



# State of Missouri

## Purchasing Card Policy & Procedure Manual

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## 1. PROGRAM OVERVIEW

### 1.1 Program Purpose

The purpose of the State of Missouri Purchasing Card Program (Program) is to establish a more efficient, cost effective method of purchasing and paying for goods and services within established limits. The Program was originally designed for making small dollar purchases. However, as the Program has evolved, the Program allows both small and large dollar purchases to help facilitate spending at Statewide, Agency, and Division levels, settle travel expenses, and simplify the procurement cycle. This Program is intended to reduce the number of purchase orders and checks issued, thereby enhancing efficiency and cost-cutting measures across the state.

### 1.2 Program Benefits

The Program provides the following benefits:

- Streamlines the process for purchasing most small and limited large dollar transactions.
- Allows goods or services to be procured in a timely manner. In some instances, this may allow the advantages of supplier discounts.
- Expands the vendor base by allowing cardholders to purchase goods/services from local vendors, by telephone, or online.
- Reduces the cost for procuring goods or services. The cost of purchasing goods/services with the purchasing card (P-Card) is significantly less than purchasing items via a purchase order. One of the reasons is the reduction in personnel time. The P-Card Contractor (Contractor) also provides a rebate for goods/services procured through the P-Card.
- Merchants will be paid more promptly than through traditional check or EFT methods. Merchants receive their payment within 24 to 72 hours depending upon how fast they transmit the transaction to their servicing bank and how quickly the bank routes transactions to VISA.

### 1.3 Program Intentions

The P-Card is intended to pay lodging, commercial transportation (vehicle rental, air fare, bus, taxi, or similar rideshare services and rail), conference registration, State Emergencies, and other items listed in Appendix 1.

The P-Card is **NOT** intended to:

- Avoid or bypass State procurement or payment policies and procedures.
- Be used for payments between State agencies.
- Be used for entertainment purchases.
- Be used for personal travel expenses, such as meals.
- Be used for personal use.
- Be used for in-hand invoices.
- Be used by anyone other than the cardholder identified on the card.

## **2. PROGRAM ADMINISTRATION**

### **2.1 Statewide P-Card Program Administrators & Responsibilities**

The Program is administered by the Statewide P-Card Program Administrator group (P-Card Admin) within the Office of Administration (OA) - Division of Accounting (DOA). The P-Card Admin oversees the Program, oversees the P-Card contract, establishes rules and policies, issues guidelines, provides reports and statistics, and assists Agency P-Card Coordinators (Agency Coordinator) and Division P-Card Coordinators (Division Coordinator) and cardholders with problem resolution. The P-Card Admin includes the following roles:

- Statewide P-Card Administrator
- Assistant Statewide P-Card Administrator

### **2.2 P-Card Contractor**

The Program is a partnership with the Contractor who has designated either a VISA or MasterCard brand. The Contractor is responsible for developing, implementing, and administering the Program in accordance with the provisions of the contract. The contract is administered by the P-Card Admin. Questions regarding the contract should be directed to the P-Card Admin. The Contractor contract is mandatory for all State agencies that utilize a P-Card as a payment mechanism.

### **2.3 Agency Administrators & Responsibilities**

Each Agency is required to designate an Agency Coordinator. The Agency Coordinator is responsible for designating an Alternate Agency P-Card Coordinator (Agency Coordinator) for the Agency. The Agency Coordinator is responsible for the overall operation of the Program at the Agency. This includes the authority to enforce compliance with all accounting and purchasing statutes, regulations, and policies to ensure the valid use of all P-Cards within the Agency. The responsibility of the Agency Coordinator includes, but is not limited to, the following:

- Complying with the State of Missouri Purchasing Card Policy and Procedure Manual (Manual) and other applicable purchasing statutes, regulations and policies. Exception requests to the Manual must be made in writing to the P-Card Admin prior to the act or event in question.
- Working with the Division Coordinator, the P-Card Admin, and the Contractor to issue new P-Cards, make changes to existing cards, and terminate existing cards.
- Communicating other pertinent information on behalf of the Agency and working with the Division Coordinator, the P-Card Admin, and the Contractor to resolve any issues/concerns related to the Agency's Program.
- Keeping records of completed forms required by policy and/or submitted to the Contractor.
- Ensuring records are maintained in accordance with the records retention schedule in section 10.

The Agency may appoint Division P-Card Coordinators and Alternate Division P-Card Coordinators (Division Coordinator). The responsibilities of the Division Coordinator include, but are not limited to, the following:

- Complying with the Manual and other applicable purchasing statutes, regulations and policies. Exception requests to the Manual must be made in writing to the Agency Coordinator prior to the act or event in question.
- Working with the Division’s management and the Agency Coordinator to determine who is eligible for a P-Card, coordinating cardholder limits, alerting management of any spending concerns through the annual review, communicating other pertinent information on behalf of the division, and keeping records of all cardholders.

## 2.4 Cardholder Responsibilities

The responsibilities of the cardholders include, but are not limited, to the following:

- Complying with the Manual and other applicable purchasing statutes, regulations and policies. Exception requests must be sent to the Agency/Division Coordinator prior to the act or event in question.
- Ensuring the security of their P-Card.
- Ensuring the use of the card is for official State business and in accordance with established guidelines. The card is issued by legal name and any purchases made against the card will be the cardholder’s responsibility. Use of the card not in accordance with the established guidelines can result in personal liability and/or disciplinary actions.

## 3. INTERAGENCY AGREEMENTS AND AGENCY COORDINATOR DESIGNATION

### 3.1 Interagency Agreement Purpose

Agencies participating in the Program must enter into an Interagency Agreement with the OA. The Interagency Agreement sets forth the responsibilities of both departments to one another regarding the Agency’s participation in the Program. Through the use of the Interagency Agreement and the Addendum to the Interagency Agreement (Addendum), general P-Card duties have been delegated to Agency Coordinators, and at Agency management discretion, Division Coordinators.

### 3.2 Interagency Agreement and Agency/Division Coordinator Designation Procedures

For an Agency to participate in the Program, each Agency must complete the *Interagency Agreement* and the *Addendum to the Interagency Agreement (Addendum)* using original signatures.<sup>1</sup> Submit the completed form to the P-Card Admin via email for approval by the OA.

The *Interagency Agreement* and the *Addendum* must be updated using original signatures upon a change in an elected official, and if desired, upon other significant changes in management at the Agency.

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<sup>1</sup> For purposes of the State of Missouri Purchasing Card Policy and Procedure manual, all forms required to be completed with an “original signature” must be manually signed by the required individual(s). Rubber stamps or facsimile signatures are not allowed. An electronic signature may be used with prior approval by the Statewide P-Card Administrator after appropriate audit trails and controls have been established for such signatures.

The *Addendum* must be updated using original signatures upon a change in the primary Agency Coordinator. Submit the completed form(s) to the P-Card Admin via email for approval by the P-Card Admin.

Upon the issuance or revision of the *Addendum*, the Agency Coordinator must complete an *Agency Purchasing Card Coordinator Request Form* using an original signature and submit it to the P-Card Admin for approval. The P-Card Admin will submit the completed form to the Contractor.

Each Agency Coordinator must designate at least one Alternate P-Card Coordinator (Agency Coordinator) by completing the *Agency Purchasing Card Coordinator Request Form* using an original signature and submitting the form to the P-Card Admin for approval. The P-Card Admin will submit the completed form to the Contractor.

Each Agency may designate Division Coordinators. Division coordinators must complete the *Agency Purchasing Card Coordinator Request Form* using an original signature. This form must then be approved by the Division Director and Agency Coordinator.

The Agency Coordinator is responsible for immediately submitting an *Agency Purchasing Card Coordinator Request Form* upon the termination in employment or change in job duty of an Agency/Division Coordinator.

The Agency Coordinators on-file with the Contractor are the only individuals authorized to make changes or discuss information for the Agency with the contractor, other than P-Card Admin. Division Coordinators are not authorized to make changes or discuss information for the Agency with the contractor or perform card management changes in the P-Card Online Management Application (Application).

## **4. PROGRAM RESOURCES**

### **4.1 State P-Card Website/Required Forms**

The State maintains an informational website for P-Cards on the OA – DOA’s website. All required forms referenced in *red* throughout this Manual are located on this website.

