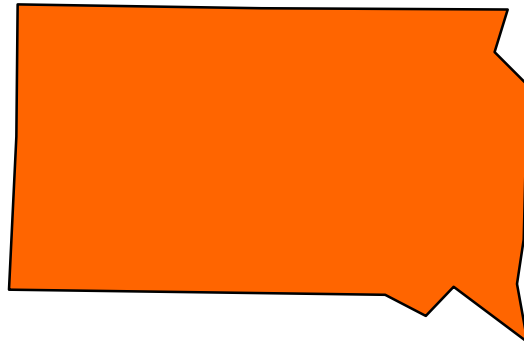


South Dakota Purchasing Card



Cardholder's Responsibilities

Revised March 30, 2020

In order to receive your assigned Purchasing Card, you must attend a cardholder training or read this manual and return the Cardholder Agreement, found at the end of this manual, to your Site Coordinator. Keep this manual and any further revisions for your use.

CARDHOLDER RESPONSIBILITIES

The Purchasing Card Program is a concept in managing low-dollar purchases and offers numerous and significant benefits to participants. The successful implementation of the Purchasing Card Program and its continuing use and development depends on all of us.

The following are several key areas that require your on-going support:

- Ensure that the Purchasing Card is used for purchases of supplies and services in the amount of \$4,000.00 or less. The Purchasing Card will be used for contract items as well as non-contract items.
- You should never split charges in order to avoid exceeding the \$4,000.00 individual transaction limit. If, at some point, you believe that your individual transaction limit needs to be adjusted, have your supervisor contact one of the Program Contacts.
- The Purchasing Card may be used only by the approved Cardholder whose name is embossed on the card. Use by anyone other than the approved Cardholder is prohibited. The card is not transferable between Cardholders.
- **Retain all sales slips/register receipts and Purchasing Card slips.** Your account will cycle every month and your Site Coordinator will receive a Cycle Statement of the charges you have made.
- Ensure that the Purchasing Card Procedures defined in this manual are met.
- Any changes to your Purchasing Card Account (such as name, phone, or spending limit changes) must be pre-approved.
- Report lost or stolen cards to Citibank immediately (24 hours a day) 1-800-248-4553. Notify your Site Coordinator and the Program Administrator at your first opportunity during business hours.

- **KEY CONTACTS**

Dawn Kassner -

(605) 773-3405

Information

Steven Berg –

(605) 773-5270

Program Administrator

STATE PROCEDURES

Guidelines for Card Use:

A. Card Use:

The MasterCard based Purchasing Card can be used at any vendor or merchant who accepts MasterCard and is in a Merchant Category Code (MCC) that was approved for your card. Your Purchasing Card has also been given specific spending limits. The Merchant Categories and spending limits were determined by State guidelines.

If you experience denials when trying to use your Purchasing Card, contact your Site Coordinator and verify your card controls to determine if you are able to make the purchase. If you still have denials contact Citibank at 1-800-248-4553, please have the date, dollar amount and approximate time of the attempted purchase as well as the merchant's name. Please notify the Program Administrator if you need your Merchant Categories or spending limits changed.

B. Transaction Procedure:

Traditionally, 85% of all Purchasing Card transactions are performed over the phone or through the mail. When you make a transaction using the Purchasing Card, please follow the procedures below:

1. Tell the Supplier that you will be paying with your MasterCard Purchasing Card. If it is a phone or mail order, give the merchant the card number and expiration date. If you are making the purchase in person, present the Purchasing Card to the merchant.
2. **RETAIN ALL RECEIPTS, INVOICES, AND PURCHASING CARD SLIPS, IF IT IS A TELEPHONE ORDER, REQUEST A FAX CONFIRMATION RECEIPT.**
3. Maintain the receipts to be reconciled with the statement.

C. Tax Exemption:

Be sure to note to the vendor or merchant that your Purchasing Card transaction is tax exempt. Your tax exempt number is printed on the face of the card next to the agency name.

Guidelines for Card Use for Services:

Use of the state procurement card to pay for services has previously been prohibited because many of those payments had to be reported to the IRS as taxable income to the vendor where the card was used. However changes to IRS reporting requirements have made the third-party settlement organizations responsible for 1099 reporting of all payment card transactions, making it possible to use the state's Procurement Card to purchase most services.

- A. Travel and consulting services will remain blocked and may not be paid for using the procurement card.
- B. Agencies using the procurement card for services **MUST** use the proper subobject account coding when approving and expensing the transactions. **Services may not remain coded to the default account of 5205980.**
- C. Use of the P-card to make one-time payments for services higher than the single purchase transaction limit of \$4,000 will require approval from the Office of Procurement Management prior to the purchase.
- D. Agencies are required to comply with the procurement requirements specified in SDCL 5-18A and 5-18D. **The Office of Procurement Management will require documentation that all statutory requirements have been met before approving any payment for services exceeding \$25,000.**

What can be purchased using the Purchasing Card?

The Purchasing Card may be used for any legal state government purchase of supplies and services that are \$4,000.00 or less. Check first to see if the item is on state contract. If it is, buy from that source using your Purchasing Card for payment. If the item is not on state contract, purchase the item from any vendor accepting MasterCard, **be sure to follow the Local Purchase Policy as outlined in the Bureau of Administration Policy Manual.** The Purchasing Card **may not** be used for any of the following categories, without prior written authorization from the Purchasing Card Administrator in the Office of Procurement Management:

- A. Computer Hardware or Software Purchases
- B. Cash Advances
- C. Travel Expenses (hotels, meals, beverages, fuel, etc)
- D. Fuel (Petroleum)
- E. Standard Merchant Category exclusions (e.g., liquor stores, jewelry, etc.)

