STATE OF MISSOURI

Cardholder Purchasing Card Training & Certification
WHAT IS A PURCHASING CARD?

- A Purchasing Card (P-Card) is a VISA credit card that may be used to purchase goods or services.
- The issuance of a P-Card to an employee does NOT appear on their individual credit report.
- The P-Card is for State business-use ONLY. Personal items are not allowed to be purchased on the P-Card.
P-CARD POLICIES AND FORMS


- P-Card Training and Quiz is available at: https://oa.mo.gov/accounting/state-employees/purchasing-and-travel-cards
P-CARD PROGRAM FACTS

Program Intentions

- Establish a more efficient, cost effective method of purchasing and paying for goods and services within established limits

- Reduce the number of purchase orders and checks issued

- Streamline process for purchasing most small and limited large dollar transactions
The program is NOT intended to:
- Avoid/bypass State Procurement or payment policies and procedures
- Be used for interagency payments
- Be used for entertainment purposes
- Replace the Personal Liability VISA Business Travel Card
- Be used for personal use
- To pay in-hand invoices (direct billed)
The program is administered by Office of Administration (OA) - Division of Accounting. The below outlines the structure of OA P-Card contacts:
- Statewide P-Card Administrator
- Assistant Statewide P-Card Administrator

The program is contracted with UMB Bank.
PROGRAM ADMINISTRATION (CONT.)

- Each Agency has staff who are responsible for administering the P-Card for their agency and working in conjunction with OA. The below outlines the structure:
  - Agency Purchasing Card Coordinator(s)
  - Division Purchasing Card Coordinator(s)

- Chain of Command
  - Cardholders are primarily responsible for working with their supervisor and/or Agency/Division P-Card Coordinator.
WHO MAY BE ASSIGNED A P-CARD?

- Cardholders must be Active State Employees.
- Each cardholder should only be issued one P-Card.
- Each card must be assigned to an individual employee in order to ensure individual accountability.
  - Emergency cards are allowed if authorized by OA.
WHAT IS REQUIRED FOR A P-CARD?

- A Cardholder must complete the *Purchasing Card Cardholder Agreement Form* prior to receiving a card.
- The Agency must complete the *Purchasing Card Account Action Request Form* to request a new card.
- The Cardholder must complete the P-Card training and quiz prior to receiving a card.
- The *Purchasing Card Online Management Application Form* must be completed by the Agency P-Card Coordinator (and cardholder if user access to UMB CC is desired).
- The cardholder must complete training and recertification on an annual basis.
TYPES OF P-CARDS

- **Standard P-Card**
  - This type of card allows for non-travel related purchasing needs in order to procure commodities and services for official State business.

- **Travel P-Card**
  - This type of card allows travel related purchases for official State business.

- **Dual P-Card**
  - This type of card allows both travel and non-travel purchases necessary for official State business.
HOW MUCH CAN I SPEND?

- Each P-Card is assigned a monthly credit limit and a single transaction limit, as authorized by the cardholder’s supervisor and P-Card Coordinator.
  - Credit limits are generally $3,000 and single transaction limits are $1,000. Higher limits may be allowed based on business justification.

- Permanent and temporary increases to monthly credit limits and single transaction limits, including to unblock a Merchant Category Code, are available upon approval by the cardholder’s supervisor and P-Card Coordinator. The P-Card Account Action Action Request Form must be used to support these requests.
A cardholder can make as many purchases on the card as necessary as long as each purchase does not exceed the single transaction limit or all purchases combined do not exceed the overall monthly credit limit.

Cardholders must not “split” purchases in order to bypass their transaction limits.
CARD ISSUANCE

- Upon receipt of a signed **Purchasing Cardholder Agreement** and a Purchasing Card Training Certificate, a card will be ordered.
- The card will be mailed within 5 to 7 business days to the address on the card (or to the Agency P-Card Coordinator).
- The cardholder is responsible for activating the card prior to use.
REPLACEMENT CARDS

- Replacement cards are issued the month your P-Card expires.
- UMB will send a new card with the same account number 2 weeks before the end of the month.
- The card will either be sent to your cardholder address or to your P-Card Coordinator and then mailed to the address on file with your account.
- Your card is valid until the last day of the expiration month.
WHERE CAN I USE MY P-CARD?