The forms outlined in this Manual are required to be used by each Agency. Required forms may be modified to meet Agency needs, but must include the minimum information listed on the form issued by the P-Card Admin. The Agency Coordinator must obtain prior approval from the P-Card Admin if a different form is used.

### **4.2 Statewide P-Card Email**

The P-Card Admin monitors a P-Card email address Monday through Friday on a regular basis. For any account changes/approvals, other account questions, purchasing questions, policy questions, or any other P-Card concerns, please send inquiries to the P-Card Admin.

Cardholder questions regarding individual P-Cards should be directed to the Agency/Division Coordinators.

Periodically, the P-Card Admin will send updates about the Program via email to the Agency Coordinators.

### 4.3 P-Card Roundtable Meetings

An annual meeting regarding the Program is held in Jefferson City or via webinar. In addition, periodic site visits with Agencies will occur. Additional meetings may be held based upon changes to the P-Card program. The meetings are for attendance by the P-Card Admin, Agency/Division Coordinators, and Contractor staff. The purpose of these meetings are to discuss current P-Card issues, network for solutions, and announce upcoming changes to the Program. Agency/Division Coordinators are encouraged to attend when feasible.

## 5. CARD MANAGEMENT PROCEDURES

### 5.1 Obtaining a Card

The following tasks must be performed for State employees interested in receiving a State P-Card for official State business:

- The employee interested in receiving a State P-Card for official State business must read and understand the terms and conditions outlined in the Manual and, if applicable, their Agency P-Card policy and procedure manual. The Agency/Division Coordinator is responsible for ensuring each cardholder receives a copy of the Manual and other applicable policies, including any updates to these policies.
- The employee must complete cardholder training prior to receiving a card in compliance with section 6.1. The Agency/Division Coordinator must ensure the employee receives cardholder training prior to issuance of the card. If deemed necessary, the Agency/Division Coordinator may provide additional training.
- The employee must complete the *Purchasing Card Cardholder Agreement Form* using an original signature. The employee's original signature on the *Purchasing Card Cardholder Agreement Form* indicates that he/she understands the intent of the Program and agrees to adhere to the established guidelines. The employee must submit the form to the Agency/Division Coordinator who is responsible for retaining the agreement.
- The Agency must complete the *Purchasing Card Account Action Request Form* using original signatures. The Agency Coordinator is responsible for approving the form and retaining the form. For accounts over \$25,000 or for cards assigned to an Agency Coordinator, the *Purchasing Card Account Action Request Form* must be forwarded to the P-Card Admin for approval prior to issuing a card.
- For credit limits \$25,000 or under, the Agency Coordinator is responsible for requesting a card be issued by the Contractor upon completion of the required forms and training. The Agency Coordinator must process requests through the Application. For account changes over \$25,000 or if the card is for the Agency Coordinator, the P-Card Admin must process the request. To ensure proper segregation of duties, Agency Coordinators must not approve



their own card or process this through the Application. Instead, the P-Card Admin must process the request after approval is received from the Agency's Coordinator supervisor or other official. Agency Coordinators will be assigned a card managed by the P-Card Admin.

- Please note: Contractor staff will not make changes to any card/account without designated Agency Coordinator approval. For credit limits over \$25,000 or for cards related to Agency Coordinators, the Contractor will not make any changes without the P-Card Admin approval.
- The cardholder (if user access is desired to the Application) and the Agency Coordinator must complete the *Purchasing Card Online Management Application Form* using original signatures. The Agency Coordinator is responsible for sending the completed form to the Contractor and retaining the form. This form is necessary for all new cardholders in order to fully establish the profile in the Application for the cardholder.

State P-Cards are state liability credit cards. Therefore, employee personal credit is not affected by the issuance or use of the P-Card. The card is issued by legal name and any purchases made against the card will be the cardholder's responsibility. Although individual credit score is not affected, use of the card that is not in accordance with the established guidelines may result in personal liability. If you have any questions about the program or need additional information, please contact your Agency/Division Coordinator.

### 5.1.1 Receipt of Card

Once the card has been requested, the Contractor will process the request within one business day and the card or account information will be delivered to the Agency within five to seven working days. If a rush card is needed, the Agency Coordinator should immediately contact the contractor and the new card will be delivered within 24 to 48 hours. If the card is shipped to the Agency/Division Coordinator, the Agency/Division Coordinator will notify the cardholder when the card or account information is available. The Agency/Division Coordinator is responsible for ensuring proper security of the card and credit card information. This includes maintaining the card in a locked file until distribution to the cardholder and not providing the information to unauthorized personnel.

### 5.2 Types of Accounts

There are four different types of accounts available in the Program. The determination of which type of account the cardholder receives is determined by the Agency/Division Coordinator and Agency management based upon purchasing needs. Regardless of the type of account, all cards and accounts must be issued in the employee's **legal** name (as indicated in the State's human resource system) and all accounts are subject to the same internal control responsibilities and oversight.

- **Standard P-Card Account** – This type of card/account allows for non-travel related purchasing needs in order to procure commodities and services for official state business.
- **Travel P-Card Account**- This type of card/account allows transactions for authorized State official business travel to take place. These transactions primarily include purchases such as lodging, commercial transportation (vehicle rental, air fare, bus, taxi or similar rideshare

services and rail), parking fees, and conference registrations. It does not allow employee meals in travel status unless the Agency has been granted an exception waiver by the P-Card Admin prior to the transaction(s) taking place.

- An agency may establish a certain employee to be a central travel desk representative. In these cases, a cardholder may use a card to make travel arrangements for other employees. State employees are encouraged to use a central travel desk account for their travel related expenses when they do not possess their own P-Card. However, we do not recommend the use of a Third Party Credit Authorization form for purchasing hotels for another Traveler to ensure security of the card.
- **Dual P-Card Account** – This type of card/account combines the functions of the Travel P-Card Account with the functions of the Standard P-Card Account, allowing travel related purchasing needs along with procuring all commodities and services necessary for official State business. This type of account reduces the need for cardholders to have multiple accounts issued in their name.
- **Emergency Card** – This type of card is available in a State Emergency, such as a natural disaster like a flood, snow storm, or tornado. These types of cards are strategically placed across the State and may be activated at any time 24 hours a day, seven days a week. These cards may have high credit limits. This type of account may be issued in an employee’s legal name or designated in the name of an Emergency Account.

### 5.3 Account Assignment

Cardholders must be active permanent, part-time or full-time, State employees whose job requires the use of a P-Card. Cards must not be issued to temporary employees or contractor personnel.

Each cardholder should only be issued one P-Card. A cardholder may be issued a second P-Card where a business needs exists; however, only one physical and one ghost card may be issued to an employee at a time (refer to section 5.4 for more information).

Each card/account must be assigned to an individual employee in order to ensure individual accountability. Group, central travel desk cards, or department cards (e.g. Personnel, etc.) not in an individual name or shared by multiple employees are not allowed.

Emergency cards may be allowed if authorized by the P-Card Admin. For Emergency cards not assigned to an individual employee, the Agency/Division Coordinator is responsible for establishing proper controls for these cards and ensuring the card and activity is in compliance with the Manual. In addition, the following procedures should be implemented:

- When a card is not in use, the card should be maintained in a locked file with limited access. In addition, the card should be placed in a suspended status within the Application.

- A log must be maintained to identify who has taken the card and on what date, when it was returned. The log should include signatures of the Agency/Division Coordinator and the individual who uses the card to support usage of the card.
- The employee responsible for using the card must be provided a copy of the Manual and must complete the training presentation and pass a quiz authorized by the P-Card Admin.

## 5.4 Spending Limits and Card Types

The Contractor requires a monthly credit limit and a single transaction limit (or strategy) be assigned to every card/account. Standard statewide credit limits are \$3,000 per month with a single transaction limit of \$1,000. Each Agency may request higher limits with proper justification.

Each strategy/single transaction limit available is defined by a listing of merchant category codes (MCCs) that determine if a transaction may be allowed or disallowed. MCCs are used to classify the business by the types of goods or services it provides, such as a hotel or grocery store. Restricting certain MCCs helps protect the State against unauthorized or prohibited purchases. In rare instances, an override strategy may be used to purchase commodities typically restricted. The override strategy should be used on a temporary basis and a business need should be provided for the use. Refer to section 5.6 for how to request an override strategy.

