P-Card holder.
- c. Works with management, including the DHS CFO, to identify job titles or positions that require a P-Card or would be good candidates for use of the card and/or other accounts.
- d. Develops internal procedures for requesting new cards and/or changes to existing cards (e.g. change in spending limits).
- e. Works with DHS Division, Office, and DFCS management, and the DHS CFO to determine appropriate cardholder spending limits based on budget restrictions, job requirements, historical spending patterns, and overall procurement practices.

- f. Evaluates cardholder spending limits against actual usage at least annually and terminates cards that show consistently low usage.
- g. Identifies cards with little or no usage to determine if cards are needed. Deactivates cards determined no longer needed.
- h. Deactivates P-Card accounts upon notification of cardholder employment change (e.g., retirement, termination, transfer, responsibilities no longer involve purchasing).

2. Reconciliation Procedures

The DHS P-Card Administrator is responsible for developing the following internal procedures:

- a. Reconciliation process that ensures timely payment and/or allocation of transactions to the General Ledger at least monthly.
- b. Documentation, including use of the Bank of America Works™ Payment Manager or TeamWorks financials, as appropriate, for reconciliation of transactions.
- c. Disputing a transaction with the bank.

3. Compliance with Laws and Policies

The DHS P-Card Administrator is responsible for the tasks below:

- a. Establishing written internal procedures to ensure compliance with State procurement laws, the *Georgia Procurement Manual*, the *Statewide Purchasing Card Policy*, and the internal P-Card policy.
- b. Developing written internal procedures for requesting exceptions to either State or internal policy requirements using the Special Approval Request, Form SPD-PC003.
- c. Developing internal procedures for requesting exceptions to both State and internal policies, if allowed.
- d. Submitting all P-Card Plan amendments and requests for exceptions to the Statewide Purchasing Card Policy to the DHS CFO for submission to cardprograms@doas.ga.gov for approval by DOAS and OPB.

4. Internal Controls

The DHS P-Card Administrator is responsible for:

- a. Developing the DHS internal P-Card procedures in compliance with the principles of sound internal controls.
- b. Ensuring that DHS has sufficiently documented internal controls and other measures (e.g. audits) to prevent and/or detect misuse or abuse of the P-Card.

- c. Developing written procedures for ordering cards and canceling cards when lost or stolen or when a cardholder leaves employment.
- d. Developing written procedures for reporting and documenting actual and/or potential cardholder abuse or misuse.
- e. Ensuring that transactions are audited at least annually during the required self-audit process outlined in section VI Internal Controls.

5. Card Program Training

The DHS P-Card Administrator is responsible for:

- a. Developing DHS-specific training for all cardholders, supervisors, and other approving officials.
- b. Developing appropriate refresher training to be delivered at least annually.
- c. Ensuring that all card program personnel receive notification of changes in State and internal policies, including Official Announcements from the State Purchasing Division.

E. Approving Officials

Approvers responsible for reviewing transactions must have a thorough knowledge of the cardholders' job responsibilities in order to determine if purchases are job-related or otherwise authorized. All approving officials are required to complete the Approver Card Program Acknowledgement form.

1. Monthly Reconciliation

- a. Before approving the P-Card transactions, either by signing a transaction log or statement or signing off on transactions electronically, the approving official must carefully review all documentation to ensure that all documentation meets the minimum requirements as explained in Section VIII.
- b. Ensure that passwords are not shared or delegated for others to use in order to review and approve transactions.
- c. Sign off on all transactions in TeamWorks financials, as appropriate, within the timeframe established by the DHS P-Card Administrator.
- d. Ensure all documentation is submitted according to internal procedures and DHS requirements. See Section VIII.

2. Other Responsibilities

- a. Maintain knowledge of State and DHS procurement policies and procedures related to use of the P-Card.
- b. Coordinate the following with the P-Card Administrator:
 - i. Ordering and canceling cards for employees
 - ii. Establishing reasonable spending limits

F. Cardholders

All cardholders are de facto purchasing agents for the State of Georgia and DHS. All card program personnel must have a minimum understanding of State procurement laws and the requirements of the Georgia Procurement Manual.

1. Card Usage

- a. Ensure that no other persons have access to any card information (i.e. card account number, expiration date, security code).
- b. Ensure that all purchases comply with DHS P-Card Policy.
- c. Ensure that all purchases comply with the Order of Precedence in accordance with the Georgia Procurement Manual.
- d. Maintain the security of the physical card at all times and ensuring it is maintained separately from personal cards.
- e. Report suspected abuse of the card or possible fraudulent activity immediately to the DHS P-Card Administrator.

2. Monthly Reconciliation

- a. Ensure that all invoices and receipts meet minimum requirements for adequate documentation of transactions.
- b. Ensure all documentation is submitted according to internal procedures and requirements. See Section VIII.

