

COMMENT DUE DATE: October 7, 2022

Date: September 27, 2022

**Iyla Griffin, Administrative Officer II
Holli Kyker, Programs Administrator
Brandi Smith, Policy Specialist**

**405-889-1256
405-982-2217
405-522-6066**

It is important that you provide your comments regarding the **draft copy** of policy by the comment due date. Comments are directed to *STO.LegalServices.Policy@okdhs.org.

SUBJECT:

OKDHS Chapter 2. ADMINISTRATIVE COMPONENTS

Subchapter 11. Finance

Part 5. Claims

OKDHS:2-11-31[REVOKED]

OKDHS:2-11-32[REVOKED]

OKDHS:2-11-33[REVOKED]

OKDHS:2-11-34[REVOKED]

OKDHS:2-11-35[REVOKED]

OKDHS:2-11-36[REVOKED]

OKDHS:2-11-37[REVOKED]

OKDHS:2-11-38[REVOKED]

OKDHS:2-11-39[REVOKED]

OKDHS:2-11-40[REVOKED]

OKDHS:2-11-41[REVOKED]

OKDHS:2-11-42[REVOKED]

OKDHS:2-11-43[REVOKED]

OKDHS:2-11-44[REVOKED]

OKDHS:2-11-45[REVOKED]

OKDHS:2-11-46[REVOKED]

OKDHS:2-11-47[REVOKED]

OKDHS:2-11-48[REVOKED]

OKDHS:2-11-49[REVOKED]

(Reference WF 22-T)

SUMMARY:

Section(s) revoked as unnecessary. OMES has approved the new contracts and purchasing guidelines for OKDHS. These guidelines, as updated by OKDHS, and approved by OMES, are posted on the InfoNet for staff reference. No OKDHS regulation is needed.

DHS:2-11-31. Purchase card program [REVOKED]

Issued 8-1-06

~~(a) **Scope.** The purchase card (p/card) program establishes the use of commercial purchase cards by the State of Oklahoma and adheres to the Department of Central Services (DCS) p/card policy at OAC **580:15-6-18** and available at www.dcs.ok.gov/. **DCS** controls all matters related to the p/card.~~

~~(b) **Purpose.** The purpose of the program is to facilitate the lowest priced purchases needed for conducting official state business and enhance effectiveness or economy of operations.~~

~~(c) **Finance Division responsibility.** The Finance Division is responsible for managing the use of p/cards within the Oklahoma Department of Human Services (OKDHS).~~

~~(1) **P/card administrator.** The OKDHS p/card administrator is the Finance Division staff member designated to assist the Finance Division Claims Unit audit manager with implementation and operation of the p/card program.~~

~~(2) **Finance Division approving official.** The Finance Division approving official is one or more staff members designated by the Finance Division Claims Unit audit manager to perform the final audit and review and approve cardholder transactions.~~

~~(3) **Commercial card authorized signers.** Commercial card authorized signers are limited to the OKDHS chief financial officer (CFO), the OKDHS p/card administrator, or their designee. Form 10CL002E, Commercial Card Authorized Signers, is completed and submitted to the issuing bank to establish authority to make modifications to:~~

~~(A) the existing cardholder's accounts or controls;~~

~~(B) add new cardholder accounts;~~

~~(C) make modifications to existing hierarchy data; and~~

~~(D) add new hierarchy data.~~

~~(4) **Cardholders.** Cardholders are permanent OKDHS employees designated by their division director to execute purchases using a p/card. P/cards are not issued to temporary employees.~~

DHS:2-11-32. Definitions [REVOKED]

Issued 8-1-06

~~The following words and terms, when used in this Part, shall have the following meanings unless the context clearly indicates otherwise:~~

~~**"Billing cycle" or "cycle"** means a period of time ending on the same date each month. For example, cycle 27 ends at midnight on the 27th of each month. All transactions posting to the cardholder account from the 28th of the month to the 27th of the next month would be within one cycle. If the cycle occurs on Saturday, Sunday, or a bank holiday, the cycle ends on the business day following the cycle date.~~

