



Purchasing Card Program Policy

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Wyoming State Auditor's Office
122 W 25th St., Ste E400
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1. Program Overview

1.1 Purpose

The State of Wyoming purchasing card (P-Card) program provides an alternative method of payment to the typical payment process of issuing a paper check or direct deposit with a WOLFS transaction. Use of a P-Card may be a good option when processing a traditional payment through WOLFS is less convenient or when it is a one-time payment. Working with our issuing bank (UMB), the State Auditor's Office (SAO) provides the opportunity to use credit cards to purchase goods and services for official state business. Use of a P-Card is a privilege and all accounts issued are subject to SAO policies and any relevant agency payment policies.

1.2 Definitions

Merchant Category Code (MCC): Each vendor that registers to accept credit cards as a method of payment is assigned a merchant category code that identifies the type of business or industry in which they operate.

Per-Transaction Limit: The maximum authorized dollar limit assigned to a single credit card transaction.

Credit Limit: The maximum authorized dollar limit assigned to the credit card account for all purchases in a single statement period.

Spending Strategy: A logical grouping of MCCs and a defined per-transaction limit that determine which purchases will be authorized and which purchases will be declined when using the card.

UMB Commercial Card System (UMBCC): The administration software suite provided by our issuing bank (UMB) to all cardholders, coordinators, and administrators for the purpose of overseeing the daily operations of the P-Card program.

1.3 Card Types

There are three unique types of credit cards available to agencies:

1. **Corporate Card:** This standard credit card is issued to an employee for official purchases while engaged in work-related activities.
2. **Phantom Card:** This card-less account is issued with a 16-digit account number, expiration date, and 3-digit security/CVV code. No physical card exists. These accounts are typically issued in the name of the agency, division, or unit and not to one specific individual.

Recommended Best Practices: These accounts are issued to agencies to book agency-wide, pre-approved travel arrangements; including flights, hotel reservations, and/or car rental reservations.

3. **Travel Card:** A **personal** credit card issued to an individual employee with all liability falling on the cardholder. Please note, the employee must submit an application for credit under their personal social security number. Credit worthiness is evaluated by the issuing bank and is not guaranteed to the applicant. The employee applying

for credit will be notified of the results directly by the provider. Travel card balances are paid directly by the cardholder. Cardholders are reimbursed through WOLFS for approved purchases. The card is never paid directly by an agency through WOLFS. These cards allow for a 60-day grace period for repayment and have no spending restrictions. This card is designed to relieve the burden of high-cost travel to an employee with sufficient time to pay the balance after receipt of a travel reimbursement from the agency.

Recommended Best Practices: Employees should use this type of card for travel expenses incurred by the employee while traveling.

1.4 Program Roles

The following roles are established and defined below:

Issuing Bank: Under a contract with the State Auditor's Office, this bank provides credit cards to the State of Wyoming. Our current vendor is UMB Financial Corporation (UMB).

State Purchase Card Administrator: Designee of the State Auditor's Office charged with administering the P-Card program for all agencies.

Agency Purchase Card Coordinator (PCC): Designee of the agency responsible for administering the daily operations of the agency's P-Card program for all agency cardholders.

Cardholder: Individual authorized to use a corporate card, phantom card, or travel card for state business purposes.

2. Purchasing Card Controls

2.1 Purpose

This policy provides agencies with the authorization to establish internal controls for purchasing card programs. The State Auditor's Office is available to assist agencies with training, technical assistance, and financial or operational reviews.

2.2 Agency Purchasing Card Policies

Each agency may develop an internal P-Card policy to guide agency-level practices and procedures. The agency policy must not circumvent, reduce, or otherwise materially alter the provisions of the statewide policy which takes precedence over an agency policy. Agencies that do not wish to draft their own policy may defer to the statewide policy.

2.3 Agency Internal Controls

Responsibility for financial control and stewardship of the daily operations of the purchasing card program rests with each agency. Each agency should establish internal controls sufficient to regulate purchasing card activities. The agency's internal controls should include practices that, at a minimum, address the following areas:

- approval of purchasing card applications and requests;

- set appropriate transaction limits and controls for card usage based on business needs;
- review all charges billed to a cardholder's card to ensure that the charges are valid, appropriate, supported by documentation, and reconciled by someone other than the cardholder;
- safeguard agency assets; and
- maintain appropriate records in a safe and secure location.

2.4 Responsibilities of Agency Purchase Card Coordinators (PCCs)

Agency PCCs must:

- develop internal procedures on managing the program at the agency;
- establish credit limits for each cardholder;
- establish per-transaction spending limits for each cardholder;
- ensure proper approval of applications for new cards;
- approve requests for monthly or per-transaction limit and/or spending strategy changes;
- ensure that all employees abide by the statewide and agency purchasing card program policies;
- routinely monitor P-Card activity of cardholders and immediately report any abuse or misuse of cards to the State Auditor's Office;
- dispute any discrepancies in billing and report those discrepancies to UMB on the *Questionable Item/Dispute Form* within 60 days from the end of the disputed charge billing cycle;
- track disputed items to ensure proper credit is received from the issuing bank; and
- ensure cancellation of card and closure of the account in UMBCC when a cardholder terminates or transfers. Physical cards must be collected and destroyed when possible.

