

# STATE OF ALABAMA PCARD POLICY & PROCEDURES MANUAL



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## PCARD PROGRAM OVERVIEW

The PCard Policy & Procedures Manual is designed to help effectively manage the State of Alabama Purchasing Card Program (PCard). This manual provides detailed information on the State's policy as it pertains to the compliance, oversight, execution, and maintenance of the State PCard Program.

The State PCard Program is designed to provide a cost-efficient method to pay for goods and non-professional services authorized by the State of Alabama. The PCard provides convenience by allowing for a quicker receipt of those goods and services. It also provides transparency by requiring more accountability from the agency in the form of consistent and timely reconciliation. The use of the PCard is not intended to replace all methods of purchasing, but simply an enhancement to the State's existing purchasing policy and payment process. The PCard program is designed to work with existing Comptroller Fiscal Policy and Procedures and State Purchasing rules and guidelines. State agencies enrolled in the PCard program can enjoy the ease of electronic purchases to accomplish State business.

State agencies shall ensure that:

- 1) Authorized state employee cardholders comply with existing State laws, regulations, and policies and procedures regarding all purchases;
- 2) Individuals who are issued the PCard understand that payment of charges on the PCard is the sole responsibility of the cardholder to be reconciled in US Bank's Access Online;
- 3) PCards are cancelled upon the employee's termination of employment; and
- 4) PCards are cancelled when the employee repeatedly fails to timely reconcile the charges, uses the card for personal transactions or any other misuse of the PCard.

The Card Services Section of the Comptroller's Office has the right to terminate cards if these guidelines are not followed.

The Card Services Section of the Comptroller's Office and the state agency issuing the PCard receive monthly reports/statements of charges made on all PCards and the status of payments. Charges are reviewed for compliance with guidelines stipulated on the Cardholder Application signed by the employee at the time of application and guidance provided throughout the Card Services and State Comptroller's Office websites under the policies and procedures manual. All accounts are payable within 30 days of the billing cycle close date (25<sup>th</sup> of each month). When the account reaches 60 days past due, the issuing bank will suspend all PCard accounts assigned to that agency.

If all or any portion of a payment is not received by the issuing bank within 30 days of the cycle close, interest will be assessed by the issuing bank.

Please see additional detail information in the Frequently Asked Questions (FAQ) on the Card Services Website [HERE](#).

## General Information

### AGENCY REQUIREMENTS

While agencies may establish stricter guidelines, the policies and procedures set forth in this Manual shall be adhered to. All purchases made using the PCard should be in accordance with the policies and procedures established by the Department of Finance, Comptroller's Office and all State Purchasing rules and guidelines. Agencies are also required to designate personnel to manage the program (recommend an Agency Program Administrator and a Unit Coder).

### BECOMING A PCARD AGENCY

To become a part of the PCard program you must comply with all of the following:

- Be a state entity that conducts all purchasing activities through the Division of State Purchasing.
- Complete the State Finance Director's request for approval letter that can be found [HERE](#).
- Complete the Agency Implementation Application with correct agency hierarchy information.
- Complete the PRCUA Table in STAARS for all cardholders to allow correct interfacing of payment documents (see job aid on the Card Services website).

### REQUIREMENTS TO OBTAIN A PCARD

- Be an active State of Alabama employee.
- Your agency must be an approved PCard agency.
- Complete the PCard Cardholder Application on the Card Services website and submit the PCard application to your agency's PCard Administrator for approval.
- Complete all training

### CARD SUSPENSION AND CANCELLATION

The State of Alabama and the issuing bank reserve the right to suspend or cancel a PCard at any time, at their discretion. The most common reasons for card suspension or cancellation are as follows:

- PCard has not had transaction activity for 18 consecutive months.
- PCard transaction reconciliation is currently overdue (transactions have not been reconciled within 60 days from transaction date).
- Cardholder is under investigation by the State for misuse.
- Cardholder is transferring to a different department or role within the State or is leaving State service.

## SANCTIONS

Sanctions will be imposed on a cardholder on a case-by-case basis after a review of policy violations. The Program Manager for Card Services, after notifying agency management, may impose any of the following sanctions:

- **1<sup>st</sup> Offense** - The cardholder will receive a formal written reprimand or meeting from the Comptroller's Card Services Director. The cardholder's agency CFO, PCard Administrator and/or agency director will be copied on the reprimand.
- **2<sup>nd</sup> Offense** – Disable the cardholder's PCard and Access Online usage for 3 months.
- **3<sup>rd</sup> Offense** - If a following offense occurs the PCard and Access Online usage will be terminated indefinitely and/or employment termination.

In addition to the sanctions referenced above, the improper use of the PCard for personal purchases will require immediate repayment to the State. The Program Manager for Card Services will assist with the arrangements for repayment. Untimely repayment will result in collection efforts by the State Comptroller. Unreimbursed personal charges are considered fraudulent.