~~**"Cardholder's authorized signer"** is a person who is authorized to make commitments against or approve expenditures on purchase card (p/card) purchases. An authorized signer must have Form 10CL222E, Authorization Signature Card, on file with the Finance Division. Only hand-written signatures are accepted.~~

~~**"Issuing bank"** means the bank issuing the p/card for the State of Oklahoma.~~

~~"Merchant," "supplier," or "vendor" means a business or other organization that provides products to customers.~~

~~"Merchant category code (MCC)" means a standard identifier used by the credit card industry to designate businesses based on the type of products provided, and assigned by the acquiring bank.~~

~~"Merchant category code group (MCCG)" means a defined category of business designations used to control cardholder purchases from particular types of businesses. MCCGs are defined for OKDHS by the Finance Division.~~

~~"Split purchasing" means dividing or failing to consolidate a known quantity of products for the purpose of evading:~~

~~(A) the p/card statutory single transaction limit of \$2,500; [74 O.S. § 85.5]~~

~~(B) limits established for an individual p/card; or~~

~~(C) a quotation or bidding requirement.~~

~~"Transaction" means a single purchase or credit.~~

DHS:2-11-33. Personal responsibility [REVOKED]

~~Issued 8-1-06~~

~~Use of the purchase card (p/card) is solely for official Oklahoma Department of Human Services (OKDHS) purchases.~~

~~(1) Responsibility and accountability for the p/card resides at the unit level in each division.~~

~~(2) The cardholder is accountable to OKDHS for all charges made with the p/card and may be held personally responsible for using the p/card to make an inappropriate purchase.~~

~~(3) The cardholder may provide information to vendors who do not accept the purchase card (p/card) on becoming a p/card vendor.~~

DHS:2-11-34. Issuance of purchase card [REVOKED]

~~Issued 8-1-06~~

~~Purchase cards (p/cards) are issued by the issuing bank in the name of the Oklahoma Department of Human Services (OKDHS) and include the cardholder's name and account number.~~

~~(1) Employees designated to use a p/card must complete and submit to the Finance Division:~~

~~(A) Form 10CL008E, Commercial Card Cardholder Account; and~~

~~(B) Form 10CL003E, State of Oklahoma Purchase Card Employee Agreement.~~

~~(2) Upon approval to receive a p/card, the cardholder must:~~

~~(A) attend training prescribed by the Department of Central Services; and~~

~~(B) sign Form 10CL004E, Receipt for Purchase Card, at the time the p/card is received.~~

DHS:2-11-35. Controls and limits for purchase card [REVOKED]

~~Issued 8-1-06~~

~~The Finance Division is required to establish the categories of controls and limits on each purchase card (p/card). The mandatory categories are:~~

~~(1) credit limit, dollar amount per cycle of \$25,000 or less;~~

- ~~(2) single purchase limit, dollar amount per transaction must not exceed \$2,500; [74 O.S. § 85.5] and~~
- ~~(3) merchant category code group (MCCG) codes.~~

DHS:2-11-36. Transaction flow for purchases, account reconciliation, and payment [REVOKED]

Issued 8-1-06

(a) Purchases.

~~(1) **Cardholder.** The cardholder:~~

- ~~(A) makes a purchase from a vendor using the purchase card (p/card);~~
- ~~(B) retains the itemized receipt on all p/card purchases, including walk-in purchases and purchases by phone, fax, mail, or Internet; and~~
- ~~(C) maintains Form 10CL009E, Purchase Card Log, on all p/card purchases.~~

~~(2) **Vendor.** The vendor delivers products and submits the transaction to the issuing bank.~~

~~(3) **Issuing bank.** The issuing bank:~~

- ~~(A) pays the vendor; and~~
- ~~(B) furnishes the cardholder with a statement of purchases each month.~~

(b) Account reconciliation.

