AUTHORITY: Wis. Stats. 16.71(1)

SCOPE: to establish policies and procedures for management of a Purchasing Card Program in an agency

DEFINITIONS:

I. “Purchasing card” means a charge card issued to an authorized state employee through the Department of Administration, State Bureau of Procurement’s Purchasing Card Contract.

II. “Cardholder” means a specific state employee who has been issued a purchasing card by an agency.

III. “Agency purchasing card program administrator” means the individual(s) appointed by the agency head to manage, coordinate and control purchasing cards within the agency.

IV. “Supervisor” means whoever is responsible for approving the cardholder’s time and leave reporting.

V. “Record of purchases” means the medium used by the cardholder to record and verify purchases against the statement. Agencies may determine the mechanism that works best for them. The Purchasing Card User Manual shows a sample Purchase Log Form.

VI. “Original receipt” means the customer copy of the purchasing card receipt signed by the cardholder at the time of purchase. In the case of phone, fax or Internet orders, “original receipt” means the copy of the receipt sent by the supplying vendor to the purchaser with the goods purchased. This “original receipt” should be annotated by the cardholder to indicate that the order was placed by phone, fax or Internet.

VII. “Statement” means the detailed statement of charges that is sent to the cardholder by the purchasing card vendor.
VIII. “Billing file” means the detailed bi-weekly billing that is received electronically by the State Controller’s Office or individual University of Wisconsin campus from the purchasing card vendor.

IX. “MCC” means the merchant category code assigned by the banking industry. The state has three standard specifications: regular, travel and foreign emergency major medical expense.

CONTENT: I. The purchasing card is a tool to manage purchasing and accounting resources by concentrating low-dollar purchases in a less paper-intensive process. Use of the purchasing card results in agency (state) liability, not personal liability for the cardholder. The cardholder’s credit rating will not be affected by use of the purchasing card. However, the cardholder is responsible for maintaining security of the card and any misuse as outlined here, in the State Accounting Manual and in the Purchasing Card User Manual. All documents related to the purchasing card may be fully disclosed as a public record to the extent provided for by the Open Records Law.

A. The purchasing card is:

1. Authority granted by the agency head to individual state employees.

2. **Authorized** for official state use only.

3. Authorized for individual purchases through $5,000.

4. Authorized for purchases greater than $5,000 on statewide contracts where indicated or when authorized by the State Bureau of Procurement and the State Controller’s Office.

5. Authorized for use with only certain categories of merchants and commodities.
6. Authorized for certain travel costs including airline tickets and travel agency service fees, lodging and any applicable taxes, car rental and rental car gas, hotel and airport parking and other commercial transportation including trains, such as Amtrak, buses, taxis and shuttles.

7. Authorized for foreign emergency major medical expense.

B. The purchasing card is not:

1. A means to avoid appropriate procurement or payment procedures.

2. A card to access cash or credit.

3. For tax (1099) reportable services. If the purchasing card is used for reportable services, the agency is responsible for any tax (1099) reporting requirements that result.

4. A right of employment.

5. For cardholder personal use.

6. For reimbursable meal costs. Individual meals are NOT allowed to be charged on the purchasing card.

7. For interagency or intra-agency use (except for retail purchases from any agency operation that sells goods to the public and accepts a charge card; e.g., Document Sales, campus bookstores, etc.).
C. Purchasing card for travel:

1. Effective October 17, 2005, a state-issued charge card will be used for official business-related airline tickets, travel agency service fees, hotel room rates and any applicable taxes and rental car costs.

2. A purchasing card may also be used to charge car rental gas, hotel and airport parking, commercial transportation including trains, such as Amtrak, buses, taxis and shuttles. A purchasing card should also be used for training and conference registrations.

II. Agency responsibilities:

A. Agency participation in the Purchasing Card Program will be approved by the State Bureau of Procurement and the State Controller’s Office.

B. The agency is responsible for establishing proper controls, including developing internal policies and procedures within the state guidelines identified here and in the State Accounting Manual and the Purchasing Card User Manual, and monitoring use of the cards by individual cardholders to ensure all purchases comply with all requirements of state statutes.