## ADMINISTRATOR ROLES AND RESPONSIBILITIES

### AGENCY ADMINISTRATOR

The agency will designate a PCard Agency Administrator to direct the operation of the program. The agency can have a backup administrator if desired or needed. The Agency Administrator may also be a cardholder.

The Agency Administrator and/or backup will be responsible for:

- Communication between the Agency and the Card Services Section within the Comptroller's Office.
- Operation and oversight of the agency PCard.
- Ensuring all cardholder transactions are paid timely and accurately to avoid interest charges.
- Card management (including the approval and ordering of cards for cardholders, updating credit and single payment limits, etc.).
- Resolving all issues a cardholder may experience.
- Adding/updating Unit Coder personnel.
- Resolving all issues a Unit Coder may experience.
- Statement retention.

### UNIT CODER

The Agency Administrator will designate a Unit Coder within the agency that allocates and codes PCard transactions in Access Online. The agency can have multiple Unit Coder's depending on their need to run the program efficiently. A Unit Coder may also be a cardholder.

### TRANSFERRING TO ANOTHER AGENCY OR LEAVING STATE SERVICE

Cardholders or Agency Administrators must notify the Card Services Section when cardholders are transferring to another agency or leaving State service. The PCard must be canceled and shredded immediately. Cardholders requiring a PCard for their new position and/or agency must apply for a new PCard. Cardholders are responsible for reconciling their PCard balances before leaving the agency and/or State service.

## CARDHOLDER INFORMATION

### CARDHOLDER RESPONSIBILITIES

- Sign and abide by PCard Cardholder Agreement on the Cardholder Application.
- Read and understand the PCard Policies and Procedures Manual before using the card.
- Ensure proper authorization to purchase is obtained before the PCard is used.

### PROPER USE

The PCard is to be used for official State business purposes only. Under no circumstances is the PCard to be used for personal purchases. Use of the PCard by an employee for personal business is considered a violation of state policy, and the employee will be subject to corrective action.

Individual cardholders are personally responsible for the use and security of the PCard. Cardholders are always required to keep their PCard in a secure location and it should be kept separate from personal credit cards. Misuse or improper oversight of the PCard will result in sanctions such as PCard termination and disciplinary action.

Cardholders are responsible for disputing any questionable charges appearing in their Access Online profile with the merchant and with the issuing bank within 60 days of the transaction's posting date.

If an agency has multiple employees with cards, they are responsible for making sure transactions are not duplicated. Misuse or improper oversight of the PCard will result in sanctions such as PCard termination and disciplinary action.

If a credit is issued to a cardholder's account, it can be taken at any time as long as it is matched to a current transaction of the original vendor.

All PRCP1I (PCard) payment documents must list a valid and active vendor code. If it is a true **one-time payment** to a vendor under \$1,000.00, and the vendor is not listed on the active vendor file, then a Miscellaneous (MISC\*) vendor code may be used given all Purchasing and Comptroller guidelines are met prior to the transaction occurring.

#### NOTE:

If an individual PCard is lost, stolen, or if fraudulent activity is detected, the cardholder or Agency Administrator must notify US Bank **immediately** by calling 1-800-344-5696. As soon as US Bank has been notified, contact the Card Services Section at 334-353-2565. Cardholders can be held financially liable for transactions if fraud is not reported within 60 days of the posting dates.

## AUTHORIZED TRANSACTIONS

Use of PCard is authorized for the purchase of any goods or non-professional services in accordance with the Fiscal Policies and Procedures, which can be found [HERE](#), and State Purchasing Rules and Regulations, which can be found [HERE](#). All Comptroller guidelines and purchasing laws must be met before a State entity can use their PCard.

## UNAUTHORIZED TRANSACTIONS

Using the PCard for any expenses listed below is considered misuse and could result in cancellation or card termination, and disciplinary action up to and including termination of employment.

- Personal use
- Cash advances
- Unauthorized purchases
- Travel expenses
- Sales tax on authorized purchases
- Balances other than current balances due
- Refunds for personal/financial gain
- Recurring charges set up to automatically debit the card
- Split payments to avoid Comptroller Fiscal Policy and Procedures and State Purchasing Rules and Regulations

### NOTE:

If a cardholder is unsure whether an expense is appropriate, the cardholder should contact their Agency Administrator for clarification before the expenditure is made.

## DECLINED TRANSACTIONS

If your transaction is declined, please contact your Agency Administrator. The most common reasons for a declined transaction are as follows:

- Blocked Merchant Category Code (MCC)
- Monthly spending limit exceeded
- Single transaction limit exceeded
- Card has not yet been activated
- Not enough available money

If you are unable to determine the cause of the card being declined, the PCard Administrator should contact the Card Services Section for assistance.

## DISPUTED TRANSACTIONS

If you intend to dispute a transaction(s) with a merchant you must have a valid reason for the dispute. **Also, all charges are still due to the bank by the due date even if the charge is being disputed and it has yet to be resolved.** If a dispute is ruled in your favor, a credit will be issued to the cardholders account to be used on a future date.