- P-Cards may be used for payment to any merchant that accepts VISA.
  - If a merchant does not accept VISA, contact the P-Card coordinator who will take further action to work with UMB in getting the vendor to accept P-Cards.
WHY CAN’T I USE MY P-CARD?

- Some purchases may be declined due to the vendor having a blocked Merchant Category Code (MCC).
  - A MCC is a code established by the vendor when they get setup to accept credit card payments with their bank. Coordinators cannot change a vendor’s MCC.
  - Examples of blocked vendors include bars, liquor and tobacco stores, gun and archery vendors, and international vendors.
Other reasons you P-Card may be declined are:

- Purchase is over your single transaction or overall credit limit

- Vendor entered wrong account number or expiration date or security code

- Your card has been suspended due to an outstanding past due balance or a suspected fraudulent transaction

- The vendor is located outside of the United States
ALLOWABLE PURCHASES

- Agency provided food in compliance with Statewide Policy 5
- Building repair and maintenance supplies and services
- Bulk postage - for use in postage meters
- Custodial, housekeeping, laundry, and kitchen supplies and services
- Fuel - Bulk purchases and non-motor vehicle use only
- Information technology and telecommunication supplies and services
- Items on state contracts or price agreements (including blanket price agreements)
ALLOWABLE PURCHASES (CONT.)

- Laboratory supplies and services
- Large truck repairs
- Memberships, agency and individual employee
- Office supplies and services
- Other technical and specific use supplies
- Printing and photography supplies and services (unless available from an existing State resource and if approved by a State Resource Manager)
- Publication subscriptions
- Small tools
- Travel expenses (lodging, airfare, rental car, taxi, etc. except meals in travel status) compliant with Statewide Policy 6
- Vehicle repairs supplies and services
- Utilities
UNALLOWABLE PURCHASES

- Alcoholic beverages
- Cash advances
- Employee meals while in travel status (unless a waiver has been received)
- Gasoline (Except bulk purchases and non-motor vehicle)
- Gift cards
- Hospitality and entertainment
- Interagency payments (such as Missouri Vocational Enterprises, State Printing, Professional Registration, Department of Agriculture, Department of Natural Resources, Department of Revenue, etc.)
- Personal items
UNALLOWABLE PURCHASES (CONT.)

- Postage Stamps (Except bulk purchases in metered machines)
- Purchases that bypass existing procurement and payment policies and procedures
- Splitting a purchase into two or more transactions to bypass transaction and credit limits
- Missouri State Sales Tax
- Weapons and ammunition (Except for use by authorized personnel within Public Safety divisions)
SALES & USE TAX

- The P-Card is exempt from the Missouri State Sales and Use tax ONLY. It is not exempt from County, City, Lodging, or any other local or state tax.
- The P-Card contract is administered through the State of Missouri Office of Administration (OA). Therefore, the State of Missouri’s tax exemption number is printed on the front of the card.
- Cardholders must communicate to all vendors that their agency is a tax exempt entity.
- Carry the State of Missouri Tax Exemption certificate with you at all times.
SALES & USE TAX (CONT.)

- If you have been charged sales or use tax, contact the vendor to obtain a credit for the amount of the tax.
- The cardholder must make every attempt to obtain the credit for all state sales tax.
- When purchasing online, ensure the State’s tax exempt code is used.
Merchants may include a surcharge or convenience fee. The decision to use a P-Card on a purchase that will incur a surcharge or convenience fee should be based on rare and extenuating circumstances.

Examples of circumstances:
- Timeliness of payments to avoid late fees
- Urgency of the needed item or services
- Lack of other vendors

Carefully evaluate the necessity of P-Card transactions which are subject to surcharge or convenience fees.
A third party payment processor is a company appointed by a merchant to handle credit card transactions. (Example: PayPal)

Exercise extreme caution when using a third party payment processor and make sure all policies and procedures according to both the Statewide and Agency manuals are being followed.

Obtain detailed receipt documentation.

