

SECTION: 4.4

SUBJECT: Use of State Purchasing Card

AUTHORITY: Chapters 112, 212, 215, 257, 273 and 287 Florida Statutes; Chapters 3A and 60A, Florida Administrative Code; Comptroller's Rules; Department of Financial Services' Guide for State Expenditures

Policy:

To establish uniform policy and procedures for the issuance and use of the state purchasing card.

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General Guidelines:

The purchasing card (P-Card) is only a means of making payments, as are direct orders and contracts. Existing Florida laws governing purchasing, accounts payable, records retention and other applicable laws must be followed. All purchasing rules apply when using the purchasing card. The purchasing card shall only be used for official state business.

The Agency Purchasing Card Administrator will review P-Card expenditures and individual cardholder transactions on a periodic basis to ensure transaction limits and use are appropriate.

All official P-Card resources (including audit results, forms, tax exemption certificate, reports, training materials, etc.) will be located on the FWC Purchasing Card Management SharePoint Site.

4.4.1 Definitions

- A. Agency Plan** - A plan prepared by FWC which addresses the key controls and structure of its Purchasing Card Program.
- B. APR (Automated Purchase Request)** – FWC's official automated workflow application utilized to document P-Card transactions

- C. Cardholder** - A person approved by the agency to be given a purchasing card to make purchases within preset limits, on behalf of the agency.
- D. Cardholder Agreement** - An agreement signed by the cardholder that stipulates the policies and procedures of FWC and the responsibilities of the cardholder.
- E. Cardholder Profile** - Parameters set for an approved cardholder that identifies the cardholder, sets default accounting codes and provides restrictions and spending limitations of purchasing cards.
- F. FLAIR** - The Florida Accounting and Information Resource Subsystem is the State of Florida's accounting system. Pursuant to Sections 215.93(1) (b) and 215.94(2), Florida Statutes, FLAIR is a subsystem of the Florida Financial Management Information System and the Department of Financial Services is the functional owner of FLAIR. FLAIR's functions, as provided in State law, include accounting and reporting so as to provide timely data for producing financial statements for the State in accordance with generally accepted accounting principles and for auditing and settling claims against the State.
- G. FLAIR Approver (Level 4)** - A person who has been delegated by the Division/Office/Region the responsibility of reviewing/approving and processing transactions in FLAIR.
- H. FLAIR Approver (Level 8)** - The individuals in the Accounting Services Section that ensure appropriate accounting codes are assigned, check the available budget or cash, and process for payment to the Department of Financial Services (DFS).
- I. Monthly Limit** - A maximum dollar value of charges that may be applied to a cardholder's purchasing card for the billing cycle. The cycle begins on the 5th of the month until the 4th of the next month.
- J. Merchant** - A vendor that is registered to do business with the State of Florida and accepts the Florida State Purchasing VISA credit card.
- K. Merchant Category Code (MCC)** - Merchant Category Code assigned to a vendor by VISA which identifies the primary goods or services that are provided by that vendor.
- L. Purchasing Card (P-Card)** - The State of Florida Purchasing Card (VISA) has been established as a payment tool for procuring commodities and services required for official state business use only. The purchase of personal or disallowable goods or services is strictly prohibited.
- M. Purchasing Card Program Administrator** - The individual at the agency level that is responsible for that agency's Purchasing Card Program.
- N. Reconciler** – The individual that reconciles cardholder's receipts to the monthly FLAIR reports.
- O. Regional Service Center Personnel** – Members of the Regional Service Center Team who support program staff with administrative duties. Typically

include the Regional Business Manager, the Regional Purchasing Director, the Property Analyst, and the Regional Operations Manager. Tallahassee headquarters and the Fish and Wildlife Research Institute (FWRI) have comparable staff members who fulfill this function in those respective locations.

- P. Single Transaction Limit** - A maximum dollar value that may be applied to a cardholder's purchasing card per transaction.
- Q. Supervisor** - The individual that supervises a cardholder or the individual who may have been delegated the responsibility of reviewing and approving transactions in the APR.
- R. Transaction** - A charge, credit, correction or other activity associated to any cardholder or agency account.