P-Cards may be issued as a plastic (physical) card or a ghost card. A ghost card essentially means that a plastic card is not issued to the cardholder. Instead of a physical card, the cardholder only receives an account number, expiration date, and CVV (Card Verification Value) code. Ghost cards are recommended for large purchases to limited vendors or when credit limits are \$50,000 or more. The following are the guidelines for determining if a card should be plastic or ghost:

- Credit limits under \$50,000 may be on a plastic or a ghost card.
- Permanent credit limits of \$50,000 or more must be on a ghost card.
- Cardholder's with permanent credit limit of \$50,000 or more may be allowed both a ghost and a plastic card upon approval by the P-Card Admin.

## 5.5 Billing Cycles and Statements

The billing cycle date for a card is selected by the cardholder's Agency in conjunction with the Contractor. Payments are not issued from the State's financial system on the last two working days of the month. Therefore, we recommend that billing cycles be scheduled to occur prior to the month end to provide sufficient time to process the payment.

Each cardholder will receive a statement of activity for the month in which there was activity. Electronic statements are available for all accounts through the Application. To obtain electronic access to a statement using the Application, refer to section 9.4. A paper statement may be allowed for a cardholder based on your Agency's selection. The Agency/Division Coordinator is responsible for determining which cardholders need a paper statement when a card is issued and ensuring a correct mailing address is provided to the Contractor.

## 5.6 Account Changes

The following tasks must be performed for each card/account change (e.g. name or address change, change in credit limit or single transaction limit, suspension of card, issuance of a replacement card, etc.):

- The Agency Coordinator should ensure a *Purchasing Card Account Action Request Form* is completed using an original signature and the form retained. For credit limits under \$25,000, the Agency may utilize an alternate form or equivalent control to ensure the account changes are appropriately approved by Agency personnel and the Agency Coordinator. The Agency Coordinator is responsible for processing the request through the Application. For account changes over \$25,000 or for cards assigned to an Agency Coordinator, *the Purchasing Card Account Action Request Form* must be completed and forwarded to the P-Card Admin for approval and processing.

## 5.7 Card Renewal

A renewal card is automatically issued by the contractor prior to the card expiration date. Cards do not expire until the end of the month of expiration. If the Agency mails cards directly to the cardholder, the Agency Coordinator should be aware of when renewal cards will be issued to the cardholder.

There are instances when a card is compromised and the contractor automatically mails a new card to the cardholder. If possible, the contractor will notify the State of the cards that are re-issued.

## 5.8 Card Cancellation / Closing Accounts

P-Cards belong to the State and must be surrendered by the cardholder upon separation of employment with his/her Agency or when the card is no longer needed. Employees on extended leave for greater than one month should notify their coordinator so that cards can be temporarily suspended during their absence to mitigate fraud risk. The cardholder should ensure the card is properly secured while on extended leave of absences.

To close a card, the Agency/Division Coordinator should ensure *the Purchasing Card Account Action Request Form* is completed and retained for audit purposes. In lieu of the *Purchasing Card Account Action Request Form*, the Agency may utilize an alternate form or equivalent control. In addition, the Agency/Division Coordinator must immediately close the account via the Application. The cardholder should ensure the card is cut in half and properly destroyed.

Upon employee termination from the Agency/Division, the separated employee's account must be closed or suspended immediately. Monthly terminated cardholder reports are reviewed and monitored by the P-Card Admin and any instances identified are sent to the affected agencies. If a terminated employee is on the terminated cardholder report and still has an active account, the P-Card Admin will contact the agency and proper justification must be given as to why the account was not immediately closed. A card should be immediately closed even if a credit or payment is pending as these transactions can still be applied to a card even if it is closed.

Card usage will be monitored and card privileges may be revoked if card violations occur. The P-Card Admin and/or the issuing Agency reserves the right to cancel cards at any time.

## 5.9 Decline of Card Transactions

The cardholder should manage their P-Card in a similar fashion to a personal credit card. Prior to purchasing a good/service, the cardholder should take the necessary steps to ensure their available balance, credit limit, and strategy will allow the purchase to be made. One tool to assist cardholders prior to a purchase is the Application as it will provide the cardholder the ability to view all of this information.

After the purchase is made and the card declines, the cardholder may utilize the Application to determine why the card declined or contact the Agency Coordinator for assistance. If the Agency Coordinator is unable to determine why a card declined from using the Application, the Agency Coordinator should contact the contractor.

The most common reasons that a transaction is rejected include:

- Exceeding monthly cycle or single transaction limits.<sup>2</sup>
- The incorrect card expiration date, CVV, or zip code was entered at the time of purchase.<sup>2</sup>
- The card was not activated prior to purchase.<sup>2</sup>
- The merchant falls under a restricted MCC. Certain vendor types have been restricted from use due to the types of items or services being sold. If the card is presented to a blocked vendor, the transaction will be declined.
- Possible fraud restriction. The contractor automatically flags certain transactions as possible fraud. If the charge is valid, contact the contractor to remove the restriction.

Any vendor falling within the purchasing guidelines is considered to be a potential vendor of the P-Card. It is likely that any vendor currently utilized as a source for commodities will accept the P-Card. Contact your Agency/Division Coordinator if you need assistance with the vendor accepting the P-Card.

## 5.10 P-Card Security

When the P-Card is received, cardholders must sign the back of the card immediately and always keep it in a secure place. Upon receipt of the P-Card, the cardholder will need to call the telephone number printed on the sticker on the card for activation. Pre-activated or bulk activated cards are not allowed. Contact the Agency/Division Coordinator for assistance if needed.

**Only the authorized cardholder may use the card.** Card sharing between employees is not allowed and will cause revocation of card privileges. The card and card number must be safeguarded against use by unauthorized individuals in the same manner cardholders would secure personal credit cards. Ensure security of the 16-digits of the card number and the CVV. Do not copy the card or fax a copy of the card to vendors. Do not fax or email the full 16 digits of the card number or CVV or expiration date.

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<sup>2</sup> These types of declines are preventable prior to or at the time of purchase.

The Agency/Division Coordinator is responsible for ensuring cardholder information (name, card number, and social security number) is properly secured. The Agency should not maintain a file with the full 16 digits of the card number; however, we recommend maintaining the last 6 digits of the card number to assist with payment processing. Email is not a secure method of communication, therefore, always encrypt sensitive information or contact the P-Card Admin for recommendations.

The Contractor uses a fraud monitoring system to flag suspicious transactions. Occasionally, this will generate a phone verification call from the security department. The contractor will call the primary phone number stored in the Application, so it is important for the Agency Coordinator to ensure this number is updated with a State business number. If the cardholder or coordinator is unavailable to verify the suspicious transactions, the card may be temporarily suspended. The cardholder/coordinator should not provide your card number, CVV, or card expiration date to the security department. The contact information for the contractor's Security team is available on the OA – DOA's website.

## **5.11 Reporting a Lost or Stolen Card or Suspected Fraud**

If a P-Card is lost or stolen, or if you suspect the security of your card has been compromised, **immediately** notify **all** of the following:

- Contractor Security Team. (The telephone number is available on the back of your card or on the OA website)
- Agency/Division Coordinator.
- P-Card Admin.

The Contractor must be immediately notified of its lost/stolen status to ensure no fraudulent activity takes place. The contractor is available 24 hrs. a day, 7 days a week.

Once the contractor is notified, the contractor will close the compromised card and issue a new card. Closing the old card prevents any further activity from being allowed to take place on the card. (Since the contractor is responsible for closing the card and they are available 24/7, we do not recommend the Agency P-Card Coordinator closing the card or changing the strategy to FIRE as this could result in issues when the new card is issued.) Once a new card is issued, it will be delivered to the Agency/Division Coordinator within about a week. Contact the contractor if a card is needed within 24 to 48 hrs.

The P-Card commits taxpayer funds each time it is used by a cardholder. This is a responsibility that cannot be taken lightly. If you suspect fraud or misuse was committed with a State P-Card, you must report it to Agency management, Agency/Division Coordinators, the P-Card Admin, and Contractor **immediately**.