3. Other Responsibilities

- a. Maintain knowledge of State and DHS procurement policies and procedures related to use of the P-Card.
- b. Report lost/stolen P-Cards immediately by calling the card's customer service number at 888-449-2273, and by alerting the DHS P-Card Administrator via email.
- c. Ensuring that merchants do not charge tax or provide a credit for inadvertent charges. If taxes are charged, the cardholder must:
 - i. First contact the merchant to obtain a credit to the account.
 - ii. Ensure credits are not obtained by any other method, including, but not limited to, cash, gift cards, or store credit.

- iii. Document attempts to obtain credit and attach to transaction when reconciling.
- iv. In instances where attempts to obtain credit are unsuccessful, cardholders must apply to the Georgia Department of Revenue for a refund of sales taxes paid in error. The form to use for this request is the Department of Revenue's Claim for Sales and Use Tax Refund, Form ST-12. In addition to the ST-12, the cardholder must also submit either (1) a Waiver of Vendor's Rights, Form ST-12A, or (2) a Purchaser's Claim for Sales Tax Refund Affidavit, Form ST-12B. These forms contain instructions for their use and are located at <http://dor.ga.gov>.
- d. Notify the Bank of America of any fraudulent charges by calling 888-449-2273, and notify the DHS P-Card Administrator by email.
- e. Dispute invalid charges by following the steps below:
 - i. Notify the merchant to obtain a credit to the account.
 - ii. Ensure credits are obtained and attach documentation regarding attempts to obtain a credit to the transaction when reconciling.
 - iii. If reasonable attempts to obtain a credit are not successful, complete the Purchasing Card Claims Statement of Disputed Item and submit it to the Bank of America's Business Card Services Operations. Cardholders should contact the DHS P-Card Administrator for a copy of the required form.
 - iv. A copy of the dispute form and supporting documentation must be uploaded to the transaction during reconciliation.

V. TRAINING

A. Agency Training

1. The DHS P-Card Administrator is responsible for developing and implementing training for cardholders and supervisors or other approving officials specific to DHS needs. Training must include relevant portions of the following:
 - a. Georgia Procurement Manual
 - b. Statewide Purchasing Card Policy
 - c. Internal procurement and P-Card policies
2. The DHS P-Card Administrator is responsible for developing and implementing refresher training to be conducted at least annually for all cardholders, supervisors, and approving officials.
3. All cardholders and approvers must sign a cardholder agreement that contains the terms and conditions for use of the P-Card, which includes completion of training. The mandatory cardholder agreement will be provided upon issuance of the P-Card.

B. Statewide Training

The Professional Development Unit of the State Purchasing Division provides additional training for cardholders, supervisors, approving officials, CFOs, and Card Program Administrators. For specific training requirements for P-Card roles contact the DHS P-Card Administrator.

All training courses are available in the SPD Learning Management System (LMS) at <http://doas.rollbook.com/>. To gain access to the LMS, send an email to the DHS P-Card Administrator.

VI. INTERNAL CONTROLS

A strong system of internal controls is essential for detection and deterrence of fraud, cardholder misuse, or cardholder abuse of the P-Card. Internal controls include policies, procedures, and training in addition to spending limits and Merchant Category Code (MCC) restrictions.

A. General Requirements

DHS has established an internal control structure that ensures compliance with State procurement laws, the Georgia Procurement Manual, the Statewide Purchasing Card Policy, and sound accounting practices. Minimum requirements include:

1. Separation of duties between ordering cards (DHS P-Card Administrator), making transactions (cardholders), and review or approval of transactions for payment (supervisors/approving officials).
2. A minimum of two approvers are required before a purchase is made (supervisory and fiscal).
3. Reconcilers are limited to one per card and cannot be a subordinate of the cardholder. The reconciler role can be given to either the cardholder or assigned to a proxy to reconcile on the cardholder's behalf. Each card must have only one reconciler; however, one reconciler can be the sole reconciler on multiple cards.
4. The P-Card Administrator cannot be a cardholder.
5. Limits on the number of cardholders assigned to a supervisor or approving official to ensure adequate review of business need and documentation for each purchase.
6. Cardholders cannot approve their own transactions but may reconcile their own transactions.
7. Approvers cannot be subordinates of cardholders for whom they are responsible.
8. Sharing of login information or passwords is strictly forbidden.

9. Delegation of the approver duties is unallowable. Should an approver be on leave or otherwise unavailable to approve a purchase or transaction, another trained approver who is already assigned approver responsibility may assume those duties temporarily.
10. An annual audit or self-audit of the DHS P-Card program by the DHS P-Card Administrator submitted annually to DOAS no later than December 1st. Self-Audits will include adequacy of:
 - a. internal policies and procedures
 - b. cardholder spending limits
 - c. monthly reconciliation procedures
 - d. documentation for transactions

B. Internal Purchasing Card Policy

The Statewide Purchasing Card Policy serves as the Policy for the P-Card Program on a statewide level and is not designed to be specific to an individual State Entity in all areas. Each State Entity must develop its own internal policy to address areas that the Statewide Purchasing Card Policy cannot and does not address. The DHS P-Card Administrator in conjunction with the DHS CFO must evaluate the DHS Purchasing Card Policy at least annually using the Policy Risk Evaluation workbook available at the State Purchasing Division website.

