IDAHO STATE POLICE PROCEDURE

04.08 PURCHASING CARD

A. General

The purpose of the Purchasing Card (P-Card) program is to streamline and simplify the requisitioning, purchasing and payment process for small dollar transactions and travel expenses. It is also intended to supply advance cash for travel when appropriate. Work unit supervisors are responsible for training new employees in P-Card regulations and use. Use of the P-Card is governed by the State Controller's Office P-Card policy and ISP procedure 04.07 Purchasing.

B. Card Issuance

1. Individual cards:
   a. the card is issued to an individual who is the only person entitled to use the card;
   b. cardholders may authorize designated staff charged with purchasing responsibilities to use the cardholder's card number for specific purchases;
   c. the card is for conducting state business only and cannot be used for personal use;
   d. although the card is issued to an individual, that individual's personal credit history is not affected.

2. Ordering cards:
   a. HR initiates the Personnel Security Form with the employee's name as it will appear on the P-Card and the employee serial number; then routes it to the work unit supervisor,
   b. the supervisor completes the Personnel Security form with the PCA, ATM limit, and credit limit.
   c. the credit limit must be an appropriate limit for the employee based on job duties rather than defaulting to $3,000;
   d. the supervisor routes the completed Personnel Security form to the Major/Manager.
   e. the Major/Manager authorizes the spending limit and routes the Personnel Security form to HR and FSO.
   f. the P-Card Administrator orders the card from Bank of America;
   g. when the P-Card Administrator receives the card from the bank, an EHF 04 08-02 Cardholder User Agreement printed form is sent to the supervisor for the employee to read and sign;
   h. the employee retains a copy, the program unit supervisor retains a copy, and the original is returned to FSO P-Card Administrator.

3. The card is sent to the employee following FSO receipt of the signed Cardholder User Agreement signed by the supervisor and employee stating the employee has been trained and understands the procedures.

4. The P-Card Administrator retains the original Cardholder User Agreements.

5. Cardholder name changes follow the same process with the exception of the training.

C. Card Usage

1. The appropriate Major/Manager establishes authorized spending limits for each individual. Limits may be changed by request of the cardholder and approval of the Major/Manager.

2. The Cardholder User Agreement specifies the card's limits.

3. Limitations can be set at:
   a. dollar limit and frequency of cash withdrawals from ATMs;
   b. dollar limit threshold for single transactions ($3,000 per transaction); and/or
   c. monthly dollar limit.

4. Each cardholder is responsible for reminding merchants when presenting the card that all purchases within the State of Idaho are state tax exempt.

5. The State of Idaho's tax exemption number is 826000952.

6. Since ATM transactions may not net the exact dollar amount of the cash required, the employee:
   a. takes an advance marginally larger than the amount required, and returns the excess through the reconciliation process; or
   b. uses personal funds to cover the expenditure and charges the State for the authorized amount through the reconciliation process.

7. Cash advances are intended primarily for travel purposes, and may not be taken for others unless pre-approved by Major/Manager. Only one cash advance is allowed per trip or purchase.

8. The P-Card is the preferred method of payment for goods or services, unless use of cash is the most cost effective purchasing method.

9. Cash advances for goods or services from "cash only" vendors in excess of $100 must have prior written approval from the Major/Manager.

10. The Major/Manager's written approval is submitted with other required documents for P-Card reconciliation.

11. Employees must submit a Cash Voucher with the reconciliation when any cash advance is claimed.

12. Cardholders must utilize the State Controller's Office (SCO) P-Card Application to reconcile a minimum of every two weeks. At a minimum, the cardholder is responsible for:
    a. obtaining and retaining itemized/credit card receipts detailing all items purchased and ATM transactions;
    b. ensuring all transactions posted are legitimate purchases made on behalf of the state;
    c. attaching all itemized receipts, conference agendas, and travel approval documents to the reconciliation;
    d. routing the reconciliation through their supervisor for review and approval within the established State Controller's Office guidelines and ISP procedure 04.10 Travel.