4.4.2 Purchasing Card Program – The P-Card is for official state business use only and administered by the Department of Financial Services (DFS). A Purchasing Card Program Plan is submitted to DFS as required and all purchasing card activity in FWC will conform to this plan. The purchase of personal or other disallowable goods or services is strictly prohibited. Standards have been established by FWC for allowable and disallowable purchases. These standards fall within the statewide guidelines. Specifics regarding Allowable and Disallowable purchases are reviewed during the required training.

A. Card Issuance, Spending Limits and Cancellation - The Purchasing Card Administrator is responsible for the issuance, setting of spending limits and cancellation of all cards.

1. Purchasing Card Issuance

- a. Training** – Training is required prior to a P-Card being issued or prior to a P-Card being renewed. The training will be conducted by designated Regional Service Center personnel.
- b. Examination** –
 - 1.** At the conclusion of the training, each potential P-Card holder will be required to complete the P-Card/Purchasing Exam with 100% of the examination questions answered correctly. The exam will be taken in the presence of the designated Regional Service Center personnel.
 - 2.** Cardholders seeking renewal of an existing P-Card will also be required to complete the examination in the presence of the designated Regional Service Center representative with 100% accuracy.
- c. Submit Required Forms** - Once the training and testing is completed the purchasing card applicant will submit the following

forms to the Purchasing Card Administrator for approval and processing. (**NOTE:** *Personnel attending training for renewal of existing P-Card will submit forms listed below only if changes are being requested.*)

- Cardholder Profile
- Approver/Delegate Profile
- Cardholder Agreement
- Acknowledgement of Audit Procedures
- Cardholder Travel-Related Use Agreement
- Certified Signed Test

- 2. Purchasing Card Spending Limits** – Establishing appropriate P-Card limits is important in order to guard the agency against fraudulent use. P-Card spending limits are recommended to the P-Card Administrator as part of the Cardholder Profile. Limits will be based upon the need to adequately and appropriately fulfill the duties of the position as determined by the Division/Office management. Previous transaction history that may be associated with the position will also be factored.

If the Division/Office feel limits should exceed those established by historic spend or typical spend of similar position classification, proper justification must be provided to the Purchasing Card Administrator for approval.

- 3. Purchasing Card Cancellation** - The Purchasing Card Administrator must be notified of all cancellations. If a purchasing card is cancelled, it must be destroyed by the cardholder.
- a. Purchasing Cards are cancelled based on the following:**
 - Cardholder terminates employment for any reason
 - Cardholder reports the loss or theft of the purchasing card
 - Failure to adhere to FWC policy and rules, State Purchasing (DMS) Statutes or rules, DFS expenditure Statute or rule.
 - Cardholder misuse or abuse of the purchasing card
 - Fraudulent use discovered
 - b. Purchasing Card may be suspended by the P-Card Administrator based on the following:**
 - Failure to respond to P-Card Administrator transaction inquiries
 - Extended leave of absence
 - Bank reports suspected fraud

4.4.3 Roles, Responsibilities and Requirements

A. Cardholder

1. **Training Requirements** - All applicants for P-Cards and cardholders wishing to renew an existing P-Card must complete training before they are issued a card. Following training, a new cardholder signs the Cardholder Agreement. The Cardholder Agreement validates that the cardholder has received training and a copy of the Purchasing Card Guidelines. It confirms that the cardholder understands the policies and procedures of the card and is aware of potential disciplinary action due to abuse or misuse.
2. **Cardholder Misuse** - Each cardholder is responsible for all purchases made on their P-Card, unless and until the cardholder notifies the Bank of America and the FWC P-Card Administrator that certain charges are fraudulent. They are required to adhere to applicable Florida purchasing laws, rules and regulations, as well as, the policies and procedures set forth in these guidelines.

