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Justin Farris, Acting Director Oklahoma Department of Corrections		Signature on File	

Procedures for Purchase Cards

The following procedure has been established to ensure the Oklahoma Department of Corrections (ODOC) use of the state-issued purchase card (P/Card) complies with the State of Oklahoma Policy and Procedures for P/Card issued by the Office of Management and Enterprise Services (OMES).

The agency will neither condone nor tolerate any actions that place it at risk of violating the laws and regulations governing the use of P/Cards.

I. Definitions

A. Agency P/Card Accountant

Business services employee(s) designated by the chief Financial Officer to process the monthly payment for all P/Card transactions. The accountant performs the final review of all transactions for the month, manages the conversion from WORKS to PeopleSoft, and submits the voucher to OMES.

B. Agency P/Card Administrator

1. Business services employee(s) designated by the chief Financial Officer to manage the agency's P/Card program and transaction system. The agency P/Card administrator is the primary contact with the state P/Card administrator at the OMES Central Purchasing Division and the issuing bank.
2. The agency P/Card administrator and any designated backups are the only agency employee(s) that can order cards, enter and maintain user profiles, set spend limits, and manage the organizational structure in WORKS.

C. Approving Official

A permanent employee, at least one level above the cardholder that is authorized by the agency P/Card administrator to approve the cardholder's purchases.

D. Cardholder

A permanent employee selected by a facility head, administrator, or unit head and authorized by the agency P/Card administrator to execute purchases using their assigned P/Card.

E. Cycle or Billing Cycle

The period of time between billings for the State of Oklahoma ends at midnight on the last business day of each month.

F. Single Purchase Limit

The maximum spending (dollar) limit a cardholder is authorized to charge in a single transaction.

G. Split Purchasing

Dividing a known quantity or failing to consolidate a known quantity of acquisition for the purpose of evading a competitive bidding requirement. Purchases will not be split with the intent of and for the purpose of evading:

1. The P/Card statutory single purchase limit allowed for the type of purchase.
2. Limit(s) established for an individual P/Card.
3. A competitive bidding requirement.

H. Statement

This document lists P/Card account activity issued to the agency by the bank. The statement is made available via the WORKS transaction system and used for management and reconciliation purposes.

I. Transaction

A single purchase or a credit to the P/Card.

J. Transaction Documentation

All documents pertaining to a transaction. Examples of transaction documentation include itemized purchase receipts, receiving documents, credits, disputes, written approvals, exception requests, regulated utility verifications, all transaction correspondence, or any other item referencing the transaction.

K. WORKS

WORKS is an internet-based program provided by the issuing bank to record, track, and report usage of state P/Cards. The system is accessible to all cardholders and approving officials and will be used to monitor all P/Card activity.

II. P/Card

The P/Card is a form of credit card assigned to state employees to facilitate the acquisition of goods and services necessary for conducting official state business. The use of the P/Card is encouraged where authorized in lieu of purchase orders.

A. Acquiring a P/Card

Facility heads, administrators, or unit heads will determine who, within their staff, should have a P/Card. The agency P/Card administrator will facilitate the acquisition of the P/Card through the following process:

1. The proposed cardholder and their approving official must have completed and passed the OMES P-Card test with a score of 90% or better before requesting a P/Card. The test can be requested from the agency P/Card administrator.
2. The cardholder and their approving official must complete a separate "State of Oklahoma P/Card Employee Agreement" ([Form CP 059](#)) and forward it to the agency P/Card administrator.
3. Upon receipt of the employee agreement, the agency P/Card administrator will verify that the cardholder and approving official have taken and scored a 90% on the OMES P/Card Test, establish the cardholder and approving official in the WORKS system, and request a card be issued.
4. The bank will issue and send the card to the state purchase card administrator who will verify training requirements and forward the card to the agency P/Card administrator. The agency P/Card administrator will complete the transaction limitations on the "Receipt of P/Card" page of the employee agreement and forward the form and the P/Card to the cardholder.
5. Upon receipt, the cardholder must complete, sign and date the receipt of the P/Card form and return it to the agency P/Card administrator.
6. The cardholder can then activate their P/Card by calling the telephone number on the card and providing the activation information obtained from the agency P/Card administrator.

B. Approving Officials

Each cardholder is required to have an approving official. The approving official must be one level above the cardholder's position. They must have successfully completed the training requirements described in this procedure and submitted a "State of Oklahoma P/Card Employee Agreement" ([Form CP 059](#)).

