



STATE of SOUTH DAKOTA

PROCUREMENT
MANAGEMENT

CARDHOLDER
RESPONSIBILITIES
MANUAL

STATE PURCHASING CARD PROVIDED BY U.S. BANK

INTRODUCTION

Welcome to the State Purchasing Card Program! This manual aims to define your role as a cardholder and offer essential guidelines for maximizing the effectiveness of your State Purchasing Card. We strongly encourage you to thoroughly review this manual, as it will serve as a valuable resource for future reference.

The State Purchasing Card Program represents a cutting-edge approach to managing low-dollar purchases, providing participants with a multitude of significant benefits. The program's success relies on the collective efforts of each participant, as we collaborate to implement, utilize, and advance the State Purchasing Card Program.

Thank you for your dedication and contribution to the ongoing success of the State Purchasing Card Program.

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

- A.** Ensure that the State Purchasing Card is used for purchases of supplies and services in the amount of \$4,000.00 or less.
- B.** The State Purchasing Card will be used for contract items as well as non-contract items.
- C.** 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.
- D.** The State 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.
- E.** Retain all sales slips/register receipts and State Purchasing Card slips. Your account will cycle every month and your Site Coordinator will receive a Cycle Statement of the charges you have made.
- F.** Ensure that the State Purchasing Card Procedures defined in this manual are met.
- G.** Any changes to your State Purchasing Card Account (such as name, phone, or spending limit changes) must be pre-approved.
- H.** Report lost or stolen cards to US Bank immediately (24 hours a day) 1-800-344-5696. Notify your Site Coordinator and the Program Administrator at your first opportunity during business hours.

KEY CONTACTS:

- **Dawn Kassner**
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Information and Support
Email: Dawn.Kassner@state.sd.us

- **Lisa Hubbard**
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Program Assistance
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- **Steve Berg**
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Program Administrator
Email: Steven.Berg@state.sd.us

Guidelines for General Card Use:

- A. Card Use:** The State Purchasing Card can be utilized at any vendor or merchant that accepts Visa and falls within an approved Merchant Category Code (MCC) for your card. Your State Purchasing Card is assigned specific spending limits, which are established in accordance with State guidelines.

In the event that you encounter denials while attempting to use your State Purchasing Card, kindly reach out to your Site Coordinator to verify your card controls and ascertain your eligibility to complete the purchase. If the issue persists, please contact U.S. Bank at 1-800-344-5696. When contacting them, please provide the date, dollar amount, approximate time of the attempted purchase, and the merchant's name. Additionally, please inform the Program Administrator if you require any changes to the Merchant Category or spending limits.

- B. Transaction Procedure:** Traditionally, 85% of all State Purchasing Card purchases are performed over the phone or online. When you make a transaction, please follow the procedures below:

1. Tell the Supplier that you will be paying with your State Purchasing Card. If it is a phone or online, give the merchant

the card number and expiration date. If you are making the purchase in person, present the card to the merchant.

2. RETAIN ALL RECEIPTS, INVOICES, AND STATE 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 State Purchasing Card transaction is tax exempt. Your tax-exempt number is printed on the card.

Guidelines for Card Use for Services:

Previous restrictions on using the State Purchasing Card to pay for services have been lifted. In the past, such payments had to be reported to the IRS as taxable income by the vendors where the card was used. However, recent changes to IRS reporting requirements have shifted the responsibility of 1099 reporting for all payment card transactions to third-party settlement organizations. As a result, you are now able to confidently use the State Purchasing Card for the majority of service payments.

- 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 sub-object 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 State Purchasing Card?

The State 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 State Purchasing Card for payment. If the item is not on state contract, purchase the item from any vendor accepting Visa, **be sure to follow the Local Purchase Policy as outlined in the Bureau of Administration Policy Manual.**

The State Purchasing Card may not be used for any of the following categories, without prior written authorization from the State 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/Gas
- 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 State Purchasing Card Administrator for any purchases listed above when submitting their statement to the State Auditor.

Credit Card Security

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

- A. Storage of the State Purchasing Card – keep the State Purchasing Card in an accessible – but secure, location.
- B. Credit Card Account Number – guard the State 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 State Purchasing Card is the person whose name appears on the face of the card. Do not lend your State 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 State Purchasing Card is lost or stolen you must immediately notify the bank (24 hours a day). Call US Bank at 1-800-344-5696 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 State 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 State 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 US Bank. Complete a Vendor Dispute Form and send it to US Bank as soon as possible.
- B. If there is a billing error on your Monthly Statement, contact US Bank 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 State 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 State Purchasing Card have any impact on the Cardholder's personal credit reference?

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

Q: Can the State 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 State Purchasing Card.

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

A: The State 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.