



## Purchasing Card Program Policy

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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 an Advantage (Wyoming Online Financial System or WOLFS) transaction. Use of a P-Card may be a good option when processing a traditional payment through Advantage 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 by all card processors that identifies the type of business or industry in which they operate. This code is used to identify which merchants can or cannot be accepted by spending strategies. For example, Albertsons, Safeway, and King Soopers are assigned MCC 5411; Grocery Stores and Supermarkets. If your spending strategy allows purchases to MCC 5411 then your transaction will be approved. If your spending strategy does not allow purchases to MCC 5411, then your transaction will be denied.

**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. Spending strategies are applied at the discretion of the Agency P-Card Coordinator or their delegates through the UMB Administration Suite (UMB Portal).

**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. This system is also referred to as the UMB Portal.

### 1.3 Card Types

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

1. **Corporate Card:** This standard plastic 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.

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. The SAO or the UMB Help Desk Staff cannot assist holders of a personal travel card with their account management. This card must be managed directly by the cardholder who must work directly with the bank for assistance.

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. The card is never paid directly by an agency through the financial accounting system. Travel card balances are paid directly by the cardholder. These cards allow for a 60-day grace period for repayment and have no spending restrictions.

**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 personal 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 and complete 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 UMBCB 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 Phantom 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 or to the designated PCC for the agency should the PCC elect that option.

## **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 by the SAO.

## **2.8 Exceptions to Purchasing Card Spending Strategies**

Spending strategies include a set of rules that are applied to cardholders to ensure pre-approved merchant category codes are defined as allowable or blocked from purchase. Sometimes, these spending strategies may inhibit a cardholder's ability to purchase an otherwise suitable, and work-related item for the state. For example, a water cooler rental company that might have registered with Visa incorrectly as Personal Miscellaneous Services might get declined from your spending strategy, but would normally be allowed if they had registered correctly. Since this is an allowable purchase, an exception strategy will need to be put in place in order for the transaction to process. Instances like the above, or other similar case-by-case scenarios, will require the Agency PCC to request a temporary exception to purchasing card spending strategies. Temporary exceptions are not required for per-transaction limits as the Agency P-Card Coordinator can increase, decrease, or otherwise manage a per-transaction limit at their discretion through the UMB Portal.

A temporary exception to allow purchases from a unique merchant or a foreign vendor for a single purchase to an MCC not defined in the cardholder's standard or available spending strategy(ies) require an *Exception Request* form to be submitted to the SAO from the Agency PCC. This temporary exception is known as a VIP Spending Strategy and can only be applied by the State Purchase Card Administrator or their designee at the SAO upon receipt of an accepted *Exception Request* form.

## **2.9 Purchasing Card Security**

Purchasing cards should always be protected. The only person authorized to use a P-Card or Phantom 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 Travel Related Purchases and Goods Related Purchases

Travel related items are defined as purchases made for airline tickets, shuttles, or other commercial transportation services; lodging fees or deposits; rental car or parking fees; conference or training registration; or any other cost of employee travel that occurs in the process of traveling on behalf of the state.

Goods related items are defined as any purchase that is not travel related as listed above. Goods can include items such as office supplies or services, conference room rentals, equipment, subscriptions, approved catering, advertising fees, or any other state business related expense not listed.

Travel items are not restricted to be purchased on a phantom card, by a phantom card holder on behalf of others, or on any specific travel only card program. Travel items can be purchased on any card regardless of any prior rules or guidelines issued prior to the date of this policy. The SAO does not require a separation of travel items from card accounts that also include purchases of goods-related purchases.

### 3.4 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.

### 3.5 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 and no alcoholic beverages may be included.

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 and attached to the purchase card payment.

### 3.6 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 and obtain receipts of refund transactions.

## 4. Resources

### 4.1 Purchasing Card Program Contacts:

**UMB Customer Service:**

(855) 698-8050

[commercial.bankcards@umb.com](mailto:commercial.bankcards@umb.com)

**State Auditor's Office P-Card Help Desk:**

saoumb@wyo.gov

(307) 777-5258

**State Purchase Card Administrator:**

Kris Quick

Fiscal and Payroll Division Manager

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](http://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*