C. Card Management and Reconciliation Systems

All transaction reconciliation is to be done electronically in TeamWorks financials (Bank of America Works system for local county DFCS) and shall be reconciled by the deadline established by the DHS P-Card Administrator. P-Card transactions shall be allocated to the General Ledger by the DHS Office of Financial Services accounting staff (DFCS Regional Accounting if local county DFCS cards) within 30 days of the statement billing date.

1. All State Entities are required to use the Works™ Payment Manager system provided by the Bank for card administration and account maintenance.
2. All reconciliation is to be done electronically in TeamWorks financials (Bank of America Works system for local county DFCS).

D. Merchant Category Code Authorizations

Merchant Category Codes (MCCs) are codes assigned by a supplier's merchant bank based on the types of goods and/or services provided. By allowing or blocking certain codes, DHS has some protection against unauthorized or prohibited purchases. The Bank creates MCC groups upon request by the State Cards Program Director.

1. The State Cards Program Director establishes the State authorized MCC groups that contain codes associated with suppliers that provide goods and/or services specifically authorized by this Policy.
2. MCCs associated with suppliers that provide prohibited goods or services are excluded from these groups. Transactions at unauthorized MCCs should be blocked at the point-of-sale but occasionally are forced by the merchant. These transactions are subject to audit.
3. The State Cards Program Director will conduct periodic evaluations of authorized codes and MCC groups to determine if the codes and the groups meet the needs of State Entities.
4. The State Cards Program Director will work with the Card Program Unit and other card program personnel at SPD and with DHS to determine if changes are needed.
5. DHS can request activation of additional MCCs for inclusion in a State authorized group and/or approval to create an MCC group to meet specific needs. The DHS P-Card Administrator can make these requests using the Special Approval Request form.
6. Cardholder profiles shall permit only those MCC groups that contain the MCCs a cardholder needs to meet job requirements.

E. Cardholder Spending Limits Utilization

Imposing spending limits enables management to provide cardholders with the purchasing power to accomplish the needs of the job without exposing the State or DHS to unnecessary risk. Spending limits are based on job responsibilities. Cardholder spending limits must be reviewed at least annually to determine if actual usage is consistent with spending limits and increases or decreases made as needed.

Cardholders are prohibited from splitting a single purchase between one or more cards or a card transaction and a purchase order in order to circumvent the card's Single Transaction Limit and/or bid requirements.

1. Available Spending Limits

- a. Cycle/Credit Limit (CL) – Mandatory spending limit that restricts the total value of purchases a cardholder can make in one monthly billing cycle. DHS cards are established with a \$5,000 Cycle Limit (CL). The maximum cycle limit for DHS cards cannot be more than \$20,000.
- b. Single Transaction Limit (STL) – Mandatory spending limit that restricts the amount of a single purchase regardless of the Cycle Limit on the card. DHS cards are established with a \$1,000 or less STL. The maximum cycle limit for DHS cards cannot be more than \$4,999.99.

2. Spending Limits Requirements

- a. State Policy establishes the maximum STL for unplanned, non-routine, or urgent point of sale P-Card transactions to be set at \$1,000 and purchases that are preapproved and go through the requisition process prior to the purchase to be set at under \$5,000 (i.e. \$4,999.99 or less). The DHS P-Card Administrator can establish STLs up to this amount as determined by overall needs, and in compliance with the DHS P-Card Plan.
- b. Prior, written approval from the State Purchasing Division and OPB must be obtained by the DHS P-Card Administrator for STLs greater than or equal to Single Transaction Limits as outlined in policy using the Special Approval Form, with the following exceptions. Any adjusted limits shall be returned to the cardholder's original profile within 5 days of the temporary increase to allow for the transaction to post.
 - i. The DHS P-Card Administrator will make adjustments in Works™ consistent with OPB and SPD approval of individual limits greater than or equal to limits established by state policy for purchases outlined in the approved DHS P-Card Plan.
 - ii. The DHS P-Card Administrator can make adjustments in Works™ consistent with OPB and SPD approval of individual limits greater than or equal to limits established by State Policy for purchases that would be exempt based on the NIGP code that were outlined in the Entity's approved P-Card Plan. Refer to Section 1.2.4 of the *Georgia Procurement Manual* for additional information and a link to the list of exempt NIGP codes.
- c. The DHS P-Card Administrator must obtain prior, written approval from the State Purchasing Division in conjunction with OPB for STLs greater than or equal to those outlined by State Policy for any purchase that does not meet one or both of the first two conditions of this section. The request must include documentation that all bid requirements, if any, have been met if the purchase is greater than or equal to \$25,000. Cardholders will be returned to the original profile within 5 days of the temporary increase in order to allow for the transaction to post.

3. Annual Review of Spending Limits

The DHS P-Card Administrator will perform a review of spending limits at least annually in order to determine if each cardholder's spending limits are both adequate and appropriate according to State Policy and the approved DHS P- Card Plan. The review shall include transactions from at least 12 complete, consecutive cycles using the State Purchasing Division's Spending Limits Analysis Template.