~~(1) **Cardholder responsibilities.** Each cardholder is held personally responsible for payment of purchases that are inappropriate as defined by this regulation. The cardholder is subject to disciplinary action for misuse of the card. The cardholder has five working days after the monthly statement is received to complete the account reconciliation. The cardholder:~~

- ~~(A) checks the itemized receipts and entries on Form 10CL009E against the issuing bank's statement to verify that purchases and returns are accurately listed and charged to the cardholder's account and notes any discrepancies on Form 10CL009E.~~

- ~~(i) Divisions may choose to delegate the reconciliation of cardholder itemized receipts against the issuing bank's statement to another individual.~~

~~(2) **Finance Division responsibilities.** The Finance Division approving official reviews the copies of the p/card log and the issuing bank's statement for accuracy, completeness, appropriateness of purchase, and compliance with the Oklahoma Central Purchasing Act.~~

- ~~(A) The approving official contacts the cardholder by phone or e-mail to clarify any issue regarding purchases. The cardholder provides supporting documentation as needed.~~

- ~~(B) When questions cannot be resolved between the approving official and the cardholder, the approving official contacts the cardholder's approving signer for resolution. The approving signer must resolve the issue within two working days. If the issue is not timely resolved, p/card use may be suspended at the discretion of the Finance Division p/card administrator and/or chief financial officer.~~

- ~~(C) Oklahoma Department of Human Services (OKDHS) is ultimately responsible to pay for p/card purchases that are properly transacted. When an inappropriate purchase is identified or suspected, the Finance Division immediately notifies the cardholder's immediate supervisor.~~

~~(3) **Cardholder's authorized signer responsibilities.** It is the responsibility of the cardholder's authorized signer to sign and date the p/card log approving the reconciliation of the p/card and the issuing bank's statement, and certifying compliance with all applicable statutes and policy.~~

~~(4) **Payment.** The Finance Division Claims Unit makes a single payment to the issuing bank on behalf of all OKDHS divisions.~~

DHS:2-11-37. Use of purchase card [REVOKED]

Issued 8-1-06

~~(a) **Authorization.** The Oklahoma Department of Human Services (OKDHS) employee to whom the purchase card (p/card) is issued is the only person authorized to make purchases using the card. The p/card is not loaned to another person. Violation of this regulation is considered misuse.~~

~~(1) **Purchases.** Issuance of a p/card does not imply prior approval of all purchases. The cardholder must follow procedures established in each division to obtain authorization to purchase.~~

~~(2) **Vendor selection.** After determining that the anticipated purchase does not conflict with the Oklahoma Central Purchasing Act, the cardholder may select a vendor that can supply the items with the best method of purchase.~~

~~(b) **Purchase methods.** A cardholder does not purchase products from a member of his or her immediate family. The cardholder informs his or her supervisor in writing of any potential conflict of interest. The cardholder determines the most appropriate method for purchasing products.~~

~~(1) **Purchase in person.** When making a purchase in person, the cardholder:~~

~~(A) checks the Statewide Contract List on the Department of Central Services Web site, http://www.dcs.state.ok.us/OKDCS.NSF/htmlmedia/sw_contracts.html, and DHS:2-11-39 to make sure the proposed purchase is not a restricted item;~~

~~(B) inquires whether the vendor provides discounts for state government agencies and speaks with a representative of the vendor to obtain the discount;~~

~~(C) inquires whether there is an additional charge or up-charge for using the p/card.~~

~~(i) Cardholders may not purchase from vendors who impose an up-charge for p/card use.~~

~~(ii) Cardholders who violate this regulation are reported to the Finance Division p/card administrator;~~

~~(D) ensures that the total purchase amount does not exceed the authorized p/card single and cumulative purchase limit for the cardholder's account;~~

~~(E) determines whether the price is the best that can reasonably be obtained;~~

~~(F) ensures that Oklahoma sales tax is not charged, by providing a copy of the Oklahoma Tax Exemption letter to document that OKDHS is excluded from sales taxes;~~

~~(G) obtains an itemized receipt at the time of purchase and retains the receipt for documentation; and~~

~~(H) logs the purchase on Form 10CL009E, Purchase Card Log.~~

~~(2) **Purchase by phone.** When making a purchase by phone, the cardholder:~~

~~(A) follows the applicable procedures in (b)(1);~~

~~(B) ensures the total amount, including all costs, such as shipping, handling, freight, and insurance does not exceed the authorized p/card single and cumulative purchase limit for the cardholder's account;~~

