

State Purchasing Card Policy Manual



Index

1. Introduction.....	2
2. Cardholder Responsibilities.....	2
Authorized Purchases.....	2
Compliance with Procurement Laws.....	2
Documentation and Receipts.....	2
Monthly Transaction Review and Reconciliation.....	2
Lost or Stolen Cards.....	3
Non-compliance Consequences.....	3
Security of Card Information.....	3
Notification of Policy Changes.....	3
Audit and Compliance Cooperation.....	3
3. Authorized & Prohibited Use.....	3
Authorized Transactions.....	3
Prohibited Transactions.....	4
4. Transaction Limits & Compliance.....	4
Spending Limits.....	4
Splitting Transactions.....	4
Tax Exemption.....	4
Approval for Exceptions.....	4
5. Security & Account Management.....	4
Card Storage.....	4
Protection of Account Information.....	4
Personal Use Prohibition.....	4
Reporting Loss or Theft.....	5
6. Reconciliation, Disputes & Credits.....	5
Reconciliation Process.....	5
Dispute Resolution.....	5
Billing Errors.....	5
Handling Credits.....	5
7. P-Card Policy Violations.....	5
Reporting Violations.....	5
Consequences for Misuse.....	6
8. State P-Card Program Contacts.....	6
Information and Support.....	6
Program Assistance.....	6
Program Administration.....	6

1. Introduction

The State Purchasing Card (P-Card) Program improves the efficiency of managing low-dollar purchases while ensuring fiscal responsibility and compliance with state procurement laws. It streamlines procurement processes, reduces administrative burdens, and facilitates timely acquisitions for state agencies.

This manual outlines the policies governing P-Card use and the responsibilities of participants. It provides guidelines on proper issuance, usage, and management ensuring compliance with state laws and fiscal standards.

The program's success relies on compliance and the active participation of all cardholders to maintain accountability and transparency in state procurement practices.

2. Cardholder Responsibilities

Cardholders must adhere to the following duties:

- **Authorized Purchases:** Cardholders must use the P-Card exclusively for purchases that are necessary for official state business.
- **Compliance with Procurement Laws:** Cardholders are required to comply with applicable state procurement laws, including SDCL 5-18A and 5-18D, and ensure that all purchases are within the scope of authorized uses.
- **Documentation and Receipts:** For every transaction, cardholders must retain itemized receipts and ensure they include sufficient detail (e.g., description of items purchased, vendor name, and total amount). Receipts must be submitted monthly as part of the reconciliation process.
- **Monthly Transaction Review and Reconciliation:** Cardholders must review their P-Card transactions monthly, ensuring that each purchase complies with the state's procurement policies and spending limits. Transactions must be reconciled and submitted with supporting documentation to the Site Coordinator.
- **Implementing Policy Changes:** Cardholders are responsible for staying informed of any updates or changes to the P-Card policies. The Agency Site Coordinator will provide notifications regarding any revisions, and it is the cardholder's responsibility to review and implement the new requirements.
- **Audit and Compliance Cooperation:** Cardholders must cooperate with periodic audits conducted by the Program Administrator or other authorized

personnel. This includes providing documentation and answering questions regarding specific transactions. Cardholders may be required to participate in follow-up activities or corrective actions based on audit results.

3. Authorized & Prohibited Use

Authorized Transactions

- The P-Card may be used for small purchases necessary for official state business (e.g., office supplies, building materials, cleaning equipment, repair parts, plumbing supplies, subscriptions, training, etc.).
- All purchases must comply with state procurement laws, regulations, policies, and procedures.

Transactions Requiring Pre-authorization

- Travel expenses, including fuel
- Technology-related purchases
- Purchases exceeding \$4000

The cardholder must obtain Pre-authorization from their agency's P-Card Site Coordinator and the P-Card Program Administrator before completing these transactions.

Prohibited Transactions

- Personal purchases
- Cash advances
- Purchase of restricted items including alcohol and gift cards,
- Entertainment expenses.
- Any purchase that violates state policy, including ethics and conflict-of-interest rules.

4. Security & Account Management

- The P-Card must be stored in a secure location when not in use.
- Cardholders must safeguard the account.
- The P-Card may only be used by the cardholder whose name appears on the card

- Lost or stolen cards must be reported immediately to the issuing bank (US Bank: 1-800-344-5696) and the Site Coordinator.

5. Reconciliation, Disputes & Credits

- **Reconciliation:** All P-Card transactions must be reviewed and reconciled within the Office of the State Auditor's deadline. Cardholders must submit the P-Card statement, itemized receipts, and supporting documentation to their Site Coordinator to ensure that all charges are accounted for correctly.
- **Dispute Resolution:** If an item purchased with the P-Card is defective, incorrect, or does not meet expectations, the cardholder should first attempt to resolve the issue directly with the supplier or merchant. If the issue cannot be resolved with the supplier, contact US Bank for assistance. Complete a Vendor Dispute Form and submit it to US Bank promptly to initiate the dispute process.
- **Billing Errors:** If a billing error appears on your monthly statement (e.g., duplicate charges or incorrect amounts), promptly notify both US Bank and the Site Coordinator.
- **Auditor Inquiries:** It is the cardholder's responsibility to provide documentation and justification to support the purchase. Proper records, including itemized receipts and any relevant communications, must be available to address any concerns raised during an audit.
- **Credits:** In cases where an item is returned and a credit is issued by the supplier or merchant, the credit will appear on your monthly statement in a subsequent cycle. Ensure that the credit is properly tracked and applied to your account.

6. P-Card Policy Violations

- Policy violations must be reported to the Site Coordinator, who will escalate the issue to upper management and the Program Administrator for immediate review and appropriate action.
- Unauthorized purchases may require reimbursement, are subject to disciplinary action and card revocation, and may result in criminal charges.

7. State P-Card Program Contacts

Dawn Kassner – Information and Support

Ph.: 605.773.3405

Email: Dawn.Kassner@state.sd.us

Lisa Hubbard – Program Assistance

Ph.: 605.773.4589

Email: Lisa.Hubbard@state.sd.us

Steve Berg – Program Administrator

Ph.: 605.773.5270

Email: Steven.Berg@state.sd.us