4. Dormant (Inactive) Cards

DHS P-Cards which have no activity for a period of four consecutive months are considered inactive. A review of inactive cards will be performed by the P-Card Administrator using the State Purchasing Department's Card Utilization Review Workbook to determine if the P-Card is still needed. Unless there is significant justification for an inactive card account to remain open, it will be deactivated by the DHS P-Card Administrator. Inactive cards which are determined eligible to remain open will be placed in suspended status, with a \$0 credit limit until needed.

VII. DOCUMENTATION AND ACCOUNTING

A. Documentation

1. DHS Cardholders must maintain documentation for all transactions, including an invoice or receipt, and a log of all purchases. Refer to the "Documentation Checklist" available at <http://doas.ga.gov/state-purchasing/purchasing-tools/process-improvement-tools> for complete guidance on appropriate documentation. Invoices/receipts must meet the following minimum requirements:
 - a. Complete supplier/merchant information (name, location)
 - b. Line item details, including quantity, description, unit price, and total price
 - c. Line showing no sales tax
2. If a cardholder loses a receipt and a duplicate cannot be obtained, the cardholder must complete and attach a Lost Receipt Affidavit form which is available at the following: <http://doas.ga.gov/state-purchasing/statewide-card-programs/purchasing-cards>. Additionally, the cardholder must upload a copy of the completed Affidavit with the monthly reconciliation documents. Use of this form more than three times during a fiscal year will result in suspension of card privileges for a period of ninety (90) days.
3. Cardholders (or Reconciler if not the Cardholder) who performs reconciliation tasks is responsible for ensuring that all required documentation is obtained from the cardholder and uploaded to the appropriate transaction in TeamWorks financials (or Bank of America's Works system if for local county DFCS).

B. Monthly Reconciliation –Activity Logs

Activity Logs must meet the following requirements:

1. Logs should be maintained based on the Bank of America billing statement period which is the 28th to the 27th monthly.
2. When a transaction is made, it should be recorded by the cardholder on the Activity Log.
3. The log must include the following fields:
 - a. Cardholder Name
 - b. Period of Log (Example: May 28, 2017 to June 27, 2017)
 - c. Cardholder Telephone Number
 - d. Division/Office and Work Unit Name (if applicable)
 - e. Supervisory Approver Name
 - f. Supervisory Approver Telephone Number
 - g. Transaction Date
 - h. Vendor Name
 - i. Description of Purchase
 - j. Transaction Amount
4. Logs require signature of the cardholder and supervisory approver. Signature stamps are not permitted.
5. All invoices/receipts supporting the transactions listed on the logs or monthly billing statements must be scanned and uploaded to the transaction in TeamWorks (or Bank of America's Works system if for local county DFCS).

C. Monthly Reconciliation – TeamWorks and Bank of America Works System

1. A copy of Activity Log and Bank of America statement must be signed by the cardholder and supervisory approver, and attached to the first transaction in TeamWorks (or Bank of America Works for DFCS county cards).
2. Cardholders or proxy reconcilers **MUST** enter comments and/or line descriptions for each transaction. This allows the approver, program administrators, auditors, and other third parties more oversight of transactions. **Comments should include the purpose of the purchase, for whom the purchase was made, and other relevant information** to allow outside parties to determine that the expense was business-related.
3. Cardholders or proxy reconcilers must upload a copy of the invoice or receipt and any other relevant documentation (e.g. email correspondence) to the transaction, including those for which a purchase order was issued. Attachments must meet the following requirements:
 - a. Be a PDF document
 - b. Be legible (e.g. not too dark, not too light)
 - c. Contain copies of all pages of invoices or other documents
 - d. Written prior approval emails must be uploaded to each transaction and must contain sufficient information to document that the supervisory approver has approved the purchase to be made with the P-Card.

- e. When supervisory approval is given by TeamWorks requisition approval, the requisition number and approver's name must be included in the transaction comments.
4. Monthly reconciliation must be completed no later than the 17th of each month for the cycle period ending on the 27th of the previous month. Payment must be made to BOA by the due date on the monthly corporate statement.
5. Failure to submit timely or accurate reconciliation documentation will result in the cardholder's card privileges being suspended. Repeat occurrences will result in the card being permanently deactivated.

D. Allocation to the General Ledger

Timely allocation of charges to the General Ledger is essential to ensure compliance with State accounting and budgetary policies. The DHS P-Card Administrator, and the Office of Financial Services (OFS), Accounts Payable (A/P) team work in concert to ensure that all transactions are allocated to the General Ledger within 30 days of the statement billing date. To aid in this effort, monthly reconciliation deadlines are issued via email to alert cardholders and approvers of the monthly deadlines.

VIII. USE OF THE P-CARD

All purchases made with the P-Card must be for official State business. Only the employee whose name appears on the face of the card is authorized to initiate transactions with the card. Use of card by any other person, even if the purchase is for legitimate State business, is considered misuse of the card.