~~(C) states that he or she is calling from OKDHS and that a corporate purchasing card will be used for this purchase;~~

~~(D) gives the vendor:~~

~~(i) information from the p/card, including the account number and expiration date;~~

~~(ii) the cardholder's phone number; and~~

~~(iii) complete delivery address;~~

~~(E) requests a receipt or packing slip with itemized descriptions and pricing information be sent with the purchase;~~

~~(F) requests that the vendor print only the last four to six digits of the account number on the packing slip;~~

~~(G) retains written documentation of phone purchases, including:~~

~~(i) date of purchase;~~

~~(ii) vendor's name;~~

~~(iii) description of items purchased;~~

~~(iv) price per item;~~

~~(v) freight cost;~~

~~(vi) handling cost; and~~

~~(vii) insurance cost; and~~

~~(H) after receipt of items, retains the packing list and any other documentation.~~

~~(3) **Purchase by fax.** When making a purchase by fax, the cardholder follows the applicable procedures (b)(1) and (2). The cardholder also:~~

~~(A) retains a copy of the order form and fax confirmation, if available; and~~

~~(B) does not mail an original purchase order to the vendor to prevent a duplicate order. If the vendor requires a mailed original purchase order, clearly write "confirming order, do not duplicate."~~

~~(4) **Purchase by mail.** When making a purchase by mail, the cardholder:~~

~~(A) follows the applicable procedures in (b)(1) and (2);~~

~~(B) retains a copy of the order form, including the address where it was mailed; and~~

~~(C) provides the vendor with information from the p/card for billing purposes.~~

~~(5) **Purchase via Internet.** When making a purchase via the Internet, the cardholder follows the applicable procedures included in (b)(1) through (4). The cardholder also:~~

~~(A) ensures Internet purchases are made from a secure site that provides account number encryption;~~

~~(B) prints appropriate screens to include item description, costs, and total costs; and~~

~~(C) retains printed documentation of purchase.~~

**DHS:2-11-38. Returned purchases, credits, backorders, and vendor disputes
[REVOKED]**

Issued 8-1-06

~~(a) **Returned purchases.** Boxes, containers, special packaging, and packing slips, are retained until it is determined the purchase will not be returned to the vendor. Some items, such as software or fragile items, cannot be returned without the original packaging materials.~~

~~(1) The cardholder reads all enclosed instructions. The phone number or instruction for returning the materials is obtained from the packing slip or itemized receipt.~~

~~(2) When products purchased with the purchase card (p/card) are returned, the cardholder works directly with the vendor.~~

~~(A) When a vendor requires a return authorization number to accept a return, the number is obtained from the shipper. When a package requiring a return authorization number is returned without the number, the package is refused and no credit is issued to the cardholder account.~~

~~(B) The cardholder requests an itemized credit receipt for returned items.~~

~~(C) When returning an item due to vendor error, payment of the restocking fee is not allowed on the p/card. The p/card may be used to pay the restocking fee when OKDHS returns an item, provided the restocking fee does not exceed limits included in DHS:2-11-35 or violate the Oklahoma Central Purchasing Act.~~

~~(b) **Credits.** Documentation pertaining to returns and credits are retained and the monthly statement is checked to ensure the charge is credited properly.~~

~~(c) **Backorders.** No charges are incurred for backorders. Charges are only applied for an item that has been received or shipped from the vendor's dock. When backorder charges are on the monthly statement, the cardholder works directly with the vendor to have the charges removed.~~

~~(d) **Vendor disputes.**~~

~~(1) When the cardholder and the vendor cannot resolve a disputed transaction, the cardholder:~~

~~(A) contacts the issuing bank's customer service within 60 calendar days at the phone number listed on the back of the p/card. The issuing bank investigates the dispute on the cardholder's behalf and assists in resolution;~~

~~(B) completes and mails Form 10CL006E, Dispute, to the issuing bank for complete processing; and~~

~~(C) marks the transaction as disputed on the monthly statement and Form 10CL009E, Purchase Card Log. Regardless of the status of the dispute, payment is made to the issuing bank.~~