## CARDHOLDER MANAGEMENT

### Access Online – General Information

Access Online is a product of US Bank in which we use for:

- Reconciling all PCard transactions
- Allocating all PCard transactions
- Adding new agencies/agency admin personnel/cardholders
- Editing agency admin personnel/cardholder accounts
- Updating credit limits/single payment transaction limits/MCC codes/etc.
- Determining the reason for declined transactions
- Disputing a transaction(s)
- Temporarily or permanently terminating a card account
- Managing account and cardholder account statement retention

#### NOTE:

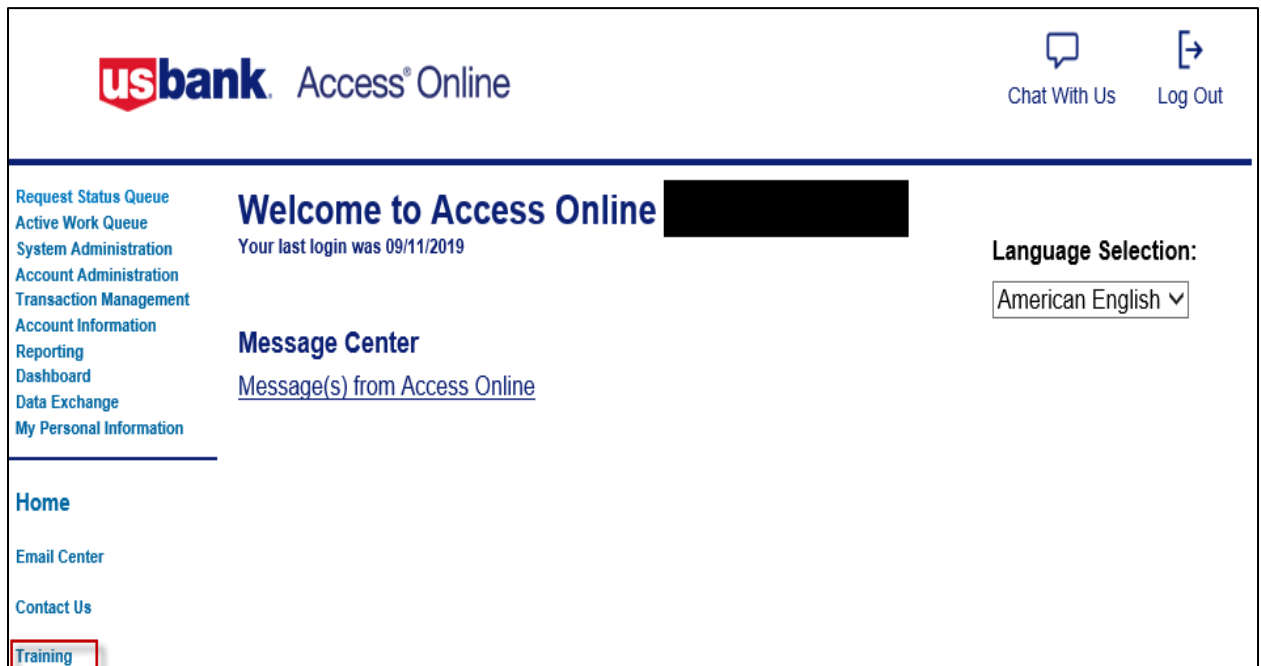
A Merchant Category Code (MCC) is a numerical identifier assigned by the bank for classification of products and services. Some MCCs are blocked to prevent misuse of the State PCard. If you have a card the declines because of a blocked MCC, you will need to fill out the **UNBLOCK MCC REQUEST** form found on the Card Services website, [HERE](#), and email it to [Comptroller--CardServices@comptroller.alabama.gov](mailto:Comptroller--CardServices@comptroller.alabama.gov). MCC codes will be added by the Comptroller's Office at their discretion if deemed appropriate. Once the MCC code has been added to the cardholders' account, a member of the Card Services Section will email you letting you know the cardholder is ready to proceed with the approved transaction.

### Access Online Job Aids and Training

Below is a list of job aids for completing tasks in Access Online:

- Reasons for declined transactions – click [HERE](#)
- Temporarily or permanently terminate a card account – click [HERE](#)
- Changing cardholder credit limits – click [HERE](#)
- Dispute a transaction – click [HERE](#)

- For more job aids/training in Access Online, please log into Access Online and click the training tab on the bottom far-left hand side of menu.



## STAARS Job Aids and Training

Below is a list of job aids for completing the allocation and payment process for PCard PRCP1I payment documents.

- Complete a PCard PRCP1I – click [HERE](#)
- PCard award payment for item line – click [HERE](#)
- PCard award payment for service line – click [HERE](#)
- PCard Miscellaneous Payment for Item Line – click [HERE](#)
- PCard Miscellaneous Payment for Service Line – click [HERE](#)
- Procurement Card (PCard) Administration (PRCUA) – click [HERE](#)