A. Allowable Purchases

The P-Card can be used for official purchases of supplies, materials, equipment or services where not otherwise prohibited or restricted. All purchases must be within assigned spending limits unless prior written approval is received to exceed those limits.

Allowable purchases include:

1. Goods and services used in the furtherance of the mission of the Department of Human Services.
2. Purchases of goods or services intended for official State of Georgia work-related use that are not otherwise excluded by the Prohibited Purchases section of this Policy.
3. DFCS county cardholders are limited to use of the P-Card for unplanned, non-routine, and urgent purchases for DFCS program participants.

B. Allowable Purchases – Restrictions Apply

1. Travel-Related Expenses – State Employees

State employees traveling on official State business as defined in the State Travel Regulations published by the State Accounting Office and the Office of Planning and Budget may use the Purchasing Card for:

- a. Transportation (except for airline tickets for TTE agencies)
 - i. When the mode of transportation is a vehicle rental, the rental must be from one of the Mandatory Statewide Contracts
- b. Parking

2. Travel-Related Expenses – Non-State Employees

- a. Cardholders may use the Purchasing Card for students travelling on official school business, clients of a State Entity, and the general public when participating in an official State program or other activity for:
 - i. All types of transportation when this transportation is needed in the fulfillment of the State Entity's mission.
 - ii. Lodging and meals for students and for clients of a State Entity when needed in the fulfillment of the State Entity's mission.

3. Equipment

Use of the P-Card for equipment is governed by the State Accounting Office policies on Capital Assets. DHS cardholders may make equipment purchases with the P-Card only when a single unit is under \$1,000 per unit, including freight, and complies with the cardholder's single transaction limit.

4. Vehicle-Related Transactions

Car washes may be paid for with the P-Card for DHS-owned vehicles only.

5. Software, Data Plans, and "Apps "

Software can be purchased with the following restrictions:

- a. Plans, software, or applications (apps) for State-issued computers, smart phones, and tablets only (e.g. iPhone, Android, iPad).
- b. Purchases cannot be made for personal devices even if used for business purposes.

6. Food or Meals

- a. Food provided for consumption at events or services provided to the general public, state benefit recipients and/or state program participants, or purchased for resale in gift shops, bookstores, or similar venues, and other non-employee meal related use.
- b. Non-travel related meals for State employees that meet the State Accounting Office (SAO) definition of group meals. For complete information, search for Statewide Travel Policy on the SAO website at <http://sao.georgia.gov/state-travel-policy>.
- c. Meals only when the cost of the meal is included in the total cost (e.g. a conference fee of \$1,500 that includes three meals).
- d. Food and lodging for student activities, but not for faculty, staff, coaches, or other school employees, when on official school business (e.g. athletic team travel). Documentation for the purchase must include:
 - i. Itemized receipt showing all meals purchased
 - ii. Roster of participants showing student name and signature
 - iii. Copy of team schedule or other documentation showing that the meal was for an authorized student activity
- e. Food for official research, laboratory animals, or instructional/classroom use.
- f. Food for school-sponsored childcare (e.g. day care center at a school).
- g. Alcoholic beverages, such as cooking wine, for instructional or classroom use only. The following steps must be followed:
 - i. Document the purchase showing that the purchase was for instructional use.
 - ii. Create and document steps to ensure that the alcohol is either completely used or disposed of or properly secured between usage to prevent consumption in non-classroom activities.
 - iii. When possible, purchase the alcohol from instructional/culinary arts supply sources rather than a grocery or package store.

C. Prohibited Purchases

The following types of purchases are strictly prohibited either by Official Code of Georgia, Annotated (O.C.G.A.), or to meet reporting requirements of the State or specific State Entities:

1. Goods or services not directly related to job responsibilities or other official State of Georgia business (i.e. personal purchases).
2. Data plans, software, or applications (apps) for non-State Entity issued devices, including, but not limited to, smart phones, laptop computers, and tablets.
3. Memberships at wholesale warehouses and shopping clubs (e.g. Sam's, Costco, Amazon Prime)
4. Cash advances

5. Gift cards, stored value cards, calling cards, and similar products.
6. Employee travel expenses related to lodging and meals, except as specifically covered under Allowable Purchases.
 - a. Certain Agencies may request an exception to this requirement in the event of a declared emergency.
 - b. Use Special Approval Request, Form SPD-PC003, for this request.
7. Entertainment (e.g. in-room movies for State employees traveling on business).
8. Alcoholic beverages or products except as permitted in Section VIII.B. above.
9. Tobacco products
10. Fuel must not be purchased with the P-Card for any vehicles, nor can the P-Card be used for mechanical repairs or maintenance for State-owned or rental vehicles. Exceptions may be granted upon verification of procedures to enter costs into VITAL, the State's fleet management system administered by the DOAS Office of Fleet Management.
 - a. This restriction does not apply to non-mechanical body shop repairs (e.g. dented bumper) not covered under the State's vehicle maintenance contract.
 - b. This restriction does not apply to auto parts for in-house use (e.g. State Agency-operated repair shops) or for teaching purposes.
11. Airline tickets for all TTE agencies.