~~(2) Resolved disputes are reflected on the monthly statement from the issuing bank as a credit. When reconciling the issuing bank's statement and Form 10CL009E, the cardholder documents information in detail on Form 10CL009E to explain the purchase for which the credit is received.~~

DHS:2-11-39. Excluded purchase card charges [REVOKED]

Issued 8-1-06

Charges not allowed on a purchase card (p/card) include, but are not limited to:

(1) split purchasing;

(2) Oklahoma sales tax;

(3) cash advances and automated teller machine (ATM) transactions;

(4) gift certificates;

- (5) travel expenses;
- (6) maintenance and other agreements requiring contract signature;
- (7) personal purchases, including but not limited to, activity tickets, snacks, hair cuts, and meals;
- (8) gasoline;
- (9) postage and mailing fees, including parcel post, certified, and registered mail;
- (10) professional and personal services rendered by individuals, corporations, partnerships, or any other entity, including, but not limited to, consultants, attorneys, physicians, engineers, architects, public accountants, or computer programmers; and
- (11) other purchases not permitted under the Oklahoma Central Purchasing Act.

DHS:2-11-40. Conference or training fees and membership dues [REVOKED]

Issued 8-1-06

~~The purchase card (p/card) may be used to:~~

~~(1) contract for conference or training course fees. Allowable charges include:~~

- ~~(A) equipment, such as audio or video equipment;~~
- ~~(B) room use charges;~~
- ~~(C) room set-up services; and~~
- ~~(D) materials; and~~

~~(2) pay membership dues for the Oklahoma Department of Human Services membership in professional societies, associations, or social service or civic clubs.~~

~~Payment of individual memberships is prohibited. The itemized receipt must contain written documentation of the:~~

- ~~(A) complete name of the organization; and~~
- ~~(B) purpose of the membership.~~

DHS:2-11-41. Documentation [REVOKED]

Issued 8-1-06

~~Each employee issued a purchase card (p/card) must maintain a current Form 10CL009E, Purchase Card Log, for all p/card purchases. A separate Form 10CL009E is maintained for each p/card for each billing cycle.~~

~~(1) **Receipts.** An original itemized receipt from the vendor must support each purchase. Receipts for purchases must include the:~~

- ~~(A) date of purchase;~~
- ~~(B) name of vendor;~~
- ~~(C) total amount of purchase; and~~
- ~~(D) itemized description of items purchased. If the p/card receipt includes only the total amount of purchase, attach the detailed receipt or packing list with detailed information.~~

~~(2) **Lost receipts.** Repeated loss of receipts is grounds for discontinuing a cardholder's p/card use or other disciplinary action. When a receipt is lost, the cardholder:~~

- ~~(A) notes the loss on Form 10CL009E and completes Form 10CL005E, Missing Receipt, which is used in lieu of an original receipt; or~~
- ~~(B) contacts the issuing bank to obtain a copy of the receipt. A fee is charged to the cardholder's account for this service.~~

DHS:2-11-42. Electronic purchase card reports and statements [REVOKED]

Issued 8-1-06

~~Purchase card (p/card) transactions are available electronically as they are received from the issuing bank at <https://pwnet.procard.com/stateofoklahoma/default.asp> to the cardholder and the Finance Division approving official. Account information is:~~

- ~~(1) viewed and reports generated at <https://pwnet.procard.com/stateofoklahoma/default.asp>; and~~
- ~~(2) maintained on the PVS Net server for 13 months. Each division establishes a procedure for maintaining necessary data before it is removed from the server.~~

DHS:2-11-43. Record retention [REVOKED]

Issued 8-1-06

~~Purchase card (p/card) records are maintained in a central location at each work location for seven years. Records include, but are not limited to, Form 10CL009E, Purchase Card Log, itemized receipts, dispute documents, and any other pertinent documents in paper or electronic form. Record retention and destruction complies with DHS:2-21-50 through DHS:2-21-55.~~

DHS:2-11-44. Payment [REVOKED]