NEVER save P-Card information when using third party payment processors or making any other online payments.
DECISION TO USE THE P-CARD

- The P-Card should be used at the time of purchase (not for direct billed invoices).
  
  Paying an invoice already in-hand (direct billed) with a P-Card jeopardizes internal controls and increases the risk of duplicate payments.

- Preference should be given to Missouri Vendors.
CARDHOLDER RESPONSIBILITIES

- It is ultimately the responsibility of the cardholder to ensure all purchases made on the P-Card are in compliance with the P-Card Policy & Procedures Manual as well as procurement and payment regulations.
- If you are unsure whether or not an intended purchase will be in compliance, contact your supervisor BEFORE making the purchase.
- Thoroughly review/document all transactions shown on the cardholder statement and document these transactions on the transaction log (if required by your Agency). Forward the completed and signed transaction log to your supervisor along with the detailed receipts and P-Card statement. If a transaction log is not used by your Agency, then ensure the certification statements from the cardholder and approver are included.
CARDHOLDER RESPONSIBILITIES (CONT.)

- If a receipt has been lost, you must first contact the vendor for the replacement. If they are not able to provide you with one, an affidavit must be completed and included with the P-Card log and statement.

- Obtain receipts from vendors and attach them to the statement in the same order as listed, along with supporting documentation and the P-Card transaction log.
CARDHOLDER RESPONSIBILITIES (CONT.)

- Cardholders must not give their P-Card to another employee (or anyone else) to use.
- If the cardholder’s name, work address, or division changes, the P-Card Coordinator should be notified of these changes using the Purchasing Card Account Action Request Form.
ACCESSING ACCOUNT INFORMATION

- The Purchasing Card Online Account Application (UMB CC) offers the ability for cardholders to view their statements, credit limit, available credit limit, authorizations/declines, and other information.

- In addition, UMB CC offers the ability for supervisors or other individuals with a business need to view cardholder statements.

- To obtain user access to UMB CC, please complete and submit the Purchasing Card Online Management Application Form to your P-Card Coordinator.

- For questions about your P-Card account, please contact your P-Card Coordinator.
CARDHOLDER STATEMENTS

- Each month, UMB will provide an account statement to the cardholder.
  
  If there is no activity, a statement will not be provided.

- All cardholders receive an electronic statement in UMB CC. The statement is available in UMB CC within 1-2 days after the statement period ends. If desired, the cardholder may also receive a paper statement.

- The statement is a summary of all transactions made within the statement cycle.

- Review the statement for accuracy by going through and checking all transactions.

- Review the statement to identify the current balance, any past due balances and credits on the statements.
RECEIPT DETAIL

- Your receipt/invoice should contain the following information:
  - Vendor’s name and address
  - Description of goods or services purchased
  - Quantity, unit price, and date
  - Grand total of expenditures, without Missouri State sales and use tax
RECEIPT OF GOOD/SERVICE

- Ensure receipt of goods or service prior to payment to UMB. This includes recording the date received, providing packing slips, etc. with the applicable statement.

- Further information regarding requirements related to receipt of goods or services is described in the *Preapproval of Claims and Account Regulations CSR*. 
ACCOUNT RECONCILIATION

- Complete, sign, and date the P-Card transaction log (or certification statement in lieu of a transaction log) to certify the charges are accurate and complete.

- All receipts must be turned in with the statement.

- Submitted P-Card packets must include the monthly statement, all itemized receipts and receiving docs, and the completed P-Card transaction log (or certification statements in lieu of the transaction log). If a receipt is not available, include the Affidavit for Purchasing Card Expenses form.

- Cardholders should forward the P-Card packet to their supervisor within 3 business days of receipt.
PAST DUE ACCOUNTS

- Cardholders should ensure their card is paid timely. Payments must be issued from the State’s financial system within 30 days from the statement date.
- Do not hold payments while waiting on credits.
- All balances must be paid within 60 days of the statement date. After 60 days the State is liable for all charges and the card may be suspended until payment is made, or closed depending on severity.
CREDITS ON ACCOUNTS

- Cardholders should ensure credits on an account are used timely.
- If the cardholder will not use a credit timely, contact your P-Card Coordinator to determine if the monies could be used on another card or if they need to be refunded from UMB.
DISPUTED TRANSACTIONS

- If you have a transaction on your statement that you do not recognize, contact the vendor and obtain a credit. If the vendor will not credit the transaction, complete the VISA Purchasing Card Dispute Form and submit it to the P-Card Coordinator.
  - The P-Card Coordinator must submit this form to UMB within 60 days of the statement date in which the transaction occurred or the State is liable for the charge.

