

 <p style="text-align: center;"><b>WEST VIRGINIA DIVISION OF JUVENILE SERVICES</b></p>		<u>POLICY NUMBER:</u>  <b>124.00</b>	<u>PAGES:</u>  7
<u>CHAPTER:</u> <b>Administration and Management</b>	<u>REFERENCE AND RELATED STANDARDS:</u> <b>WV Code Chapter §§ 49-5-16a and 49-5E-1 et seq.; ACA 3-JTS-1B-14; ACA 3-JDF-1B-15; ACA 3-JCRF-1B-12</b>		
<u>SUBJECT:</u> <b>WV Purchasing Card Use</b>			
<u>DATE:</u> <b>April 1, 2011</b>			

### POLICY

This policy is to establish guidelines for the proper use of the WV Purchasing Card by authorized division personnel. The Division of Juvenile Services' Assistant Director of Budget and Finance has responsibility for ensuring that all authorized cardholders abide by the policies and procedures established by the West Virginia Auditor's Purchasing Card Program, the West Virginia Purchasing procedures and the West Virginia Auditors' Payment Processing guidelines.

### CANCELLATION

This policy has been reviewed and supersedes Policy 124.00 dated October 1, 2008.

### APPLICABILITY

This Policy applies to ALL Division of Juvenile Services' Facilities, offices and employees.

### DEFINITIONS

1. Cardholder: An individual authorized by the Division to transact business for the Division by the use of the Purchasing Card. The individual is responsible for and named on the P-Card.
2. DJS Purchasing Card (P-Card) Coordinator: The individual designated by the Division to administer the P-Card Program.
3. Facility Inventory Management Coordinator: An individual assigned by the Facility Superintendent/Director to control and manage asset inventory for their individual facility.
4. Facility P-Card Program Designees (sub-coordinators): Facility staff members assigned by each Facility Director/Superintendent that will be responsible for the individual transaction

Chapter	Subject	Policy #	Page
Administration and Management	WV Purchasing Card Use	124.00	2 of 7

reviews and ensuring that proper procedure has been followed on each P-Card transaction in regards to compliance with all governing rules and regulations established by the WV Division of Purchasing, the Purchasing Card Division of the State Auditor's Office, and the Division of Juvenile Service's internal policy and procedure.

5. Purchasing Card (P-Card): A credit card issued in the name of an individual employee of the State of West Virginia for official state use only. The P-Card is the preferred method of payment for expenditures incurred by spending units as outlined by the P-Card policies and procedures of the State Auditor's Office Purchasing Card Division.
6. Stringing: The intentional manipulation of the ordering, billing, or payment process in order to circumvent the transaction limit. Stringing includes: splitting a purchase exceeding the transaction limit into more than one transaction and/or colluding with a vendor to split an order into separate invoices.
7. Transaction: One swipe of the P-Card or one charge against it for a designated purchase.

## PROCEDURES

1. Purchase Card Application Process
  - a. Each Division of Juvenile Services' Facility Superintendent/Director will submit to the DJS P-Card Coordinator the names for employees that they would prefer to have as authorized as P-cardholders at their facility.
  - b. The names of Facility P-Card Program Designee(s) and the cardholders that they will be responsible for shall be on file with the DJS P-Card Coordinator. Designees shall be required to attend trainings as deemed necessary by the DJS P-Card Coordinator.
  - c. The DJS P-Card Coordinator will review the submitted names with the Division's Assistant Director of Budget and Finance.
  - d. The Assistant Director of Budget and Finance and/or the DJS P-Card Coordinator will make a determination as to the number of P-Cardholders allowed per facility and their allotted credit and transaction limits.
  - e. Potential cardholders must complete the required web-based training for cardholders from the WV State Auditor's website and forward the certificates to the DJS Purchasing Card Coordinator before the application and agreement can be processed.
  - f. Potential Facility P-Card Program Designees must complete the required web-based training for sub-coordinators from the WV State Auditor's website and forward the

Chapter	Subject	Policy #	Page
Administration and Management	WV Purchasing Card Use	124.00	3 of 7

certificates to the DJS Purchasing Card Coordinator before being approved for designee duties.

- g. Potential cardholders will read and prepare the P-Card Application and Agreement Form. The forms must be signed by the applicant and submitted to the DJS Purchasing Card Coordinator for processing.
  - h. Additional information may be provided to potential cardholders by the DJS P-Card Coordinator for review and acknowledgement. The acknowledgement forms must also be submitted to the DJS P-Card Coordinator before processing.
  - i. The DJS Purchasing Card Coordinator reviews and signs the Purchasing Card application and Cardholder agreement and assigns a credit limit.
  - j. The DJS Purchasing Card Coordinator submits the forms to the State Purchasing Card Administrator and retains the original application, agreements and certificates in the DJS Central Office files.
2. Purchase Card Maintenance
- a. A P-Card Maintenance Form must be completed to make any modifications to a cardholder's account. Modifications include name or address changes, credit or transaction limit changes, or card cancellation.
  - b. The P-Card Maintenance Form must be signed by the DJS P-Card Coordinator. The maintenance form will be processed by the DJS P-Card Coordinator and retained in the DJS Central Office files.
3. Purchase Card Transactions and Documentation
- a. Facility P-Card Program Designee(s) will be responsible for ensuring that all transactions processed by facility cardholders have been properly authorized by individuals with authority to approve purchases. Discovery of transactions that have been processed without proper authorization shall be reported to the DJS P-Card Coordinator immediately.
  - b. Facility P-Card Program Designee(s) will review and sign each invoice or receipt to certify that the transaction is in compliance with all policies and procedures and that supporting documentation is available in support thereof.
  - c. Each P-cardholder is responsible for adhering to all the policies and procedures established by the West Virginia Division of Purchasing, the West Virginia Auditor's