Issued 8-1-06

~~The Oklahoma Department of Human Services Finance Division makes timely payment to the issuing bank for all purchase card (p/card) purchases without regard to individual discrepancies in transaction billing.~~

DHS:2-11-45. Lost or stolen purchase card [REVOKED]

Issued 8-1-06

~~(a) Immediately upon determining that a purchase card (p/card) is lost or stolen, the cardholder notifies the issuing bank's customer services department at the phone number listed on the back of the p/card. Customer service is available 24 hours per day. The cardholder:~~

- ~~(1) retains these phone numbers readily available but separate from the card;~~
- ~~(2) may be asked to input the first four digits of the card number. If this number is not known, the cardholder holds for a customer service representative;~~
- ~~(3) records on Form 10CL007E, Lost or Stolen Purchase Card Notification:
 - ~~(A) the date and time the issuing bank was notified;~~
 - ~~(B) the name of the customer service representative contacted; and~~
 - ~~(C) all information required on the form; and~~~~
- ~~(4) submits Form 10CL007E within two working days to the Finance Division p/card administrator.~~

~~(b) The p/card administrator submits Form 10CL008E, Commercial Card Cardholder Account, to the issuing bank. The issuing bank prepares a new card with a new account number and sends it to the cardholder.~~

~~(c) The cardholder's division is responsible for all charges incurred against a lost or stolen card until the card is reported to the issuing bank as lost or stolen.~~

DHS:2-11-46. Purchase card cancellation [REVOKED]

Issued 8-1-06

~~A purchase card (p/card) issued under this program is the property of the Oklahoma Department of Human Services (OKDHS) and is surrendered to the division director or designee upon termination of employment with OKDHS or request of the cardholder's supervisor or the Finance Division p/card administrator.~~

- ~~(1) The Finance Division p/card administrator and chief financial officer retain the right to cancel a specific cardholder's privileges for misuse of the p/card.~~
- ~~(2) Specific cardholder privileges may be cancelled for suspected violation of any Oklahoma statute or the purchasing procedures found at www.dcs.ok.gov/.~~
- ~~(3) When a p/card is canceled, the division director or designee reclaims the p/card and returns it to the Finance Division p/card administrator along with Form 10CL008E, Commercial Card Cardholder Account, marked for deletion.~~

DHS:2-11-47. Misuse of purchase card [REVOKED]

Issued 8-1-06

~~Misuse of a purchase card (p/card) in any manner by a cardholder results in:~~

- ~~(1) revocation of the privilege to use the p/card;~~
- ~~(2) disciplinary action;~~
- ~~(3) termination of employment;~~
- ~~(4) criminal charges filed with the appropriate authority; or~~
- ~~(5) a combination of the actions in (1) through (4).~~

DHS:2-11-48. Purchase card renewal and replacement [REVOKED]

Issued 8-1-06

~~(a) **Renewal.** Prior to the expiration date of the purchase card (p/card), the issuing bank prepares a replacement card and sends it to the state p/card administrator. The card is forwarded to the Oklahoma Department of Human Services (OKDHS) Finance Division. Upon a signed Form 10CL004E, Receipt for Purchase Card, by the named cardholder, the card is released to the employee.~~

~~(b) **Replacement.** A p/card may be replaced when the original is defective, mutilated, lost, or stolen. The OKDHS p/card administrator submits Form 10CL008E, Commercial Card Cardholder Account, to the issuing bank.~~

- ~~(1) The issuing bank prepares a new card with a new account number and forwards the card to the cardholder via the procedure described in (a).~~
- ~~(2) A defective or mutilated p/card is sent to the Finance Division p/card administrator for disposal.~~

DHS:2-11-49. Program audits [REVOKED]

Issued 8-1-06

~~(a) On a monthly basis the Oklahoma Department of Human Services (OKDHS) purchase card (p/card) administrator receives a report directly from the issuing bank that lists all transactions posted on each cardholder's account.~~

~~(b) The OKDHS p/card administrator or designee conducts random audits. The objective of the audit is to determine compliance with the Oklahoma Central Purchasing Act.~~

~~(c) The cardholder is responsible for validating all transactions on his or her account when audited.~~