13. The supervisor reviews each reconciliation and Cash Expense Voucher for consistency with ISP procedures and to verify:
    a. travel duration does not exceed the trip requirements;
    b. expenses are not claimed by employees in leave status;
    c. vicinity travel is reasonable considering work assignments;
    d. trip mileage corresponds to that allowed under ISP procedure 04.10 Travel and the Board of Examiners travel policy;
    e. beginning and ending hours and dates are shown for each trip;
    f. the travel was properly authorized and the purpose for travel is clearly stated;
    g. all entries are mathematically correct and unallowable expenses are deducted;
    h. all necessary itemized receipts and explanations are electronically attached to the transmittal and/or cash vouchers;
    i. the official station of the employee is identified;
    j. the mode of travel has been properly justified and is consistent with ISP procedure;
    k. dates of travel and stated purpose are consistent on all travel documents including p-card transmittals and cash vouchers;
    l. gaps in travel dates and omitted costs or costs shared with other travelers are adequately explained;
    m. license numbers of State-owned and private vehicles utilized in travel is provided; and
    n. cash voucher is properly completed and attached to a p-card transmittal.

14. If the cardholder believes a merchant has charged the account incorrectly, the cardholder contacts the merchant:
    a. if they are unable to resolve the issue, the cardholder contacts the P-Card Administrator;
    b. Bank of America must receive notification, from the P-Card Administrator, of any charge disputes within 45 days of the transaction posted date;
    c. if the cardholder discovers the charges were fraudulent, the cardholder contacts the P-Card Administrator, or reports the fraudulent charges directly to Bank of America by using the number located on the back of the card.

15. The P-Card Administrator reserves the right to reduce credit and ATM limits to $1 for cardholders not reconciling within 30 days.

16. The P-Card Administrator notifies both the employee and Major/Manager of the reduced credit limit.

D. Changes to Card Limits

1. Requests for necessary changes to card limits, including one-time travel needs, are forwarded from the cardholder to the cardholder's immediate supervisor, who, if in agreement, forwards the approved request to the Major/Manager for approval and submission to the Purchase Card mailbox.

2. The P-Card Administrator contacts Bank of America to raise or lower card limits.
   a. When a card limit must be adjusted to cover travel arrangements, the person authorized to make the travel arrangements, if other than the cardholder, makes the necessary adjustment through the process defined in D. 1-2 and informs the cardholder and the cardholder's supervisor.
   b. The P-Card Administrator notifies the supervisor after Bank of America completes the requested change(s).

E. Card Cancellation

1. When an employee provides notice to terminate employment with the department, HR must generate a Personnel Security Form and route it to the Major/Manager.

2. The Major/Manager routes the Personnel Security Form to HR and FSO to notify the P-Card Administrator.

3. The cardholder or the supervisor provides a reconciliation of all outstanding P-Card transactions prior to the employee's departure from the department.

4. Upon employment termination, the supervisor immediately forwards the P-Card to FSO for cancellation and destruction, after reconciling the appropriate inventory list(s) in accordance with ISP procedure 04.02 Inventory Management.

F. Employee Transfers

1. When an employee transfers to a different program or region, HR generates a Personnel Security Form and routes it to FSO.

2. FSO makes the appropriate PCA changes in the P-Card application.

G. Violations

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1. Lost or missing invoices:
   a. cardholders must obtain itemized receipts or invoices for all purchases;
   b. if receipts are lost or missing, the cardholder contacts the merchant for a copy of the receipt or invoice;
   c. deviation from the above must be explained in writing, approved by their supervisor and attached to the reconciliation.

2. Lost or stolen P-Cards:
   a. the cardholder contacts Bank of America to cancel the card by calling 1-800-449-2273;
   b. the cardholder notifies his/her immediate supervisor;
   c. the supervisor notifies the P-Card Administrator by sending an email to: pcard@isp.idaho.gov;

3. A police report is required when:
   a. there is evidence to suspect the card was stolen; or
   b. unauthorized charges were made on the card immediately prior to cancellation.

4. The police report number accompanies the cancellation information to the P-Card Administrator.