

Office of Chief of Operations State Procurement Card Program Guidelines- Office of Procurement

Introduction

The Department of Finance and Administration (DFA) has adopted State Procurement Card Guidelines to inform individual cardholders, the cardholder's supervisor and state agencies of the program requirements. In addition to the DFA Guidelines, the MDE has developed internal guidelines to strengthen internal controls and ensure compliance with state rules and regulations and MDE Employee Policies and Procedures. Cardholders and their supervisors should be knowledgeable of DFA and MDE policies and procedures and must adhere to all of them.

Failure to comply with the established Guidelines when using the procurement card could result in the cancellation of the card.

Training

Cardholders will be trained by the Office of Procurement on the DFA and MDE Guidelines and related rules and regulations prior to receiving the card. The DFA and MDE Guidelines are posted on the MDE Office of Procurement web page for reference by program participants.

Purchasing Authority

The procurement card is to be used for allowable purchases that are bona fide needs of the Mississippi Department of Education. Personal purchases charged to the card are prohibited.

Cardholder Spending Limits

Each cardholder is authorized a maximum dollar amount for each daily purchase, single purchase, and a total for all purchases made within a given billing cycle (30 day limit).

Each time a cardholder makes a purchase using the procurement card, the limits are verified. The vendor's authorization to approve the purchase will be declined should the amount exceed the established limits.

- Single Transaction Limit- not to exceed \$5,000 with a point of sale terminal
- Single Transaction Limit- not to exceed \$50 without a point of sale terminal
- Daily Spending Limit- not to exceed six (6) purchases per day. The six (6) purchases shall not exceed \$5,000 for each transaction
- Monthly Spending Limit- not to exceed \$10,000, if applicable

Procurement Responsibilities

The Program Coordinator and Cardholder responsibilities are defined in detail in the DFA State Procurement Card Guidelines. (See attachment). The MDE has denoted additional responsibilities are follows:

Program Coordinator:

- Assist the cardholder and the cardholder's Chief and/or Bureau Director with procurement card functions.
- Review and approve the monthly statements, document discrepancies, communication such with the cardholder and the cardholders' Chief and Bureau Director to ensure timely resolution of the discrepancies denoted.
- Sign and date the monthly statements to indicate the Program Coordinator's review and approval of such.
- Provide training for the cardholders and the cardholders' Chief and/or Bureau Director.
- Ensure Cardholder Agreement Forms are properly approved and on file in the Procurement Office.
- Inform the Director of Procurement and the Chief of Operations of cardholder violations, the resolution status and any offenses that may result in the cardholder being withdrawn from the program.

Cardholder:

- Sign and date the State Procurement Card Log certifying that the goods and services listed were purchased in accordance with Miss. Code Ann. § 31-7-13 and that all goods and services were received and receipts are attached.
- Forward reconciled approved logs and required supporting documentation to the Program Coordinator for review. This should be done within three (3) days of receiving the statement.
- Resolve discrepancies denoted by the Program Coordinator in a timely manner.

Cardholder's Chief and Bureau Director:

- Notify the Program Coordinator of changes in the status of cardholders so the appropriate revisions in paperwork can be made (terminations, transfers to other offices, etc.).
- Complete the Procurement Card Purchase Setup Form to request that a new card be issued.
- Ensure cardholder compliance by reviewing and approving supporting documents.
- Sign and date the State Procurement Card Log certifying that the goods and services listed were purchased in accordance with Miss. Code Ann. § 31-1-13 and that all goods and services were received and receipts are attached.

Conditions for Use

Even though the State Procurement Card Program does not require the cardholder to get quotes or seek competition, it is good business practice to seek competition and the lowest price within the parameters of quality, quantity and delivery.

State Procurement Card Log/Record of Card Purchases

Cardholders must maintain a log of their purchases. A new log sheet must be established at the beginning of each month or billing cycle. Cardholders are required to record a summary of each item purchased on the log sheet at the time and date of purchase. Before a log is submitted to the Program Coordinator for review and approval, the cardholder and the cardholder's Chief and/or Bureau Director must certify that the goods and services listed were purchased in accordance with Mississippi Code Section 31-7-13 and that all goods and services were received and supporting receipts are attached. All supporting documents should be submitted to the Program Coordinator with three (3) days of receipt of the statement.

Food for Business Meetings

Food purchases for business meetings must be pre-approved by the Office of Procurement in accordance with Section 16.0 of the MDE Employee Policies and Procedures Manual. The approved supporting documents (Request to Purchase Food and Space for Business Meetings Form) must accompany the monthly log submitted to the Program Coordinator for review.

Missing Documentation

Should a cardholder not have the supporting documentation (receipts, invoices, etc.) to attach to the credit card statement, the cardholder is required to provide a Missing Document Affidavit form. The affidavit will list the description of the item, date of purchase, merchant's name and the reason for the missing documentation. The affidavit must be notarized and signed by the cardholders' Chief. The Missing Document Affidavit form should not be used as a standard practice but in very unusual circumstances.

Federal Employer Identification Number (Tax ID Number)

The Mississippi Department of Education's federal tax identification number can be provided by the Accounting Director upon request.

Sales Taxes

In accordance with Miss. Code Ann. §27-65-105(a) the Mississippi Department of Education is exempt from paying state sales tax. The sales tax exemption letter from the Mississippi Tax Commission is posted on the Accounting website.