## **5.12 Annual Account Analysis**

An annual account analysis for each open card/account assigned to an Agency is required to ensure spending limits are justified. Procedures are as follows:

- Each fiscal year, Agency Coordinators will receive a spreadsheet from the P-Card Admin reflecting the spending trends over the past year for all current accounts at the Agency.
- The Agency Coordinator must analyze each account to determine if monthly credit limits are commensurate with actual spending, if long-term inactive accounts should be closed, and to ensure only authorized employees have accounts.
- The Agency Coordinator shall indicate appropriate changes to the accounts, including justification for higher limits not commensurate with actual spending or inactive accounts, and return the spreadsheet back to the P-Card Admin at the due date specified. Documentation of the annual account analysis must be retained by the Agency for audit purposes.

The Agency Coordinator may perform more frequent account analysis as desired. To obtain this information, contact the P-Card Admin. The Application also has reports available to monitor card usage.

## **6. TRAINING AND VIOLATIONS**

### **6.1 Cardholder Training Requirements**

Each new cardholder must complete cardholder training prior to issuance of a P-Card. In addition, in order to continue to be a member of the Program, each cardholder is required to complete cardholder training on an annual basis thereafter.

Cardholders must complete the training presentation and pass a quiz authorized by the P-Card Admin. The training must include, but is not limited to, the topics covered in the Manual.

Agency/Division Coordinators are responsible for ensuring all cardholders receive training prior to issuance of the card and annually thereafter. Cardholders who do not attend training on a timely basis may subject their card to being suspended or closed.

### **6.2 Coordinator and Approver Training**

Agency/Division Coordinators and approvers of monthly P-Card statements are encouraged to complete the training presentation and pass the quiz authorized by the P-Card Admin.

### **6.3 Ethical and Professional Conduct**

#### *Conflict of Interest:*

All elected or appointed officials or employees of the State or any political subdivision thereof, serving in an executive or administrative capacity, shall comply with sections 105.450 to 105.458, RSMo regarding conflict of interest. Further information about conflict of interest is available on the Missouri Ethics Commission website.

#### *State Code of Conduct:*

Code of Conduct for Executive Branch Employees is established in Executive Order No. 92-04.

### *Acceptance of Gifts/Benefits Prohibited:*

Procurement personnel, evaluators, and any other persons involved in procurement decisions are prohibited from accepting for personal benefit gifts, meals, trips, or any other thing of significant value or of a monetary advantage from a vendor as specified in 1 CSR 40-1.050 (10).

### *Ethical Behavior:*

P-Card cardholders should demonstrate ethical behavior when using a P-Card. Some examples include:

- Strictly adhering to the P-Card policies and procedures.
- Safeguarding the State's assets from fraud, waste, and abuse.
- Conducting themselves in a way that will continue to promote the public's confidence in the integrity of the State.
- Not knowingly being a party to or condone fiscal misconduct.
- Protecting privileged or confidential information or records.
- Actively avoiding conflicts between personal and State interests. For example a conflict of interest could be acting in a manner that would benefit the employee or where personal or financial interests interfere with the ability to make objective business decisions on behalf of the State.

## **6.4 P-Card Violations**

Cardholders are responsible for and accountable to their Agency for all charges made with the P-Card. Violation of any policies or procedures of this Program will result in the evaluation of cardholder privileges. Examples of P-Card violations include, but are not limited, to the following:

- Using the P-Card for personal use or purchases not authorized for official State business.
- Using the P-Card to purchase goods or services in violation of the State's purchasing laws and regulations, or P-Card policies and procedures, or which violate any law or regulation to which the State adheres.
- Splitting transactions to bypass single transaction limits, monthly credit limits, and/or purchasing policies and procedures.
- Failure to provide the transaction log (if applicable), supporting documentation, or the statement in accordance with the Manual.
- Failure to retain required receipts and/or provide adequate supporting documentation.
- Sharing your card with another individual.
- Failure to demonstrate ethical behavior while using a P-Card.
- Excessive past due balances/card suspensions due to the cardholder not submitting required paperwork timely.
- Cardholder approving their own transactions in the State's accounting system; not obtaining appropriate approval for a transaction prior to payment; or creating/modifying their own card in the Application.

Improper use of the P-Card or violation of the P-Card policies and procedures may cause suspension or revocation of the card, and may subject cardholders to criminal prosecution. Amounts attributable to improper use by the cardholder may be withheld from their paycheck or other State warrants which may be payable to them.



If a purchase appears inappropriate on a monthly billing statement, the cardholder must supply written justification to Agency management and/or the Agency/Division Coordinator, as appropriate. If the justification is insufficient, appropriate action is at the discretion of Agency management. If a charge is deemed inappropriate, steps should be taken to immediately reimburse these charges. The cardholder could either (a) return the goods for a credit or submit payment to the vendor directly and the vendor refund the P-Card; or (b) submit payment to the Contractor directly using their personal funds. For cardholders who do not reimburse the costs, work with the Agency's Human Resource (HR) Division to deduct the amount from the employee's next pay check. Increased training and reminders of disciplinary actions should be provided to the cardholder for any offenses.

## 7. ALLOWABLE CHARGES AND PAYMENT PROCESS

### 7.1 Allowable & Unallowable Charges

The cardholder and the Agency/Division Coordinator are responsible for ensuring charges are in accordance with statewide and departmental requirements and that charges have a clear business purpose to the Agency work program. Appendix 1 lists examples of items which are allowable purchases with the State P-Card. Appendix 2 provides examples of items that are unallowable/excluded purchases. Appendices 1 and 2 are intended to offer guidance; however, these do not represent all-inclusive lists of acceptable or unacceptable items. Agency policy may be more restrictive than State policy. Follow your Agency's established guidelines of allowable charges. Purchases must also be in compliance with other applicable statutes, regulations, and policies. For example, payments should be in compliance with Statewide Policies and Regulations, such as the Preapproval of Claims and Accounts 1 CSR 10-3.010 and the Travel Regulations 1 CSR 10-11.010. Questions concerning the appropriateness of a purchase should be directed to the Agency/Division P-Card Coordinator prior to using the card. Allowable purchases must also meet the Agency's general purchasing requirements.

### 7.2 Personal Use

Although the P-Card is issued in your name, it is the property of the State and is only to be used for official State of Missouri business purchases as defined in this Manual.

**Personal use of the card is prohibited.** The cardholder is responsible for immediately reimbursing these charges through either personal check or by the vendor crediting the account. If the cardholder does not reimburse the costs, the Agency/Division Coordinator must work with the Agency's HR Division. Personal use of the card may cause suspension or revocation of the card.

### 7.3 Purchasing Requirements

Purchases made on the P-Card must comply with the State Purchasing requirements outlined in Chapter 34, RSMo<sup>3</sup>, 1 CSR 40 Regulations for OA-Division of Purchasing, the Department Procurement

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<sup>3</sup> Chapter 34, RSMo procurement authority does not apply to the following entities, except as otherwise noted: (a) Department of Transportation (except information technology, telecommunications, and printing); (b) Judicial Branch; (c) Legislative Branch; and (d) Lottery Commission.

Authority Delegation, the *Purchasing Procurement Manual*, and the *Purchasing Contract Management Guide*. Purchasing resources may be found on the OA - Division of Purchasing's website.

The cardholder should contact their Agency Procurement Officer/designee or the OA – Division of Purchasing if assistance is needed to comply with state laws, regulations, and policies. Under no circumstances should a purchase be made on a P-Card that does not comply with the State's bidding or purchasing requirements, or be used to avoid or bypass appropriate purchasing or payment procedures.

## 7.4 Missouri State Sales Tax Exemption

State agencies are exempt from paying Missouri State Sales Tax per Section 144.030.1 RSMo. The State sales tax exemption number is printed on the P-Card. The tax exemption certificate is available on OA's website.

The cardholder is responsible for ensuring that Missouri State Sales Tax is not included on each charge, including for online purchases. If sales tax is included, the cardholder must work with the vendor to correct the purchase amount. The *VISA Purchasing Card Dispute Form* may not be used to dispute Missouri sales and use tax.

Any sales tax charged in error must be entered on the transaction log as a separate log entry (or in a manner authorized by the Agency). When the sales tax charge has been reversed on the accounts, a negative entry should be recorded on the log to indicate that the sales tax charge has been refunded to the card. If the vendor is unable to credit the sales tax, the cardholder must supply written justification explaining why the charging of sales tax was approved at the time of the purchase and the steps taken to attempt to receive a credit from the vendor. If credits are not received, remaining balances must be paid within 60 days of the statement date.