1. Approving officials reviewing and approving transactions utilizing the state P/Card will assume the same responsibility and accountability as the cardholder.
2. Responsibilities
 - a. Ensuring cardholders make purchases in accordance with state statute, central purchasing act, state P/Card rules, and agency policy;
 - b. Approving transactions in Works;
 - c. Reviewing the P-card holder's reconciled statement and transaction documentation for accuracy, completeness, and appropriateness of the purchase;
 - d. Assist cardholder with resolving issues with merchants; and
 - e. Notifying agency P-card administrator of anticipated long-term absences of themselves and cardholders.
3. It is recommended the cardholder should be within the approving official's supervisory scope. If the approving official must be outside the supervisory scope, the approving official assigned must have direct knowledge of what the cardholder is authorized to purchase.
4. If the approving official is temporarily unable to approve and monitor a cardholder due to extended time away from their current job duties, a backup may be designated. The designated backup must have attended training and have a "State of Oklahoma P/Card Employee Agreement" ([Form CP 059](#)) on file with the P/Card administrator.

C. Accessing "WORKS"

The agency P/Card administrator will establish the user accounts for WORKS upon receipt of the signed employee agreement and verification of training. Once an account is established, the user will receive an email with a link to set up a password and access their account on the WORKS system.

D. Encumbrances

1. Before the P/Card can be used, the unit business manager/financial manager must encumber funds using an authority order. Funds must be encumbered before goods or services are contracted for and received by the agency per O.S. 62 § 34.62.
2. Business/financial managers should avoid changing a P/Card authority order between the statement closing date and the eighth of the following month. If a change order is essential to payment of that

statement, the agency P/Card accountant must be contacted immediately and will facilitate the increase.

E. Using the P/Card

1. Authorized User

The cardholder must facilitate all purchases made with a P/Card.

- a. Use of the P/Card is limited to the person whose name is embossed on the card. The card or card number will not be given to or used by another person; and
- b. Employees other than the cardholder may receive or obtain the purchased goods from the vendor.

2. Methods of Purchase

The cardholder may use the P/Card for walk-in, telephone, and internet purchases. The cardholder will make internet purchases from a merchant with a secure internet site.

3. Card Limits

- a. The agency P/Card administrator will establish card limits for each card; and
- b. The single transaction limit set for agency P/Cards will be \$5,000 unless the agency P/Card administrator establishes another limit for a specific cardholder.

4. Prohibited Purchases

The P/Card cannot be used for the following types of purchases:

- a. Entertainment;
- b. Split purchases;
- c. Per diem food and beverages as authorized by the State Travel Reimbursement Act;
- d. Cash, cash advances, automatic teller machine (ATM) transactions;
- e. Purchase of any goods or services for personal use;
- f. Purchase of any goods or services not for official State use;

- g. Any transaction or series of transactions which exceed the limits established on an individual P/Card;
- h. Insurance;
- i. Motor fuels;
- j. Automotive general maintenance, ancillary items, and emergency repairs pursuant to Statewide Contract (SW101) for Automated Fleet Fuel Management System (Comdata);
- k. Gifts, gift cards or gift certificates. However, this does not apply to gift certificate purchases made pursuant to 74 O.S. § 4121, regarding employee recognition or gift cards and other expenses explicitly authorized in Oklahoma State Statutes or grants;
- l. Frequent traveler membership fees;
- m. Parking tickets or other traffic violation tickets;
- n. Late checkout lodging charges;
- o. Airline seat preference or upgrade charges;
- p. Bell hop fees and tips; and
- q. Coat check fees.

5. Use of P/Card for Conference and Training Fees

The P/Card may be used to contract for conference/training course fees, conference equipment (such as audio or video equipment), conference/training rooms, conference/training set-up services, and conference/training materials. Goods and services prohibited by Section II. E. item 5. of this procedure are not considered training and conference fees.

- a. If conference or training registration and fees require pre-payment, they must meet the following conditions:
 - (1) Pre-payment must result in a discount to the state;
 - (2) The registration must allow for substitution of participant; and
 - (3) The registration must provide a 100% refund should the host cancel the event.

- c. The cardholder is responsible for obtaining documentation from the sponsor stating these conditions exist and must include the documentation when submitting the receipts.
- d. Attendees should be registered and paid for separately.
- e. The conference/training courses paid under this section must be in the same fiscal year as the expenditure (i.e., the cardholder cannot use a P/Card in May to pay for a conference held in July).

6. Utility Payment

The P/Card may be used to make payments for electric, water, natural gas, or sewage up to the limits set for the individual P/Card.

7. Statewide Contracts

There is no statutory dollar limit set for goods and services listed on a statewide contract purchased with the P/Card from the vendor on a statewide contract. However, the cardholder is limited to the single transaction limit assigned to their P/Card.