2.5 Responsibilities of Cardholders

Cardholders must:

- sign the *State of Wyoming Purchasing Cardholder Agreement* to acknowledge the responsibilities of using the purchasing card;
- sign the back of the card immediately upon receipt;
- abide by all P-Card policies and procedures when making purchases;
- guarantee the physical security of the P-Card and protect the account number;
- immediately report lost or stolen cards to UMB Bank and the cardholder's agency PCC;

- notify agency PCC to update address or name changes at earliest convenience;
- provide required documentation for each purchase made on the card to the individual assigned by the agency PCC to reconcile your statement;
- review and verify all transactions that have posted to the card and complete the cardholder *Purchasing Card Log*;
- identify disputed items and contact the merchant directly to resolve disputes, followed by notification to the agency PCC; and
- discontinue use of the card, review and log all outstanding transactions, and return the card to the agency PCC upon resignation, termination, or transfer.

2.6 Issuance of Purchasing Cards

Each agency, in coordination with our issuing bank, issues P-Cards using the UMBCC administration suite. The *Visa Purchasing Cardholder Account Action Request* and the *State of Wyoming Purchasing Cardholder Agreement* must be completed and retained before the P-Card is ordered by the agency PCC. New cards are sent directly to the cardholder at the address the PCC provides through UMBCC.

Each cardholder must be a State of Wyoming employee. Under no circumstances should a non-agency employee or contractor have a State of Wyoming P-Card issued in their name.

Cards expire every three years on the last day of the expiration month. The expiration month is embossed on the front of each card. Cards are automatically reissued to cardholders who have used their cards within 12 months prior to expiration. Replacement cards are sent directly to the cardholder at the address the PCC provided through UMBCC.

2.7 Monthly and Per-Transaction Limits

Each agency is responsible for setting the per-transaction limit and the monthly limit consistent with the individual cardholder's responsibilities and purchasing activity via the UMBCC administration suite. Corporate cards cannot have a limit of more than \$50,000, but if a business need exists, a phantom card can be set with a higher monthly limit.

2.8 Exceptions to Purchasing Card Spending Strategies

A temporary exception to the spending strategy for a single purchase over the defined per-transaction limit can be applied at the discretion of the agency PCC through the UMBCC administration suite. Temporary exceptions should be applied for no more than 10 days at a time.

A temporary exception to allow purchases from a merchant in a foreign country or a single purchase to an MCC not defined in the cardholder's spending strategy require an *Exception Request* form to be submitted to the SAO from the Agency PCC. This temporary exception will be applied by the State Purchase Card Administrator in the SAO.

2.9 Purchasing Card Security

Purchasing cards should always be protected. The only person authorized to use a P-Card is the cardholder whose name appears on the face of the card. Cardholders should not use their card for another agency's expense.

2.10 Lost, Stolen, and Misplaced Cards

Report lost or stolen cards immediately to UMB Bank by calling: (888) 494-5141.

3. Purchasing Card Policies

3.1 Allowable Purchases

Purchasing cards may be used for any legitimate business purpose not otherwise defined, limited, or prohibited by State of Wyoming statutes, rules, or policies. All purchases must be made in accordance with established procurement policies, as defined by the Department of Administration & Information.

3.2 Prohibited Purchases

The following purchases are prohibited:

- Personal purchases of any kind, regardless of intended or actual use;
- alcohol;
- cash advances or ATM withdrawals; and
- specific other categories as determined by the State Auditor's Office.

3.3 Rental Cars and Insurance

Rental car agencies offer collision damage liability coverage. However, this coverage is automatically provided via the P-Card when used to rent the vehicle, so you should weigh your options carefully when considering how to rent a car and whether to purchase optional insurance.

3.4 Required Documentation

A receipt or similar documentation must support each purchase. If a receipt shows a limited amount of information additional information from the cardholder may be required.

The preferred documentation is listed below in order of preference:

1. An original receipt from the vendor which includes supplier name, transaction amount, date, and a description of the items purchased;

Note: If the purchase includes food, an itemized receipt of the items purchased is required

2. A copy of the original receipt;

3. A packing slip or other documentation received from the supplier; and/or
4. A screen-print or order confirmation e-mail when making an online purchase, or a copy of an order form that was mailed to a supplier to request an item.

Note: If a cardholder is unable to obtain the above listed preferred documentation, a *Missing Receipt Form* shall be completed.

3.5 Sales Tax Exemption

The State of Wyoming is tax exempt and should not pay state sales tax. Some suppliers may request a copy of the *Streamlined Sales & Use Tax Agreement*. The cardholder is responsible for ensuring that sales tax is not charged at the time of purchase. If sales tax is charged by mistake, the cardholder must contact the merchant to receive a refund.

4. Resources

4.1 Purchasing Card Program Contacts:

UMB Customer Service:

(855) 698-8050

commercial.bankcards@umb.com

State Auditor's Office P-Card Help Desk:

saoumb@wyo.gov

(307) 777-5258

State Purchase Card Administrator:

David Ray

State Auditor's Office

4.2 Purchasing Card Forms and Documents:

The following forms and documents referenced above, can be found on the SAO website at sao.wyo.gov.

Purchasing Card Program Policy

Visa Purchasing Cardholder Account Action Request

State of Wyoming Purchasing Cardholder Agreement

Exception Request

Missing Receipt Form

Questionable Item/Dispute Form

Purchasing Card Log

Streamlined Sales & Use Tax Agreement