## 7.5 Interagency Payments

Payments to other State Agencies are not allowable on the P-Card. Examples include, but are not limited to, payments to the MVE, Secretary of State (SOS), Missouri State Highway Patrol, State Printing, MO Revisor of Statutes, Department of Natural Resources, Division of Professional Registration, etc. Payments for goods or services to State Agencies should be processed directly through the State's financial system.

## 7.6 Online Payments

Extreme caution must be exercised when using the P-Card for online payments. Some businesses use a third party processor and you must be diligent that it is a secured transaction. It is important to note that the transactions may incur additional fees to process the transaction.

If offered as an option, do not store credit card information on the vendor's site. **Saving the credit card information with an online 3<sup>rd</sup> party payment platforms such as PayPal, Stripe, Amazon Pay, Google Pay, Apple Pay, eBay, Facebook, Due, Venmo, Square, Checkout, BltPay, Go Cardless, Samsung Pay, Skrill, Payoneer, etc. is not permitted.** The reason saving your P-Card on the 3<sup>rd</sup> party payment platform is not recommended is because a vendor could continue to charge your card

without authorization; your card could be unintentionally used for a personal purchase; or a family member could gain access to the State card if a personal account is used to make the purchase. Further, purchases on 3<sup>rd</sup> party payment platforms could be higher risk for fraudulent activity. For example, an employee could use the P-Card to pay through a 3<sup>rd</sup> party payment platform for purchases from a family member. Alternative methods of payment or purchase from a different vendor which does not use another entity to process their charge card payments, should be considered prior to making a card payment using a using a 3<sup>rd</sup> party processor; however, if a merchant is well-known or there is prior purchase history with the merchant using a 3<sup>rd</sup> party processor is generally safe. In addition, the cardholder should ensure the State's tax exempt status is used when purchasing from these mechanisms. The cardholder is not allowed to use the State's tax exempt status or other benefits (such as free shipping) for personal purchases using these same sites.

Detailed receipt documentation should accurately depict the goods and services purchased, as with any P-Card transaction.

P-Cards should only be used on secure internet sites. A secured internet site URL address line begins with "https://" and generally has a closed lock icon on the screen.

## **7.7 Surcharge or Convenience Fees**

Merchants may include a surcharge or convenience fee. VISA and MasterCard have strict merchant guidelines governing the assessment of surcharge fees:

- The merchant must register with VISA 30 days prior to beginning a surcharge policy.
- The merchant must provide clear disclosure to the customer.
- The amount of the surcharge must be listed as a separate item and detailed on the receipt.
- The surcharge must apply to all credit cards accepted by the merchant.
- The surcharge must be equivalent to the merchant's interchange rate, but cannot exceed 4%.

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 such as timeliness of payment to avoid late fees, urgency of the needed item or services, lack of other vendors, etc. Agencies are asked to carefully evaluate the necessity of the P-Card transactions which are subject to surcharge or convenience fees.

## **7.8 Receipt of Goods and Services**

The intended use of the P-Card is to procure goods and/or services. The decision to utilize the P-Card should be made at the time the order is placed, not after the goods or services and invoice are received.

**Using the P-Card to pay a vendor invoice, which is already in hand after the goods and/or services are received, is strongly discouraged.**

The risk of compromising established internal controls to prevent duplicate payments increases when the P-Card is used to pay an invoice. If extenuating circumstances require the P-Card to pay a vendor invoice after goods and/or services are received, then a payment confirmation from the vendor must be included with the supporting documentation.

For telephone or internet orders, ensure complete shipping address and instructions are given to the vendor along with your name and other contact information (i.e., name, agency name, telephone number, complete mailing/shipping address, room number, city, state, and zip code). Notify the vendor that the order is for a tax exempt organization and request a detailed sales receipt. To prevent duplicate payments, instruct the vendor NOT to invoice the agency. Charges for freight should be checked to ensure that the amount is correct according to the freight terms stated by the company or noted on the packing slip.

Cardholders are responsible for ensuring the receipt of goods and services and must follow-up with the vendor to resolve any delivery problems, discrepancies, and/or damaged goods. Cardholders should also notify the Agency/Division P-Card Coordinator regarding any erroneous charges or returned items awaiting credit so these transactions can be monitored and ensure timely credits are received.

### **7.9 Record Keeping and Documentation**

Standard payment policies require retention of receipts and other documentation. Record keeping is essential to ensure the success and compliance of the Program. To facilitate the reconciliation and approval process, the cardholder is responsible for keeping all credit card slips, cash register receipts, packing slips, **Cardholder P-Card Transaction Log** (if applicable), etc., until submitted with the monthly statement to the Agency/Division Coordinator. The Agency Coordinator is responsible for ensuring accounting records are maintained in accordance with the Retention Schedule outlined in section 10.1.

#### Statements:

Each cardholder will receive a statement of activity for the month in which there was activity. Accounts with no activity for the month and no previous balance will not generate a billing statement. It is vital that charges on all accounts are monitored whether the card is active or not. Agency Coordinators or Agency authorized designees should review the Application each month to ensure cardholders submit the required documentation for accounts with activity for the month.

#### Transaction Log:

We recommend each purchase and other pertinent data (i.e. receipt of goods, etc.) be recorded on a **Cardholder Purchasing Card Transaction Log**. In lieu of a transaction log, each Agency may establish an equivalent control to ensure goods or services purchased are reconciled, complete and accurate, received, for an authorized business purpose, and in compliance with State and department payment regulations. At a minimum, the Agency must ensure the following information is documented with each statement:

- Cardholder original signature and date with the following certification statement: "I certify that the statement charges are accurate and complete, are for official State business, and are in accordance with all State and department purchasing and payment regulations."
- Approving officials' (i.e. Agency/Division Coordinator or Agency authorized designee) original signature with the following certification statement: "I certify that I have reviewed the transactions on this statement and they are accurate and complete, are for official State business, and in accordance with all State and department purchasing and payment regulations."

The cardholder and Approving officials' signatures indicate all transactions were verified and approved, that all charges are accurate and complete, are for official State business, and are in accordance with all State and department purchasing and payment statutes, regulations, or policies. Negligent performance may result in disciplinary action.

Receipts and other supporting documentation:

Supporting documentation must be provided for each and every transaction, whether a purchase or a return, regardless of the order method. Supporting documentation includes a detailed charge receipt from the vendor, credit card receipt, shipping documentation, and bid documentation/contract. The detailed charge receipt from the vendor will serve as an invoice.

The detailed charge receipt must include itemized descriptions of items purchased, name of the vendor, amount and date of transaction. The vendor needs to provide a detailed description of the goods on the charge receipt, not just "miscellaneous." Documentation in the form of screen prints, e-mails, packing slips, confirmations, etc. are acceptable supporting documentation when a receipt is not available. If a detailed receipt cannot be obtained from the vendor, a written itemization of the charges must be attached to the receipt from the vendor showing the charge amount.

If a charge or credit slip is lost, the cardholder is responsible for working with the vendor to obtain a copy. If the vendor cannot provide a substitute draft of a charge or credit slip, contact the Contractor for assistance. A copy of the credit slip can only be obtained by the Contractor if there is a disputed charge. If a receipt is not available, the cardholder must indicate "No Receipt/Lost Receipt" on the transaction log or statement and certify the purchase was for business use. The cardholder must also attach the *Affidavit for Purchasing Card Expenses Form* with the statement.

For purchases requiring a bid or those on contract:

- If a purchase requires informal or formal bids (and the bid/contract is not maintained in MissouriBUYS), the cardholder should ensure the bid documentation and contract, if applicable, is included with the statement receipt documentation.
- For purchases made from a contract in MissouriBUYS, the Agency should ensure the contract number is included on the SAM II line description. If the bid/contract is maintained in MissouriBUYS and the contract number is referenced on the SAM II line description, the supporting bids/contract is not required to be maintained with the statement receipt documentation.
- The cardholder and Agency is responsible for ensuring the P-Card transaction agrees with the contract terms prior to purchasing and issuing payment to the P-Card contractor.