- a. The agency P/Card administrator, in collaboration with the comptroller of transaction accounting, may set the single transaction limits above \$5,000 on individual P/Cards assigned to specific accounting staff.
- b. Transaction limits can be increased on a one-time or temporary basis by the P/Card administrator to facilitate a cardholder to make an approved purchase if requested before attempting the purchase. The P/Card administrator will return the card limit to the authorized single transaction limit once the transaction is complete.

8. Prices Paid

Cardholders will ensure that prices paid for goods and services are fair and reasonable.

9. Oklahoma State Sales Tax

Agency purchases are exempt from State of Oklahoma sales tax and any sales tax charged by Oklahoma municipalities.

- a. Cardholders will ensure Oklahoma state sales tax are not charged.

- (1) The sales tax identification number is provided on the face of each P/Card.
 - (2) If a vendor charges sales tax, the cardholder must obtain a credit from the vendor.
- b. Purchases made out of state are not exempt from that state's sales tax. However, some states may extend sales tax exemptions to other states.

10. Tribal Tax

The State of Oklahoma is not exempt from tribal tax.

11. Receipt of Goods Purchased

a. Receipts

Staff must obtain receipts for all purchases. The receipt must give an itemized and detailed description of the purchase, including the vendor's name, the date of purchase, a description of the goods purchased, unit price and quantity, and a transaction total. Staff cannot alter any details of the receipt. If a receipt is not furnished by the merchant, as may be the case with a telephone or internet order, an order confirmation, confirmation number, or packing slip containing the same information should be obtained.

If a receipt, confirmation information, or a packing slip is unavailable for a transaction, staff must provide documentation notating all attempts made to obtain a receipt from the merchant. Also, a written itemization of the charges will be attached to the receipt showing, at a minimum:

- (1) Vendor name;
- (2) Transaction or purchase date;
- (3) Description of each item purchased, including unit price and quantity;
- (4) Transaction total; and
- (5) Statement explaining why all other methods of obtaining an itemized receipt were unavailable.

The cardholder's approving official or designated backup will sign the written itemization.

Cardholders should consider the future use of another merchant who will provide a receipt or confirmation information.

b. Packing Slip

For products shipped to the agency, a packing slip or proof of delivery must be obtained and submitted with the receipt and statement.

c. Receiving Goods and Services

When goods or services are received at the time of purchase, the receipt will serve as the receiving document. The cardholder will sign the receipt.

(1) When goods or services are received subsequent to the time of purchase, documents accompanying the goods and services (such as a packing slip or service order) serve as the receiving document.

(2) The documents should be annotated "received" and signed by the employee receiving the goods or services.

12. Payment Confirmations

A payment confirmation number or order number must be obtained for internet or payment over the phone purchases. When credit cards are used, a confirmation number is generated by the credit card system. The payment confirmation can be part of the receipt or accompanying the receipt. When the P/Card is used to pay for an invoice, a payment confirmation must accompany the supporting documentation or be written on the invoice.

13. Credits

Credits for items or services purchased with a P/Card must be processed through the merchant's card system. The vendor should not be allowed to issue store credits to apply toward other purchases. The cardholder will annotate credits in the WORKS system with the transaction number of the original purchase.

Documentation for credits must be included with the statement as a receipt, credit memo, email, or other correspondence with the vendor.

14. WORKS

a. Cardholders must access WORKS at least once a week to verify transactions made with their P/Card. The agency is

responsible for purchases on lost, stolen, or compromised cards until the bank has been notified.

- (1) The cardholder must verify that each transaction in the system was made by them and the amount is correct.
 - (2) The cardholder must enter a brief description of items purchased for each transaction in the "Description" field located under the allocation section.
 - (3) For Statewide Contracts, the user must select the appropriate state contract number from the "Category" drop-down box.
 - (4) Once the transaction is verified, the cardholder must approve the transaction by clicking "Sign Off."
- b. The approving official must access WORKS at least once a week to approve all purchases, including reviewing the transactions for accuracy, completeness, appropriateness of the purchase, and whether staff conducted the transactions according to statute, rules, and procedures.
- c. Business office/accounting staff of the responsible unit will ensure the accounting information is correct.

F. End of Cycle

The billing cycle ends at midnight on the last working day of each month.

1. The cardholder will reconcile, sign, and date the statement available in WORKS, attaching the original receipts, invoices, and other supporting documentation.
2. The cardholder's approving official must verify the statement and supporting documentation for completeness, accuracy, and appropriateness of purchases, and then sign and date the statement.

The cardholder must forward the statement and attached documentation to the agency P/Card accountant by the final working day of the following month.