A cardholder is trained by designated Regional Service Center personnel using the most current training module. This training assures that the cardholder understands the rules and procedures for P-Card use and the penalties for abuse of the purchasing card. **The purchasing card is for official state business use only and the purchase of personal or disallowable goods or services is strictly prohibited.** Misuse of the purchasing card will result in disciplinary action up to and including termination of employment and prosecution to the extent permitted by law. Employees may refer to 60L-36, Florida Administrative Code, 110.227, Florida Statutes and the "Standards of Disciplinary Action for Misconduct for FWC Career Service Employee" for further information.

Cardholders will be required to reimburse the agency for any purchases that are found improper or not for official business use.

3. **Security** - The security of each card is the cardholder's responsibility. Every precaution should be used to protect the account number. The account number should never be left in a conspicuous place. Use of the P-Card is restricted to the authorized cardholder whose name appears on the face of the card and may not be utilized by any other person.
4. **Termination** - A cardholder should make every effort to discontinue use of the purchasing card two weeks prior to final date of employment. This will allow sufficient time for receipts to be submitted and for outstanding charges to be processed before leaving employment.

5. **Purchase Denied at Point of Sale** - System denials are designed to prevent fraud and abuse. A card may be declined because it has exceeded its assigned limits or the cardholder is attempting to use the card at a restricted merchant based upon the MCC. The MCC is assigned by VISA to a merchant. The MCC is used to restrict designated types of merchants from the purchasing card. In the event the P-Card is declined, the transaction should be terminated. The vendor shall not be allowed to override the decline.
6. **Receipts** - It is the cardholder's responsibility to obtain original, itemized receipts and any other pertinent or required backup documentation. The itemized receipt must be signed by the cardholder. Receipts will be entered into the APR within 2 days of the purchase and placed in the cardholders yellow envelope by the end of the month. This information will be used by the reconciler to validate and reconcile charges each month.

B. Agency Purchasing Card Program Administrator

The Agency Purchasing Card Administrator coordinates, monitors and oversees the Purchasing Card Program. The administrator is responsible for ensuring key controls are in place (i.e. annual spend, audits, etc.) and are operating as designed. The Agency Purchasing Card Administrator has the authority and responsibility to suspend or cancel a P-Card if fraudulent use is suspected or reported by the bank. The Agency Purchasing Card Administrator is also responsible for canceling or suspending a P-Card if misuse is identified and the cardholder fails to respond as directed.

C. Supervisors

Supervisors are a vital step in the internal control process. As the individual closest to the cardholder and who has direct knowledge that the transactions are in compliance with law and are valid obligations of the State, the Supervisor must approve all transactions. In addition, Supervisors are responsible for the following actions:

1. Ensure that the Purchasing Card Administrator is notified of employee transfers, extended absences or terminations.
2. Review the Purchasing Card Guidelines to ensure appropriate purchasing practices are followed.
3. Notify the Purchasing Card Administrator of any changes to a cardholder's accounting information.

D. Regional Service Center Personnel

Regional Operations Managers (ROM's), Regional Business Managers and Regional Purchasing Directors are trained and authorized to conduct training for cardholders. This responsibility includes:

1. Scheduling and conducting P-Card training as needed for their respective area.
2. Administering and certifying the P-Card examination
3. Collect and submit [application forms](#) to the Agency Purchase Card Administrator.

In other respects, the Regional Service Center personnel will serve as the liaison to the Agency Purchasing Card Administrator. Cardholders should address any P-Card problems or issues through their Regional Service Center Personnel.

4.4.4 Training - Purchasing Card training is vital to maintaining program integrity and that procurements made with the P-Card are in compliance with all DMS purchasing rules and regulations, DFS P-Card expenditure rules and regulations, and all applicable Florida Statutes and Florida Administrative Codes. Training is required for those personnel with direct responsibility in the P-Card purchasing and approval process.

The training sessions will be scheduled and conducted by designated Regional Service Center personnel. Regional Service Center personnel will be required to administer a P-Card examination and certify the results.

History: Est. June 21, 2011

APPROVED:

Gregory L. Holder

Executive Director or Designee

June 21, 2011

Date