Fixed Assets:

The cardholder must notify fiscal personnel when using the P-Card to acquire equipment or other assets over the Fixed Asset threshold dollar amounts, to ensure the fixed asset is recorded in the State's General ledger and in the State's Fixed Assets System.

## **7.10 Reconciliation and Approval Process**

Each cardholder will receive a statement of activity for the month if there was activity. The statement must be reconciled to the *Cardholder Purchasing Card Transaction Log* if applicable, and supporting documentation (e.g. detailed charge receipt from the vendor, credit card slip, packing slip, etc.).

Cardholders must keep sales receipts and transaction logs together and send to the Agency/Division Coordinator or designee within **three business days** after receipt of the monthly statement. The order of the monthly documentation packet sent to the Agency/Division Coordinator should be as follows:

- A completed *Cardholder Purchasing Card Transaction Log*, if applicable.
- Monthly billing statement from the Contractor.
- Supporting documentation (e.g. detailed charge receipt from the vendor, credit card slip, packing slip, etc.).
- *Affidavit for Purchasing Card Expenses Form* or written justification, if necessary.

Each Agency may have different approval processes. Follow your Agency's established guidelines for processing P-Card transactions.

The Agency/Division Coordinator or designee should perform a review prior to approval of payment for the following:

- To ensure the cardholder has attached a transaction log, if applicable, and supporting documentation (e.g. detailed charge receipt from the vendor, credit card slip, packing slip, etc.) for each item listed on the monthly billing statement. Billing statements without the attached supporting documentation should not be approved for payment.
- To verify the vendor name on the monthly billing statement agrees with the credit slip, etc. supplied by the cardholder. If the vendor name does not agree, work with the cardholder to resolve the discrepancy.
- To ensure the "Ship To" address on the document appears to be correct. If not, question the cardholder or other appropriate personnel.
- To ensure the goods or services are for official State business, the transaction is from an appropriate vendor, the purchase complies with statutes, regulations, or policies, and the payment option is the most economic method available.

Agencies should establish appropriate procedures per their Internal Control Plans to ensure appropriate segregation of duties. If an Agency/Division Coordinator is also a cardholder, a supervisor must review and approve his/her P-Card transactions and sign the *Cardholder Purchasing Card Transaction Log* or equivalent control with an original signature. **Cardholders must not apply final approval to their own card payments in the State's financial system.** The Agency/Division Coordinator is responsible for maintaining proper security flow approval in the State's financial system to ensure segregation of duties.

## 7.11 Timely Payment

Monthly statements must be paid promptly by the Agency for the Program to be a success. The monthly billing statement and required documentation must be received in the department's fiscal office in a timely manner to assure payment is made prior to the due date. Payments must be issued via ACH from the State's financial system within 30 days from the statement date. An exception to this rule are disputed charges discussed in section 7.12. Do not hold payments while waiting on credits; cardholders can short-pay the statement balance by the amount of the credit they are expecting to receive (i.e. sales tax credit, disputed item, overpayment credit, etc.). If credits are not received, or disputed charges are rejected by the Contractor, remaining balances must be paid within

60 days of the statement date. However, the Agency should continue to pursue remediation from the vendor. Note: short-paying a statement balance will still result in the balance to appear on the past due reports.

The Agency Coordinator is responsible for reviewing a list of past due payments on at least a bi-weekly basis and ensuring timely resolution of those charges. The Agency is solely responsible for any fees or interest assessed against a card for failure to make a timely payment. Cardholders with undisputed charges after 60 days of the statement date may have their card suspended until payment is made, or closed depending on the severity. Any past due amounts at 210 days will result in the card to be automatically closed for delinquency.

### **7.12 Disputed Monthly Statement Charges**

Disputed billings can result from failure to receive goods or services, fraud or misuse, altered charges, defective merchandise, incorrect amounts, duplicate charges, credits not processed, etc. Cardholders are responsible for reviewing their monthly billing statements and verifying all transactions. It is also the cardholder's responsibility to contact and follow up with the vendors on any erroneous charges, returns or other disputed items **within one working day of discovering the item**. Disputed items should be documented in writing along with the resolution agreed to between the cardholder and the vendor. A copy of the written documentation should also be attached to the applicable monthly billing statements.

If resolution of the discrepancy does not occur after follow-up with the vendor, contact the Agency/Division Coordinator for assistance. If necessary, the Agency/Division Coordinator will have the cardholder complete a *VISA Purchasing Card Dispute Form* and provide written justification. The written justification must explain the discrepancy and steps that were taken by the cardholder and others within the Agency to resolve the issue. The original signature of the cardholder and the Agency Coordinator is required on the *VISA Purchasing Card Dispute Form*. The Agency Coordinator will forward the completed form to the Contractor to obtain resolution with the vendor. It is important that disputed items are addressed as quickly as possible. **Dispute forms must be sent to the Contractor within 60 days of the statement date in which the transaction occurred.** Dispute rights are waived after 60 days and the Agency will be responsible for payment of the charges.

Due to the limited timeframe of 60 days from the statement date of the transaction, all Agencies are encouraged to file dispute forms on transactions at the time they are discovered, even while continuing to work with the vendor on receiving a credit. The timely filing of the dispute form will protect the Agency from losing dispute rights due to exceeding the 60 day limit.

### **7.13 Monthly Payment Coding**

Cardholder P-Card transaction(s) are submitted for payment to the Contractor through the State's financial system. These payments are processed on a Quick Payment Voucher (PVQ).

To apply payment to the Contractor, use the appropriate vendor number on the PVQ document. Ensure the account coding (Agency number, fund, organization, function, reporting category, object code, etc.) is correct and transactions comply with the funding source requirements.

The invoice number on the payment document must be formatted as follows:

**Z Y M M 1 2 3 4 5 6 0**  
**Z** - Agency Identifier Code  
**Y** - 2<sup>nd</sup> digit of billing calendar year  
**M M** - 2 digit billing month  
**1 2 3 4 5 6** - Last 6 digits of card #  
**0** - Sequential # to prevent duplicate invoice #'s

Example:  
 Jane Doe  
 Card # XXXX-XXXX-XX12-3456  
 Office of Administration  
 June 2022 Billing Statement

**J 2 0 6 1 2 3 4 5 6 0**

Do not modify this invoice number format. The Contractor utilizes the invoice number data to post payments to cardholder accounts. If an invoice number is not entered in this format, the payment will be rejected. When a payment is rejected, the payment amount will not be applied to your cardholder account. Instead, the Contractor will contact the P-Card Admin, who will then be responsible for working with the Agency Coordinator to resolve the issue. Agencies must provide a response to the OA -DOA of where the rejected payment should be applied within three (3) business days of notification to ensure payments are applied to an account timely.

The line description field should contain sufficient details to identify the transaction, such as the vendor name or a description of the good or service purchased, or contract number. However, this field should not include any personally identifiable information (i.e. social security number, vendor tax ID number, etc.), credit card numbers, or confidential information based upon the Agency’s interpretation of a specific statute.

**7.14 Automated Interface Payment Processing**

The OA and the Contractor worked together to establish an automated interface to allow cardholder transactions to be loaded to the State’s financial system. This interface reduces the need for cardholder transactions to be manually data entered into the State’s financial system for payment. This automated interface converts the cardholder transactions received from the Contractor into PVQ documents. The documents are then loaded into the State’s financial system and are ready for coding and approval of payment.

The automated interface PVQ document automatically generates a PVQ number that starts with a “Z” and incorporates the Agency and billing date. The automated interface PVQ document also populates the Date of Record and the Vendor Name/Number fields. The Date of Record field is typically the statement billing cycle end date.

Each transaction on the cardholder statement is included in the same PVQ document, but on separate lines. Multiple PVQ documents will be generated for a cardholder statement if there are more lines on a cardholder statement than allowed on the PVQ. The following fields could be automatically populated on the PVQ document for each P-Card transaction:

- Invoice Number^
- Line Item Amount
- Description\*\*



- Agency
- Fund\*
- Organization\*
- Function\*
- Sub-Organization\*
- Appropriation\*
- Activity\*
- Reporting Category\*

Legend:

\*-Field is not required to be populated. These fields can be manually changed in the State's financial system.

^-It is imperative that agencies do not modify the invoice number field as this data is used by the Contractor to accurately post payments to accounts.