D. Abuse or Misuse of the P-Card

Incidences of abuse, misuse or fraud, as those terms are defined in this policy^[1], related to the use of the P-Card to purchase any goods or services shall be reported by the DHS P-Card Program Administrator to the DHS Chief Financial Officer (CFO) and referred to the DHS Office of Inspector General (OIG) for investigation. Upon completion of said internal review, OIG will follow established procedures for approval of the full investigative report and present its summary of findings to the CFO, any appropriate DHS supervisor(s) and staff of the DHS Office of Human Resources (OHR). Disciplinary action will be based on attached Exhibit A, DHS Purchasing Card Disciplinary Actions. In addition, the CFO, OHR and OIG will decide if separation action is warranted. In the event any such employment action is taken, all measures and procedures will be pursuant to and in accordance with DHS Human Resource/Personnel Policies # 1601 (Disciplinary/Dismissals Actions – Classified Employees) and/or # 1602 (Disciplinary/Separations Actions – Unclassified Employees) and can include, but not be limited to, written reprimand, demotion or termination from State employment. This is in addition to any other penalties and liabilities [up to and including criminal prosecution] which may be imposed under the State of Georgia Statewide Purchasing Policy, any applicable federal and State laws, rules and regulations and/or other concerned authorities.

[¹] To the extent this policy imposes additional requirements, or has requirements that are more stringent than those of the State of Georgia, Statewide Purchasing Policy [found at sao.georgia.gov], this policy shall control and govern.

E. Declared Emergencies and Natural Disasters

The *Georgia Procurement Manual* grants authority to forego standard procurement requirements for needs arising from unforeseen causes. In cases involving the welfare of the general public, extreme weather conditions, or official declared emergencies, the DHS P-Card Program Administrator is allowed to obtain after-the-fact approval for exceptions to this Policy.

1. The Program Administrator must submit the Form SPD-PC003, Special Approval Request, to notify the State Cards Program Director and OPB within 72 hours of any actions taken in response to these emergencies and the nature of the actions taken.
2. Documentation for transactions must follow guidelines for emergency purchases as contained in the *Georgia Procurement Manual*, including use of and retention of Form SPDNI005, Emergency Justification Form, available in the SPD Official Forms section of Agency Resources on the State Purchasing Division website.

Key personnel responsible for implementing a State Entity's response to emergencies must know how to contact the State Entity's APO/CUPO, the Card Program Administrator, and the back-up Card Program Administrator. State Entity procurement personnel should have access to State Purchasing Division and Bank contact information in order to address card-related issues, including, but not limited to, corporate credit limit, individual card credit limits, and Merchant Category Code groups.

F. Sole Source / Sole Brand Purchases

The P-Card and other accounts may be used for purchases resulting from sole source or sole brand acquisitions provided those goods/services are not identified in the prohibited subsection. Guidelines for Sole Source and Sole Brand purchases are found in the Georgia Procurement Manual.

1. Any request for a Single Transaction Limit of \$5,000 or more that would qualify as a Sole Source and/or Sole Brand must include the appropriate forms per instructions in the *Georgia Procurement Manual* in effect at the time of the transaction.
2. These forms, and instructions for use, are available on the State Purchasing Division website. These forms must also be attached to the transaction log and/or monthly billing statement as documentation for the transaction. Official forms are available on the SPD website.

3. All Sole Source and Sole Brand purchases must be submitted through the DHS Office of Procurement and Contracts (OPC), and posted for the required period as defined in the Georgia Procurement Manual.

IX. SURCHARGES & CONVENIENCE FEES

Many suppliers charge a credit card processing fee or convenience fee for accepting credit cards including the P-Card. These types of fees are strictly regulated by Visa and MasterCard (also called the Associations).

A. Surcharges

According to Visa's Card Acceptance and Chargeback Management Guidelines for Merchants (Merchants is synonymous with suppliers) available on Visa's website, credit card surcharges are allowed but cannot be more than the amount the supplier's bank charges them for processing the transaction. Also, the supplier cannot charge both a surcharge and a convenience fee, explained below. The maximum allowable surcharge is 4% and must be shown as a line item on the details invoice or receipt. Whenever a supplier charges a surcharge, the following rules apply:

1. The supplier must have provided Visa and their merchant bank at least 30 days' notification of the intent to impose surcharges.
2. The fact that the supplier imposes these charges must be clearly posted on the door and at point-of-sale for physical locations and on websites when sales are made via the internet and inform the customer:
 - a. Of the exact percent of the surcharge
 - b. That it is being assessed by the supplier and is only applicable on credit transactions
 - c. That it is not greater than what the supplier pays to Visa.

For any transaction where the supplier has charged a surcharge, a State of Georgia cardholder must obtain a copy of the acknowledgement letter sent to the supplier by VISA authorizing the supplier to impose a surcharge. This copy must be maintained with the invoice and all other documentation for the transaction, including uploading to TeamWorks (Bank of America Works System for DFCS county cardholders).