G. Refresher Training

P/Card training is reoccurring and will be provided by the agency P/Card administrator. Cardholders and approvers will be sent this procedure to review and will be asked to attest to the review as refresher training every two years. The agency P/Card administrator may suspend the card if the cardholder does not complete training by the due date.

III. Airfare

Travel P/Cards will be used for airfare purchases made directly by the agency.

A. Cardholders

Employees within the Contracts and Acquisitions unit holding a P/Card will book airline tickets. The agency P/Card administrator will issue P/Cards according to Section II. item A. of this procedure.

B. Procedures

1. Air travel reservations will be arranged according to [OP-120301](#) entitled "Travel Reimbursement Procedures."
2. Once the itinerary is confirmed, the cardholder will finalize the reservation on behalf of the traveler.
3. The cardholder will create a purchase order in the PeopleSoft accounting system to encumber the funds required to purchase the airline tickets.
4. After the purchase is complete, the cardholder will print the invoice from the internet, sign and annotate "received," and then have the cardholder's approving official sign and date it.
5. The cardholder will access WORKS to verify transactions made with their P/Card. The cardholder must enter a brief description of items purchased for each transaction in the "Description" field located under the allocation section.
6. The employee named on the ticket must notify the travel P/Cardholder immediately if they cannot use the airline reservations. The cardholder will cancel the reservation and secure a refund.

C. Completion of Travel

Upon return, submitting a travel voucher per [OP-120301](#) entitled "Travel Reimbursement Procedures" will certify the use of a purchased airline ticket for its intended business purpose. If the employee does not file a travel reimbursement voucher, they must complete a "Verification of Travel Form" ([OP-120301](#), [Attachment A](#)) and return to the cardholder.

IV. Lodging

The P/Card may be used to pay lodging expenses for employees traveling on behalf of the agency.

A. Travel Coordinators

Employees may be given the ability to utilize the P/Card on hotel rooms if they routinely arrange travel for other staff. The cardholders given this ability by the agency P/Card administrator must attest to their understanding of the State Travel Act and [OP-120301](#) entitled "Travel Reimbursement Procedures."

Access in the WORKS system for these cardholders will be changed to allow for lodging purposes. Only cardholders deemed travel coordinators can use the P/Card to pay for lodging.

B. Advanced Payment

Advanced payment for lodging is allowed using the P/Card if the lodging establishment has a full refund policy. The travel coordinator must retain a copy of the cancellation policy with the documentation.

C. Transaction Limit

Lodging is limited to \$5,000 per employee per transaction.

D. Personal Expenses

Personal expenses such as room service, movies, personal phone calls, and non-business internet charges should not be charged to the P/Card.

E. Process

1. The rates charged by lodging establishments must be compliant with the State Travel Reimbursement Act, state travel procedures, and [OP- 120301](#) entitled "Travel Reimbursement Procedures" (i.e., GSA established rates, designated hotel requirements, etc.).
2. Upon making the reservation, the cardholder may provide the lodging establishment may be provided with the "Travel P/Card Lodging Letter" ([Form CP 032](#)) on the agency letterhead. Employees may not alter the letter content established by the OMES Central Purchasing Division. The letter includes the name of the cardholder, the last six digits of the card number, the name of the employee traveling, confirmation number, instructions for additional charges, and contact information.
3. For in-state lodging establishments, the cardholder will confirm the tax-exempt status and provide the establishment with a tax-exempt letter. Before the reservation process is complete, the cardholder will ensure the establishment will not charge taxes to the P/Card.

4. Once the stay is complete, the lodging establishment must provide the traveler with a final detailed receipt. The traveler will obtain this receipt and forward it to the cardholder.
5. The cardholder will communicate with the traveler and lodging establishment to ensure the performance of all services and obtain all transaction documentation for reconciliation.

F. WORKS

The cardholder must enter the traveler's name, employee ID number, number of nights, city/state, the purpose of travel, room rate, and whether the rate is standard GSA lodging rate, high GSA lodging rate, or designated hotel. The cardholder will enter this information in the "Allocation" section in the "description" field.

V. P/Card Payment Process

The agency P/Card accountant will ensure the payment for all purchases made with P/Cards are completed by the due date established each month by the Central Purchasing Division of OMES.

A. Verification of the Transaction

The accountant will verify each transaction in WORKS. Funding and purchase order information will be checked for each transaction, and the correct account code will be entered for each transaction. The agency accountant will complete the final close for each transaction.

B. Conversion Preparation

The accountant will ensure the information in WORKS is ready to convert to PeopleSoft by the required OMES deadline; the Office of Management and Enterprise Services will complete the conversion process.