\*\*.-The interface automatically populates the vendor name from the P-Card transaction in this field. However, this information can be subsequently modified to suit the Agency's needs.

Credits on the statement will be shown as a negative amount line on the generated PVQ document. If the credit is higher than the billing amount, a PVQ will not be generated for that billing cycle. Negative payment vouchers will not be generated. Credits will be tracked and netted against future billings.

For each cardholder whose transactions are automatically loaded to the State's financial system, the *Purchasing Card Account Action Request Form* must be completed by the Agency Coordinator using an original signature and submitted to the Contractor. The *Purchasing Card Account Action Request Form* outlines the States' financial system funding information needed. If a cardholder has transactions with multiple funding sources, only the Agency number field is recommended to be completed and the other State's financial accounting system funding codes could be kept blank. Once the PVQ document is created in the State's financial system, the other payment coding fields could be manually entered, or the fields could be manually changed as necessary. The object code does not automatically populate and has to be manually entered on each PVQ document line.

If your Agency would like to learn more about automated interface, please contact the P-Card Admin. At the end of the fiscal year, any outstanding PVQ documents with a "Z" prefix will not be purged. These should be paid when the system comes back up for document processing using the new fiscal year appropriation authority. Changing these document numbers may create duplicate document numbers when the interface program runs July transactions.

## **7.15 Refunds from Contractor**

### **7.15.1 Credits on Cardholder Account:**

The Agency Coordinator is responsible for regularly monitoring cardholder accounts to identify credits on the account. If a credit/overpayment is on the cardholder account, the following options are available:

- If the credit is on an active cardholders' account and the credit could be used against a future billing, the credit may be kept on the account. However, all credits should be used timely and prior to Fiscal Year End.
- If the credit is on a closed cardholders' account or the active cardholder is unable to use the credit, the credit could be transferred to another active cardholders' account and netted against their future billing. To transfer the credit to another account, please submit a request to the Contractor.
- If the credit must be refunded to the State, the Agency Coordinator is responsible for completing the *Request for Refund from P-Card Contractor* form and submitting the form as directed. The Contractor will make electronic payment to the State, but the contractor will not issue checks to the Agency.

## 7.15.2 Refund for Incorrect Payment(s) to Contractor

If the Agency paid the Contractor incorrectly, the Agency is responsible for working with the OA – DOA to obtain a refund from the contractor and to restore the appropriation. The Agency Coordinator must not directly request these monies returned from the Contractor

## 8 P-CARD REBATES

### 8.1 General

The State receives a quarterly rebate based on the P-Card volume from the Contractor during the prior quarter. The rebate is a percentage of net quarterly purchases after refunds and credits. The Contractor provides a summary of each Agency's volume for the quarter and amount of rebate attributable to each Agency. The P-Card Admin reviews the summary report for accuracy and notifies the Agency Coordinator by email to advise when rebates will be issued. Rebates are issued via ACH from the Contractor directly to the Agencies on or around the 15<sup>th</sup> of the month following the close of the quarter. The Agency is responsible for timely depositing the monies via a CR document in SAM II.

### 8.2 Application of Rebate Allocation

Federal rules<sup>4</sup> state that costs paid with federal funds must be net of all applicable credits to be allowable under federal awards. Applicable credits refer to those receipts or reduction of expenditure type transactions that offset or reduce expense items allocable to Federal awards as direct or indirect costs. Examples of such transactions include purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments of overpayments on erroneous charges. To the extent that such credits occurring to or received by the non-Federal entity relate to allowable costs, they must be credited to the Federal award either as a cost reduction or cash refund, as appropriate. Agencies must follow federal reporting regulations related to P-Card rebates when applicable.

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<sup>4</sup> Office of Management and Budget, 2 CFR Section 200.406

Agencies should maintain adequate documentation to support how the rebate was deposited and any reporting adjustments that have been made. If requested, OA - DOA will assist agencies by reviewing documentation.

## **9 P-CARD ONLINE MANAGEMENT APPLICATION AND SECURITY STANDARDS**

### **9.1 Purpose**

The Contractor's Application is available to assist users in performing daily duties, including but not limited to, card management functions; statement management; and reporting functions.

The Application maintains personally identifiable information (PII) and other sensitive data. Therefore, protecting the information collected, processed, and maintained by the Application is of critical importance. Security measures and access controls are necessary to ensure the integrity, availability, and confidentiality of the information and application, and to ensure only authorized users obtain access to the information and application.

### **9.2 Security Roles and Responsibilities**

The below outlines key roles and responsibilities related to the security of the Application and the information it contains:

- The Contractor is the owner of the Application and is responsible for the development, integration, modification, operation, maintenance, and disposal of the application.
- The P-Card Admin is responsible for establishing the rules for the appropriate use and protection of the information and the security controls needed to protect the information, in coordination with the Contractor. The P-Card Admin is also responsible for administering user accounts for non-cardholders, including additions, deletions, and modifications; and monitoring and controlling access to data.
- The Agency Coordinators are responsible for ensuring adherence to policies governing the use of the application and reporting anomalies or suspicious application behavior. They are also responsible for administering user accounts for cardholders, including additions, deletions, and modifications; and monitoring and controlling user access to data for their Agency. In addition, they are responsible for ensuring non-cardholder user access to the application is appropriate. This includes ensuring user access and access rights are commensurate with user's job duties and responsibilities and ensuring accounts are closed immediately upon the closing of a card, the termination in employment or change in job duty.
- End users (e.g. Agency Coordinators, cardholders, managers, supervisors, etc.) with access to the application are responsible for adherence to policies governing the use of the application and reporting anomalies or suspicious application behavior.

### **9.3 Acceptable Use**

Unauthorized use of the Application is strictly prohibited and may be subject to criminal prosecution or employee discipline. Authorized personnel may monitor any activity or communication on the system and may retrieve any information stored within the system. For users accessing and using the application, the user is consenting to such monitoring and information retrieval for law enforcement

and other purposes. Users should have no expectation of privacy as to any communication stored within the application, including information stored locally on the hard drive or other media in use with the application (e.g. CD-ROMs, hard drives, flash drives, etc.).

Users of the application are responsible for promptly reporting the theft, loss or unauthorized disclosure of confidential information.

## 9.4 User Account Authorization and Management Procedures

Logical access controls are necessary to limit access to the application and processes to authorized users. Security Request Forms are required to add new users, modify user access for an existing user or to disable/remove a user from the Application. Access privileges to the application will be based on least privilege, or the minimum resources necessary for a user to perform their job responsibilities.

To obtain access to the Application, the Agency Coordinators, cardholders, Agency management or other Agency personnel who have a business need commensurate with their job duties and responsibilities must complete the *Purchasing Card Online Management Application Form*. Once the individual requesting access has completed and signed the form using an original signature, the form must be sent to the Agency Coordinator for approval. Once approved, the Agency Coordinator must sign the form using an original signature. The following steps must then be taken:

- For cardholders who need user access, the Agency Coordinator must submit the *Purchasing Card Online Management Application Form* to the Contractor. Change or delete requests must also be processed through the use of the *Purchasing Card Online Management Application Form*. The Agency Coordinator must retain the completed forms in their records.
- For Agency Coordinators, Agency management or other Agency personnel who need user access, the Agency Coordinator must submit the *Purchasing Card Online Management Application Form* to the P-Card Admin via email for approval. Once approved, the P-Card Admin will grant the user access to the Application. Change or delete requests must also be processed through the *Purchasing Card Online Management Application Form*.

User names to the Application must be unique and must follow the naming conventions issued by the P-Card Admin.

The Agency Coordinator shall ensure user access to the Application is terminated immediately upon the closing of a card, the termination of employment or change in job duty of the cardholder or user by completing the *Purchasing Card Online Management Application Form* and submitting the form to (a) the contractor (if the user access relates to a cardholder) or (b) the P-Card Admin (if the user relates to a non-cardholder).

In addition, the P-Card Admin will regularly review for terminated employees. If a terminated employee is on the user access listing with an active account, the P-Card Admin will contact the Agency and proper justification must be given as to why the account was not immediately closed.

The Agency Coordinator and the P-Card Admin has the authority to change, restrict, or eliminate user access privileges at any time.