Examples of reasons for disputed charges:
  - Unknown Vendor
  - Incorrect Amount

- Contact your supervisor or P-Card Coordinator for additional assistance and instruction regarding disputes.
UMB CARD SECURITY

- UMB Bank’s Security Team (Falcon) may contact cardholders regarding transactions that are unusual or not typical for a particular account. They will have the transaction information and ask questions related to the transaction(s).

- Do NOT provide your card number or 3-digit security code.

- You will not be able to use your card until you return the call to Falcon. You can reach Falcon at 800-337-3392.
REPORTING A LOST OR STOLEN CARD

- If your card is lost or stolen, immediately notify all of the following:
  - The Agency/Division P-Card Coordinator
  - UMB Security at 1-800-821-5184

- Each of these accounts must take place to ensure fraudulent activity does not occur.

- If a card is lost or stolen, UMB will issue a new card to the cardholder.
CARDHOLDER SECURITY & LIABILITY

- Each cardholder is responsible for the security of his/her card and transactions made against it.
- Responsibility of the P-Card should not be taken lightly!
- Cardholders can monitor their account activity online.
- NEVER hand your card to another person or even a co-worker to use.
- Do not copy the card or fax a copy of the card to vendors.
- Employees on extended leave should notify their P-Card Coordinator so that cards can be temporarily suspended during your absence to mitigate fraud risk.
- Ensure full 16-digits of card, and CVV are protected from potential misuse.
- Once a card is no longer needed (or upon termination of employment), ensure the card is closed in UMB CC and the card properly destroyed.
INAPPROPRIATE USE BY CARDHOLDER

- Inappropriate use of the P-Card, including personal transactions, are not allowed on the P-card.
- Improper use of the P-Card may cause revocation of the card, disciplinary action up to and including termination, and may subject cardholders to criminal prosecution.
- Amounts attributable to improper use by the cardholder may be required to be refunded or repaid, or may be withheld from the cardholder’s paycheck.
CARDHOLDER SEGREGATION OF DUTIES

- Ensure the cardholder’s statement is approved by the P-Card Coordinator or designee prior to payment. A cardholder’s approval should not be the only approval.
- Cardholders should not approve their own transactions in SAM II.
- Agency P-Card Coordinators should not create, modify or approve their own card. Agency P-Card Coordinators should contact OA if a card is needed.
ETHICAL BEHAVIOR

P-Card Cardholders should demonstrate ethical behavior when using the P-card. Some examples include:

- Strictly adhering to the P-Card policies and procedures.
- Safeguarding the state’s assets from fraud, waste, and abuse.
- Ensuring the P-Card is not used for personal use.
- Conducting themselves in a way that will continue to promote the public’s confidence in the integrity of the state.
- Protecting privileged or confidential information.
SUPERVISOR RESPONSIBILITIES

- Review the cardholder’s statement and sign/date the P-Card transaction log (or certification label in lieu of a transaction log).
  - A supervisor’s signature on the transaction log certifies that all purchases are accurate, complete, for official State of Missouri business, and in accordance with purchasing and payment policies and regulations.

- If the cardholder has left employment, the supervisor must reconcile and sign the transaction log with a notation that the cardholder is no longer employed and is not available to sign/date the transaction log.
Assist the cardholder with reconciling disputed transactions.

Notify the P-Card team upon the transfer, resignation, retirement, or termination of a cardholder, and request the account to be closed.

- ALL terminated cardholders’ accounts must be closed immediately after receiving notification.
ANNUAL TRAINING QUIZ

There are (20) multiple choice questions that must be answered in order to receive a certificate of completion for P-Card Training.

Please complete the Cardholder Quiz at https://oa.mo.gov/accounting/state-employees/purchasing-and-travel-cards