The cardholder should review the invoices and cash register receipts and ensure that the vendor does not charge sales tax. Should taxes be charged in error, it is the responsibility of the cardholder to have the sales tax charge removed or credited.

Customer Account Numbers or Tax Exempt Numbers

Some merchants require the use of an account number set up by the merchant, assigned to the agency to be used to denote a government account. The Program Coordinator can provide these account numbers to cardholders upon request.

Credit Card Activity

A Statement of Account will be generated if adjustments for previously billed transactions are processed during that cycle. If a cardholder does not have any purchasing activity for a particular billing cycle, a Statement of Account will not be generated for the cardholder.

Prohibited Use of the State Procurement Card

Refer to the DFA State Procurement Card Guidelines for a list of prohibited purchases. In addition, the MDE has set forth more stringent procurement card usage guidelines as follows:

- Computers and computer related accessories, including software, can only be purchased by the authorized cardholder in the Office of Technology and Strategic Services or by the Program Coordinator in the Office of Procurement.
- Items considered to be Fixed Assets and reported as Property under the State Auditor Office guidelines are prohibited purchases using the State Procurement Card.
- Purchases of plaques are prohibited.

The State Procurement Card cannot be used to procure items that are prohibited purchases under state law, DFA regulations, MDE Policies and Procedures or State Board Policies.

Back Orders

The back order of any purchase using the card is prohibited. Goods purchased using the State Procurement Card must be immediately available.

Record Keeping/Monthly Log

After a purchase is made, the cardholder should log it on the State Procurement Card Log and attach the receipt and invoice for documentation of the purchase. The Cardholder is responsible for verifying receipts to make sure that taxes are not charged. The documentation will be used to verify purchases on the statement, the quantity, and that a complete description is listed correctly. If a telephone order is placed, make sure the shipping documentation is maintained. At the end of the monthly billing cycle, the cardholder will receive a statement for the previous month's transactions that must be reconciled, approved by the cardholder and the cardholders' Chief and/or Bureau Director and submitted to the Program Coordinator. Office staff should date stamp the monthly statement upon receipt to document compliance with required submission timelines.

If purchased items or credits are not listed on the monthly statement, the Cardholder shall retain the appropriate transaction documentation until the next monthly statement. If the purchase or credit does not appear on the statement within sixty (60) days after the date of purchase, the Cardholder, Bureau Director and/or Chief shall notify the Program Coordinator.

Both the cardholder and the Bureau Director and/or Chief must sign and date the State Procurement Card Log certifying receipt of the goods and services and forward the log and supporting documents to the Office of Procurement. This should be done within one day after receipt of the statement.

The Program Coordinator will verify that the reconciled purchasing logs and cardholder statements agree with the master statements and that purchases were made in accordance with purchasing laws. Discrepancies denoted by the Program Coordinator during review of the monthly statements will be documented via an Exceptions Report which will be sent to the cardholder, Bureau Director and/or Chief for timely resolution.

Payment

After review and approval, the Program Coordinator will forward the reconciled statements to Accounts Payable or payment. The procurement card statement along with proper documentation should be attached to the MAGIC payment document and forwarded to the Bureau of Financial Control with 10 working days of the agency receiving the statement.

Disputes and Returns

It is the responsibility of the cardholder to handle disputes. In most cases disputes can be resolved directly between the cardholder and the vendor. If the cardholder disputes a charge or has an unresolved issue, complete a Purchasing Card Dispute Form and include it with the monthly statement reconciliation.

Merchandise Returns

If an item is not satisfactory, received in damaged condition and/or defective, duplicate order, etc., the cardholder should contact the vendor explaining the problem and inquire about return policies. If an item has been returned and a credit voucher received, the cardholder shall verify that the credit is reflected on the monthly statement.

Credits/Refunds

Refunds to the cardholders account must be applied via a credit to the account. Cardholders are prohibited from accepting refunds or credits in the form of cash or a gift card.

Lost or Stolen Credit Cards

If the card is lost or stolen, it is the cardholders' responsibility to immediately notify the bank. Contact the bank at 1-800-821-5184 (open 24 hours). In addition, the cardholder's Bureau Director and/or Chief and the Program Coordinator should be notified of the loss or theft.

A new card will be issued to the cardholder upon completion of the required lost/stolen card procedure. A card that is subsequently found after being reported lost shall be destroyed.

Cardholder Employment/Position Changes

Should a cardholder transfer from one internal office to another; the cardholder must submit written approval of the Bureau Director and/or Chief to continue usage of the card in his/her new position. If written authorization is not received immediately upon transfer, the card will be revoked.

Cardholder supervisors should collect the State Procurement Card from cardholders that terminate employment as part of the exit interview process and submit it to the Program Coordinator for card cancellation.

Revoked State Procurement Cards

Should a cardholder's Bureau Director and/or Chief or Program Coordinator recommend revoking a card, the cardholder must surrender the State Procurement Card immediately for cancellation.

Budget and Expenditures

The State Procurement Card program places the responsibility of ensuring the availability of funds in the hands of the cardholder. The credit card replaces the traditional purchasing process. This includes setting aside budget through the encumbrance of funds and issuance of a purchase order. Please note that purchases made using the State Procurement Card do not reduce the budget until payment is made.