C. The agency is responsible for maintaining budgetary controls.

D. The agency is responsible for establishing individual cardholder credit limits. The single purchase limit may not exceed $5,000 per transaction without prior approval from the State Bureau of Procurement and the State Controller’s Office except when used on authorized state contracts where indicated.

E. The agency will maintain a log of cards, including card numbers and to whom they were issued.
F. Agency payment transactions are loaded into the state accounting system and payment is automatically sent to the bank three days prior to the close of a cycle. Agency payment transactions that reject in the accounting system must be corrected and approved by agency staff no later than three days prior to the close of the cycle. Campus payment transactions must arrive at the bank in time to be posted prior to the close of the subsequent cycle. Any exceptions to this requirement due to holidays or major system issues will be announced as needed.

III. Agency purchasing card program administrator responsibilities:

A. The agency purchasing card program administrator is the liaison between the agency and the State Bureau of Procurement’s Enterprise Cards Program manager. Responsibilities include, but are not limited to, handling purchasing card applications, providing assistance with suppliers (merchants), and responding to inquiries regarding internal policies and procedures, billing information, missing statements and damaged, lost or stolen cards.

B. Agency purchasing card program administrator’s role in the agency implementation process:

1. Complete the setup forms provided by the contractor.

2. Select the appropriate merchant category code default template for the agency.

3. Submit written requests for statewide standard MCC and other policy exemptions to the State Bureau of Procurement’s Enterprise Cards Program manager. Requests must provide programmatic justification for exemption.

C. Agency purchasing card program administrator’s role in the cardholder setup process:
1. Obtain and retain a completed Purchasing Card Application and Use Agreement (form DOA-3584) from each cardholder applicant. The form may be reproduced or customized as needed. An electronic version is available on VendorNet.

2. Complete the cardholder account setup via the online system provided by the contractor.

3. Coordinate the accounting information for the cardholder with agency accounting.

4. Provide training to cardholders and supervisors.

D. If the agency purchasing card program administrator or the cardholder’s supervisor determines that personal or other unauthorized charges have occurred, appropriate disciplinary steps, up to and including dismissal of the cardholder, will be taken to remedy the misuse/abuse of the card.

E. For cardholders using foreign emergency major medical expense cards, the agency purchasing card coordinator will follow up with the employee (cardholder) to assure that an insurance claim is filed. Refer to the State Accounting Manual for further information and instructions.

IV. Cardholder responsibilities:

A. *The card will be used only by the person whose name appears on the card.*

B. Before a state employee can be issued a purchasing card, s/he will:

1. Sign a statement acknowledging her/his understanding of the restrictions on the use of the card and the possible actions if s/he violates the conditions of statewide and agency policies on use of the card (Purchasing Card Application and Use
2. Receive training as established in agency policies and procedures and documented by the agency purchasing card program administrator.

C. The cardholder will maintain a record of purchases and retain all original receipts. See form DOA-3585 as an example of a record of purchases. The form may be reproduced or customized as needed. An electronic version is available on VendorNet.

D. Upon receipt of the statement from the card company, the cardholder will verify that the statement agrees with the record. The cardholder will then sign the record to attest that all purchases are for official state business and comply with appropriate rules and regulations. The cardholder will then forward the signed record with original receipts to his/her supervisor. (See State Accounting Manual for reviewer’s responsibilities.)

E. If a cardholder violates the prohibition against personal use, s/he will return the merchandise for complete credit or repay the state all personal amounts, including any applicable state, county or city sales taxes.
V. **Agency** purchasing office responsibilities:

A. The central purchasing office will record and report to the State Bureau of Procurement purchases made with Wisconsin-certified minority business enterprises on a monthly basis as described in PRO-G-2, Minority Business Enterprise Procurement Activity Reporting. Agencies will use **card company reports** to compare against the Wisconsin certified **minority business enterprise listing**. Include these vendors in the Minority Business Enterprise Procurement Activity Report (form DOA-3005).

B. The central purchasing office will conduct random audits of purchasing card use to ensure that policies and procedures are being followed, purchase volume appears reasonable, transactions are appropriate, documentation is complete, and proper internal controls exist with regard to the program.

REFERENCES:

I. For accounting responsibilities, refer to the State Accounting Manual, Section V, Subsection 13.

II. For specific information and instructions on how to use the purchasing card, refer to the **Purchasing Card User Manual** and the **State Accounting Manual**.