- F. Personal Use (things you would normally purchase for yourself or others, using your own money or their money).

It is the cardholder's responsibility to provide documentation of written approval from the Purchasing Card Administrator for any purchases listed above when submitting their statement to the State Auditor.

What if the Supplier does not accept Credit Cards?

Occasionally you may find suppliers that do not accept credit cards. If this happens, you have a couple options.

- A. Thank the supplier for their time, and find one that will accept the Purchasing Card method of payment.
- B. If it is a supplier you regularly use, explain that the State uses purchasing cards as a common new payment method and ask them if they are interested in obtaining the ability to accept credit cards. If yes, contact Citibank at 1-800-440-0095.

Credit Card Security

The Purchasing Card should always be treated with a level of care that will reasonably secure the card and account number.

- A. Storage of the Purchasing Card – keep the Purchasing Card in an accessible – but secure, location.
- B. Credit Card Account Number – guard the Purchasing Card account number carefully. Do not post it at your desk or write it in your day planner.
- C. Sharing (or use by someone other than the Cardholder) – **the only person entitled to use the Purchasing Card is the person whose name appears on the face of the card.** Do not lend your Purchasing Card to another person for use. If you are going to be absent from the office for extended periods of time, your supervisor may request that several cards be issued to other staff to accommodate purchases.
- D. Lost or Stolen Cards – just like your personal credit cards, if the Purchasing Card is lost or stolen you must immediately notify the bank (24 hours a day). Call Citibank at 1-800-248-4553 and report the card. Notify your Site Coordinator and Program Administrator.

What if I leave State service or no longer need my card?

First, have your Site Coordinator send a request to the Program Administrator to close your account, then give your card to your Site Coordinator. The Site Coordinator will give the card to the Program Administrator.

Cards should be returned to the Program Administrator if: (a) you leave State government service; (b) you move to a new job in which you will no longer require a Purchasing Card; or (c) your account needs to be closed for any other reason.

How do I Reconcile the Monthly Statements?

Review your statement and match your receipts, sales slips or invoices to the statement. Highlight any discrepancies you might have. The Cardholder is responsible for contacting the vendor to resolve any discrepancies. Review your statement with your Site Coordinator.

Disputed Items and Billing Errors

- A. If you have a problem with an item that you purchased with the Purchasing Card, you should first try to reach a resolution with the supplier or merchant that provided the item. In most cases, disputes can be resolved directly between the Cardholder and the merchant. If an agreement cannot be reached with the supplier, the next step is to contact Citibank. Complete a Vendor Dispute Form and send it to Citibank as soon as possible.
- B. If there is a billing error on your Monthly Statement, contact Citibank and the Program Administrator.
- C. If the Office of the State Auditor questions the legality of your purchase, it is your responsibility to provide appropriate justification to support the purchase.

Credits

The supplier or merchant should issue you a credit on your Purchasing Card account for any item that has been discussed and agreed to for return. This credit will appear on your Monthly Statement at a later date.

Questions and Answers

Q: Will the Purchasing Card have any impact on the Cardholder's personal credit reference?

A: No. The Purchasing Card is a corporate liability card, not a personal liability card. The State holds the liability for this card.

Q: Can the purchasing card be used to pay for various services as long as the vendor is incorporated?

A: Yes. Agencies are allowed to pay for services; however, consulting services and services related to travel (food, lodging, transportation, etc.) cannot be made using the Purchasing Card.

Q: Can the purchasing card be used to pay fees for registration of website domain names?

A: Yes, but only under the direction of the Bureau of Information and Telecommunications. Such payments are also limited to purchases made through selected domain registrars, which include Network Solutions or dotManiac.com. Domains with a ".gov" extension, however, must be registered and purchased through the website DotGov.gov.

Q: Can the purchasing card be used to purchase food items?

A: The purchasing card may not be used to purchase any food that is reimbursable as a travel expense or which is for personal use. Food that is required as a supply item by an agency as part of its normal duties may be purchased with the card, as long as the food is not a travel expense or for personal use. Please contact Procurement Management if you have any questions related to food purchases.

After reading this manual you must sign the Cardholder Agreement before a purchasing card will be processed for you.

Just click on the Cardholder Agreement below and then print a copy of the agreement. Read and sign the agreement and give to your Site Coordinator.

See Cardholder Agreement on next page.

Office of Procurement Management Cardholder Agreement

As an authorized user of the State of South Dakota Purchasing Card, I understand that I am the only person authorized to make purchases with the Purchasing Card issued to me and that such purchases must be in connection with my employment with, for the benefit of, and authorized by the State of South Dakota.

I have attended purchasing card training offered by the State and or have read this document and understand the procedures for using the card. I agree to follow these procedures when using the card.

I understand that the following items constitute misuse of the Purchasing Card and that any misuse will result in the revocation of my privileges to be a Purchasing Card holder.

Misuse of the Purchasing Card includes the following:

- Using the Purchasing Card for personal purchases.
- Purchase of unauthorized items or unauthorized services.
- Use of the Purchasing Card by someone other than the cardholder.
- Fraudulent or inaccurate record keeping
- Encouraging or authorizing vendors to split invoices to boost single dollar transaction limit.

If the Purchasing Card is used for personal purchases, for unauthorized items or by someone other than myself, I hereby agree to personally pay either the State of South Dakota or the vendor for such purchases and hereby authorize the State of South Dakota to withhold from my paycheck any amounts necessary to pay these charges.

By signing this agreement, you agree to all the terms and conditions stated above.

NAME OF CARDHOLDER: _____ DATE: _____

CARDHOLDER'S SIGNATURE: _____