B. Convenience Fees

Convenience fees for certain transactions can be paid if they are charged in compliance with Visa rules. The State of Georgia P-Card is a Bank of America Visa account; therefore, Visa regulations apply.

Convenience fees are allowed if they are charged in compliance with Visa rules. For merchants who offer an alternate payment channel (i.e., mail, telephone, or e-commerce) for customers to pay for goods or services, a convenience fee may be added to the transaction amount. If the merchant chooses to assess a convenience fee to its customers, the merchant must adhere to the following rules:

1. The fee is being charged for a bona fide convenience of using an alternative payment channel outside the merchant's normal business practice.
2. The fee:
 - a. must be disclosed to the customer as a charge for the alternative payment channel convenience.
 - b. is applied only to transactions that are not face-to-face.
 - c. must be a flat or fixed amount, regardless of the amount of the payment due.
 - d. is applied to all forms of payment products accepted in the alternative
 - e. payment channel.
 - f. is included as part of the total transaction amount.
 - g. cannot be added to a recurring transaction.
 - h. is assessed by the merchant that provides the goods or services to the cardholder and not a third party.
3. The customer must be given the opportunity to cancel prior to the completion of the transaction.
4. Visa is very clear about what a convenience fee is and how and when it can be charged. As a result, many suppliers that charge fees do so incorrectly and are therefore out of compliance with Visa regulations. Examples of common violations of Visa's convenience fee policy include, but are not limited to, the following:
 - a. Charging a tiered or percentage based fee. Only a flat fee regardless of the transaction amount is allowed.
 - b. Charging a fee for a transaction below or above a certain dollar amount. Convenience fees must be charged on all transaction regardless of amount.
 - i. Charging the fee in person for face-to-face or point of sale transactions. The fees can only be applied to transactions via the mail, telephone or internet.
 - ii. Charging only for Visa or credit card transactions. Convenience fees must be applied to all payment methods accepted via that channel.

- iii. Calling the fee a processing fee, credit card fee, surcharge or anything other than a convenience fee. The fee is designed to offset the cost of the convenience, not the cost of accepting credit cards.
- c. Charging higher prices for credit card purchases versus checks or cash. Note: Suppliers may offer a cash discount to customers paying with cash in person.
- d. Charging a convenience fee via the internet when that is the supplier's only normal business practice. If the supplier sells only on the internet, there is no convenience versus coming in to a retail location; therefore, no convenience fee can be charged.

There are many ways a supplier's actions can fall outside Visa's guidelines. As such, only suppliers in compliance with the guidelines shall be allowed to receive convenience fees via the P-Card and/or other accounts.

One example of an allowable convenience fee is a utility that charges a convenience fee for paying a bill via the phone or internet versus having to come to an office and drop off a payment. As long as the convenience fee is a flat fee and is charged to all transactions accepted via the phone or internet (such as all card types, electronic checks, etc.), it is acceptable on a P-Card transaction.

Convenience fees charged in accordance with the Visa guidelines quoted above are permitted on the P-Card or other accounts. For clarifications, please consult your Entity's P-Card Administrator or contact the State Cards Program Director. Violations of the Visa guidelines should be reported to the State Cards Program Director as merchants can be reported to Visa through Bank of America.

DEFINITIONS

Approver	<p>The Approver is normally the supervisor to whom a Cardholder reports for authorization to purchase required supplies and services. Two (2) approvers are required before a purchase is made. Approvers also participate in the reconciliation of Cardholder accounts, ensuring proper procedures are followed when purchasing supplies or services and verifying the information is properly reconciled after the Reconciler has completed the reconciliation of transactions. Policy prohibits a subordinate from acting as an Approver in any phase of the transaction.</p> <p>DHS requires two (2) levels of approval for all P-Card transactions. A supervisory approval and a fiscal approval are required.</p>
Card Abuse	<p>Use of the card for non-State business use purchases (personal purchases). See definitions of card misuse and fraud.</p>
Card Misuse	<p>Use of the card for legitimate purchases but for goods or services that are prohibited by State or internal policy (e.g., purchase of fuel for a State vehicle). See definitions of card abuse and fraud.</p>
Chief Financial Officer	<p>The CFO is responsible for the fiscal functions of the agency, in accordance with General Accepted Accounting Principles (GAAP) and Governmental Accounting Standards. The CFO has primary responsibility for all financial-related activities including but not limited to accounting, finance, budget, etc.</p>
Convenience Fee	<p>A flat amount charged by a merchant when a credit card is not the normal method of accepting payment. See section on Surcharges & Convenience Fee.</p>
Department of Administrative Services	<p>The DOAS State Purchasing Division (SPD) oversees the procurement functions for the State of Georgia and manages all policies related to procurement. DOAS SPD manages and monitors use of P-Cards. DOAS SPD also offers training, including a certification program, to provide procurement professionals with the knowledge</p>

and skills they need to perform their job duties within the legal and policy constraints of the State of Georgia.