## 9.5 Periodic Review of User Access

The P-Card Admin will send periodic lists to the Agency Coordinators of users with access to the Application. The Agency shall review the lists to:

- Ensure users are active employees.
- Ensure access rights are commensurate with user's job duties and responsibilities.
- Identify inactive, idle, or orphaned accounts and remove access for those accounts not needed. If an account has been inactive for greater than 365 days, access will be removed.

The Agency is responsible for maintaining documentation of these reviews.

## 9.6 General Password Requirements

Passwords are required to authenticate authorized users to the Application. Passwords help prevent unauthorized persons from gaining access and to provide user accountability. The following are general password requirements:

- Initial passwords issued by the application or administrators shall be reset by the user upon next login.
- Passwords will be required to be changed every 60 days and users will be required to use passwords that do not match previous passwords.

## 9.7 Password Composition Requirements

Passwords for user accounts to the Application should be strong and complex. Increasing the length and complexity of passwords increases the time necessary to crack passwords exponentially. Users are required to use passwords that meet the following requirements:

- Have a minimum length of at least 8 characters.
- Contain characters from each of the following categories:
  - English Uppercase Alphabetic (A - Z)
  - English Lowercase Alphabetic (a - z)
  - Numeric Base-ten digits (0 – 9)
  - Special characters (e.g., exclamation point [!], dollar sign [\$], pound sign [#], percent sign [%], asterisk [\*], etc.).

## 9.8 Access Control Requirements

The following are additional access control requirements:

- User credentials will be individually assigned and each end user will have their own unique user ID in order to maintain accountability. Generic, shared, or group based accounts are not allowed.

- Unsuccessful logon attempts within a certain period will result in the user’s account to be automatically suspended by the Application. A security administrator may unlock the user’s account after confirming identity.
- Passwords will not be visible in clear text within the Application.
- User accounts inactive after a certain timeframe will automatically be locked by the Application.
- Concurrent sessions are prevented by the Application.
- Session termination standards shall be enforced by the Application after a period of inactivity and users shall be required to re-authenticate to access the application.
- Audit trail logs shall be maintained by the Application to identify user account changes, including passwords.

**9.9 Incident Response**

Suspicious or unusual behavior or other incidents should be reported to the Statewide P-Card Administrator group.

The following information should be provided with each incident:

- Name, title, and signature of the reporting official
- Date, Time, and location where the incident occurred
- How the incident was discovered
- IP Address/Host Name/Physical location of the breach
- What data was compromised
- Type or types of data compromised
- Sensitivity of data/parties affected
- Actions taken to mitigate the damages
- Other parties contacted regarding the incident

**9.10 Policy Violation**

Any user found to have violated this policy relating to the Application may be subject to disciplinary action, up to and including termination of employment.

**10 RECORDS RETENTION OF P-CARD DOCUMENTS**

**10.1 Records Retention**

P-Card records should be appropriately retained. Below is the records retention schedule:

Record Title	Retention Starts At	Time to Maintain
<i>Purchasing Card Account Action Request Form</i>	Employee separates or no longer a P-Card cardholder at the agency	5 years
Employee Training Records	Date of Training	18 months
<i>Purchasing Card Cardholder Agreement</i>	Employee separates or no longer a P-Card cardholder at the agency	5 years

<i>Purchasing Card Online Management Application Form</i>	Employee separates or User Access terminated	5 years
Financial transactions/ Statements/ <i>Cardholder Purchasing Card Transaction Log/</i> Dispute Forms	Date of transaction	5 years (In accordance with Records Retention Rules at <a href="https://www.sos.mo.gov">https://www.sos.mo.gov</a> )
<i>Agency Purchasing Card Coordinator Request Form</i>	Employee separates or no longer a coordinator at the agency	5 years
<i>Interagency Agreement/Addendum to Interagency Agreement/Other</i> P-Card Agreements or Memorandum of Understandings	Expiration of Agreement or Memorandum of Understanding	10 years (In accordance with Records Retention Rules at <a href="https://www.sos.mo.gov">https://www.sos.mo.gov</a> )
Annual Account Analysis	Completion of Annual Account Analysis	5 years

# Appendix



## Appendix 1

### Allowable Purchases

The State P-Card may be used to purchase items classified as commodities such as consumable supplies, maintenance materials, parts, and other miscellaneous purchases. The following list provides examples of allowable purchases. This list is not intended to be a complete list of allowable purchases that can be made with the P-Card, but is provided to assist you in determining a general idea of acceptable transactions. If you are uncertain whether a purchase is allowable on the P-Card, contact your Agency/Division Coordinators.

#### Allowable Purchase Descriptions

Agency-Provided Food in compliance with Statewide Policy 5, Agency-Provided Food  
Building Repair & Maintenance Supplies & Services  
Bulk postage (*for use in postage meters*)  
Custodial, Housekeeping, Laundry and Kitchen Supplies & Services  
Fuel (*bulk purchases and non-motor vehicle use only*)  
Information Technology & Telecommunication Supplies & Services  
Items on Contracts, including blanket price agreements  
Laboratory Supplies & Services  
Large Truck Repairs  
Office Supplies & Services  
Other Technical or Specific Use Supplies  
Printing and Photography Supplies & Services (in accordance with State Procurement requirements)  
Publications and Subscriptions  
Small tools  
Travel Expenses (*except meals in travel status*) in compliance with Regulations and Policies outlined on the *Travel Portal*  
Vehicle Repair Supplies & Services  
Utilities

## Appendix 2

### Unallowable/Excluded Purchases

*The State P-Card may **not** be used to purchase items that are not in accordance with the State of Missouri's payment and procurement laws, regulations, or policies including (a) Procurement requirements outlined in Section 7.3 above; (b) Preapproval of Claims and Accounts 1 CSR 10-3.010; or (c) those outlined on the Travel Portal. The following list provides examples of unallowable/excluded purchases. This list is not intended to be a complete list of unallowable/excluded purchases that can be made with the P-Card but is provided to assist you in determining a general idea of unacceptable transactions. If you are uncertain whether a purchase is allowable on the P-Card, contact your Agency/Division Coordinators. If a waiver is needed, contact the P-Card Admin.*

#### Unallowable/Excluded Purchases Descriptions

- ✓ Alcoholic Beverages
- ✓ Cash Advances, including from 3<sup>rd</sup> party payment platforms described in section 7.6 above or due to unusual circumstances, such as a bank advancing payment for a vendor who does not accept P-Cards.
- ✓ Employee meals while in travel status (unless agency received a waiver from the P-Card Admin)
- ✓ Meals not in compliance with Statewide Policy 5, Agency-Provided Food
- ✓ Fines, penalties, court costs, including but not limited to parking tickets, and personal fines.
- ✓ Gasoline (all, except bulk purchases and non-motor vehicle)
- ✓ Gift Cards, calling cards, pre-paid cards or other similar products that can be easily converted to cash
- ✓ Gifts, donations, or contributions (unless in compliance with your Agency's gift policy)
- ✓ Hospitality or Entertainment, such as TV streaming services, gaming consoles/games, sporting events, movies/movie tickets, or tourist attractions without a State business purpose
- ✓ Interagency Payments as outlined in section 7.5 above
- ✓ Licenses, Certifications and Other Organizational Dues not in compliance with Statewide Policy 2
- ✓ Memberships from wholesale warehouses and shopping clubs (e.g. Sam's Club, Costco, Amazon Prime, etc.) unless the Agency has a documented analysis to support it is cost-beneficial to the State
- ✓ Payments to State employees or relatives of the cardholder, including using 3<sup>rd</sup> party payment platforms described in section 7.6 above to pay those individuals.
- ✓ Payments to a vendor owned by the cardholder or to a vendor that could be perceived as a conflict of interest/not in compliance with the State's Code of Conduct as outlined in section 6.3 above
- ✓ Personal Items
- ✓ Postage Stamps (except bulk postage in metered machines)
- ✓ Splitting a purchase into multiple transactions to bypass established single transaction or monthly billing cycle dollar limits
- ✓ Missouri State Sales Tax
- ✓ Tobacco products (e.g. cigarettes, etc.) unless required for State business due to religious beliefs
- ✓ Firearms, less-lethal weapons (e.g. electronic control devices), explosives, ammunition and gunpowder (except for use by authorized personnel within specific agencies and divisions that have a waiver with OA)