C. Conversion Verification

After the vouchers are entered in PeopleSoft, the agency P/Card accountant will ensure all accounting information has converted correctly, make any final adjustments to the vouchers and prepare the vouchers for final payment.

D. Additional Accountant Duties

The agency P/Card accountant will receive the statement and all supporting documentation from all agency cardholders and will:

1. Match all previously received documentation with the statements.

2. Ensure all statements have the appropriate signatures and ensure that all the required documentation is attached and complete.
3. Contact the cardholder if additional signatures or documentation is required; and
4. File all statements and documentation by month, alphabetized by cardholder's last name in a secure location and provide access as required to agency audit staff, inventory control staff, auditors from OMES, or other administrative staff.

VI. Non-Compliance

The agency P/Card accountant will review purchases made with a P/Card each month for compliance with Section II. of this procedure. Questionable purchases or procedures will be researched and reported to the manager of Transaction Accounting Services for determination of action to be taken.

Failure to comply with purchasing or recordkeeping procedures will result in suspension or termination of a card at the discretion of the chief Financial Officer and may result in further disciplinary actions.

VII. P/Card Security

All P/Cards issued under this program are the property of the State of Oklahoma and must be surrendered to the agency P/Card administrator upon the termination of employment or upon request of the cardholder's supervisor, approving official, agency P/Card administrator or designated backup, or state purchasing director.

A. Retention of Card

The cardholder will ensure the card is kept in a secure manner and the card number or the PIN is not posted or left in a conspicuous place. Cards will be locked in a secure location when not carried by the cardholder. The cardholder will not carry the P/Cards outside of normal duty hours unless required and justified by the entity.

B. Lost or Stolen Cards

It is the cardholder's responsibility to immediately report the P/Card lost or stolen upon discovering that it is missing. The State of Oklahoma is responsible for all purchases made on a P/Card until the time it is reported missing. The below listed telephone number(s) for lost or stolen cards will be kept in a separate location from the card itself where they can be accessed and used promptly.

1. Immediately upon knowing the P/Card is lost or stolen, Bank of America will be notified by telephone at (888) 449-2273. The date, time, and name of the Bank of America representative spoken with

will be noted. The bank will block the use of that card so no other charges can be made.

2. A "State P/Card Lost or Stolen Card Notification Form" ([Form CP 031](#)) will be completed by the cardholder and a copy forwarded to the P/Card administrator with a copy to the approving official as well.
3. A new P/Card will be reissued by the bank when the other card is cancelled

C. Employee Job Movement

The cardholder will notify the approving official and the agency P/Card administrator upon accepting another position, which will require a different approving official. The P/Card administrator will determine whether the card should be suspended until a new approving official is designated.

D. Termination of Employment (Cardholder)

1. The cardholder and/or approving official must notify the P/Card administrator immediately upon confirmation that the cardholder will be leaving employment.
2. The P/Card administrator will deactivate the card one week before the expected termination date. If the termination is unexpected, the approving official is to notify the P/Card administrator immediately, who will deactivate the card.
3. The approving official is responsible for retrieving the P/Card upon termination and forwarding the card to the agency P/Card administrator.
4. The P/Card administrator will regularly review the personnel termination reports to verify all P/Cards are retrieved from terminated employees.

VIII. References

Policy Statement P-120100 entitled "Management of State Funds and Assets"

OP-120301 entitled "Travel Reimbursement Procedures"

State Travel Reimbursement Act

62 O.S. § 34 (Oklahoma Office of Management and Enterprise Services "Statewide Accounting Manual")

62 O.S. § 34.62

74 O.S. § 85.1 through 74 O.S. §85.45(k) "Oklahoma Central Purchasing Act"

74 O.S. § 4121 et seq.

State of Oklahoma Policy and Procedures for P/Card

IX. Action

The division head is responsible for compliance with this procedure.

The chief Financial Officer is responsible for the annual review and revisions.

Any exceptions to this procedure will require prior written approval from the agency director.

This procedure is effective as indicated.

Replaced: OP-120502 entitled "Procedures for Purchase Cards" dated July 14, 2021

Distribution: Policy and Operations Manual
Agency Website

<u>Referenced Forms</u>	<u>Title</u>	<u>Location</u>
Form CP 059	“State of Oklahoma P/Card Employee Agreement”	Link
Form CP 031	“State P/Card Lost or Stolen Card Notification Form”	Link
Form CP-032	“Travel P/Card Lodging Letter”	Link

<u>Attachments</u>	<u>Title</u>	<u>Location</u>
Attachment A	“Verification of Travel Form”	OP-120301