Department of Human Services (DHS) Cardholder

DHS Cardholders are employees of the Department of Human Services (DHS), its Divisions, Offices, administratively attached agencies, and cardholders in the local county Departments of Family and Children Services offices.

Foundation

§50-5-83 of the Official Code of Georgia, Annotated, prohibits the issuance of P-Cards to employees of foundations associated with any State Entity. The DOAS Legal Division has interpreted this to include a prohibition of use of the card by a State Entity employee when foundation funds will be used

Fraud

Wrongful or criminal deception intended to result in financial or personal gain. See definitions of “card abuse” and “card misuse”.

Merchant Category Code

A system of four-digit codes, maintained by bank card networks such as VISA, used to identify a merchant's principal trade, profession, or line of business based on the type of goods or services normally provided.

Personal Purchase

Non-work related goods or services purchased solely for the benefit of the cardholder, the cardholder's family, or other individual(s). This does not include goods or services purchased for communal use at a work site and available to all employees (e.g. paper towels, tissues). State Entity policy will determine if (1) the State Entity will provide communal use items for employee use (e.g. Styrofoam coffee cups, break room appliances) and (2) if the P-Card may be used for those purchases. State Entity policy will determine if the P-Card may be used for individual use appliances (e.g. desk fans, space heaters).

Point of Sale Purchase

Purchases made at a physical store, in person, online, or over the phone.

Reconciler

A Reconciler is the person to whom the Cardholder has delegated all the functions associated with post-purchase processing including verifying that the amount of the purchase matches the monthly statement,

providing a business purpose for the transaction in associated systems, verifying supporting documentation including approvals is provided, and uploading said documentation into the Entity's associated electronic reconciliation system. The Reconciler role can be given to either the cardholder or assigned to a proxy to reconcile on the cardholder's behalf. Each card must have only one reconciler; however, one reconciler can be the sole reconciler on multiple cards.

Split Purchase or Split Transaction

A practice whereby one or more cardholders or suppliers split a purchase into two or more transactions and/or purchase orders to circumvent either Single Transaction Limits or bid requirements. This is prohibited by the *Statewide Purchasing Card Policy* and DHS P-Card Policy.

Surcharge

A percentage of the transaction amount charged by the merchant to cover the costs of processing credit card transactions. See section on Surcharges & Convenience Fees.

Team Georgia Marketplace™

Trademarked name of the eProcurement system in the State Accounting Office (SAO) version of PeopleSoft, including the on-line catalog of Statewide Contract (SWC) items.

TeamWorks

TeamWorks is the name given to the State Accounting Office (SAO) financials system. TeamWorks, also known as Peoplesoft, is used by State agencies for financial reporting. Various modules in TeamWorks support the work tasks associated with budget, fiscal reporting, accounts payable, accounts receivable, purchasing, receiving, etc.

Unplanned, Non-routine Purchases

Expenses that are not expected in advance or are irregular in the standard course of the Entity's normal operation. These instances could include but are not limited to a part due to a plumbing emergency, services needed for a repair, fans needed during an HVAC outage, a tool needed for an immediate repair, and repair/replacement of a lock.

**Works™ Payment
Manager, also called
Bank of America
Works System**

On-line card management and reconciliation system provided by Bank of America. Card Program Administrators use this tool to order and cancel cards, set spending limits, and assign allowable Merchant Category Codes.

DFCS County Level cardholders use the Works system for uploading and attaching documentation to support P-Card transactions.

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DHS Purchasing Card Disciplinary Actions

Both Misuse and Abuse are reported to the CFO and OIG to be investigated and disciplinary actions taken based upon HR Policies***.

Disciplinary actions are effective immediately and will be taken against the Cardholder AND Supervisory Approver.

		1st Infraction	2nd Infraction	3rd Infraction
MISUSE	Lack of Proper Reconciliation Documentation**	Temporary card suspension* and refresher training	Permanent Card Termination	N/A
	Split Purchase (as defined in the Policy)			
	Repeated Untimely Reconciliation			
	Incorrect Approver			
	Sales Tax Charged w/ No Documentation of Attempted Refund	Written warning and refresher training	Temporary card suspension*	Permanent Card termination
ABUSE	Prohibited Purchases	Temporary card suspension* and refresher training	Permanent Card Termination	N/A
	Use of Card by Non-Cardholder	Permanent Card Termination	N/A	N/A
	Purchase of Items for Personal Use			

*30 day suspension

***Any infractions, as outlined, will also be enforced under DHS Policy 1201 – Standards of Conduct and Ethics in Government

****Including but not limited to:**

- Missing signed Activity Log
- Missing signed Bank of America Statement
- No prior written approval
- Missing receipt & No Lost Receipt Affidavit attached
 - Sales receipts MUST contain at a minimum:
 - Merchant Name and Location
 - Description of Item Purchased
 - Date of Transaction
 - Quantity Purchased
 - Amount of Each Item
 - Total Amount
 - Case number (for Program participant purchases)
- Missing required comment
 - Indicates business purpose of purchase)