Chapter	Subject	Policy #	Page
Administration and Management	WV Purchasing Card Use	124.00	4 of 7

Office, Purchasing Card Division, and the Division of Juvenile Services' policies, procedures and processes attached hereto (Attachment #1).

- d. Identify Purchase Need and Secure Prior Approval
  - i. All DJS staff members must prepare and submit the DJS Purchase Request form with all the required authorizations to the Facility Purchasing Cardholder when they need a purchase made.
  - ii. The Facility Cardholder checks vendors for availability, pricing, and delivery costs and delivery arrangements (Free on Board (FOB) destination is required).
  - iii. Facility utility bills should be sent to the DJS Assistant Purchasing Card Coordinator to be paid on an *emergency only basis* using the Division's Utility Card.
- e. Place Order with Vendor: The Facility Cardholder places the order with the vendor by phone, Intra/Internet, or makes a walk-in purchase.
  - i. Cardholder account numbers **are not** to be transmitted via unsecured Inter/Intranet.
  - ii. Cardholders **are not to fax** account numbers or copies of their purchase credit card.
  - iii. Cardholders **cannot delegate** use of their purchase credit card.
- f. Each P-cardholder must be vigilant and avoid stringing. Stringing is prohibited.
- g. Each P-cardholder must maintain a monthly log sheet to be compiled **as purchases are made**.
- h. Each invoice and/or receipt should be certified by both the cardholder and their assigned Facility P-Card Program Designee, recorded on the log sheet, and forwarded directly to the DJS P-Card Coordinator **as purchases are made**.
- i. Each P-Cardholder is responsible for attempting to settle any disputed charges on their P-Card. If a resolution cannot be reached a dispute form should be prepared and submitted to the DJS P-Card Coordinator. The dispute form will be forwarded to the State Auditor's Office, Purchasing Card Division, if deemed necessary.

Chapter	Subject	Policy #	Page
Administration and Management	WV Purchasing Card Use	124.00	5 of 7

- j. When fixed asset items are purchased using the P-Card, the facility's inventory management coordinator should be notified and provided a copy of the invoice and/or receipt for inventory management purposes.
- k. The P-Card may be used as a method of payment for services acquired ONLY when the vendor meets the established criteria for 1099 reportable services and the established procedures are followed in accordance with WVFIMS Administrative Policy Statement Number 35 under the West Virginia Department of Administration – Financial Accounting and Reporting Section.

#### 4. Purchase Card Reconciliation

- a. Each P-cardholder is required to reconcile their monthly log sheet against their monthly P-Card Memo Statement, complete the log sheet, and submit all paperwork to the DJS Purchasing Card Coordinator no later than the 16<sup>th</sup> of each month to facilitate payment of the monthly invoice.
  - i. Log sheets must be signed by the cardholder and their designated Facility P-Card Program Designee. Facility P-Card Program Designees should sign the form under the cardholder's name on the form.
  - ii. The DJS P-Card Coordinator or designee will perform a detailed review of the Cardholder Logs, Statements, and Purchase Receipts and complete the reconciliation in WVFIMS using STARS.
    - 1) Any problems and the corrective action to be taken must be documented and addressed in writing to the Cardholder and their Facility Superintendent/Director.
    - 2) All documentation of the problem and actions taken will be maintained in the DJS Purchasing Card Coordinator's files.
- b. At least once each week, the DJS P-Card Coordinator or designee will review and reconcile in WVFIMS using STARS the transaction documents of each of their Cardholders to confirm:
  - i. that all transactions are "authorized" by referencing the DJS purchase request form;
  - ii. that required documents such as invoices, receipts and delivery tickets are submitted and comply with information requirements;

Chapter	Subject	Policy #	Page
Administration and Management	WV Purchasing Card Use	124.00	6 of 7

- iii. that all receipts are signed and dated by the Cardholder and Facility P-Card Program Designee.
  - c. The DJS Purchasing Card Coordinator will document any discrepancies found and will advise the Cardholder of corrective actions.
- 5. Training
  - a. DJS P-Card Coordinators must attend required designated training or education annually that is approved by the West Virginia State Auditor. They must successfully complete all applicable training to receive certification.
  - b. Division P-cardholders and Facility P-Card Program designees shall complete the required designated training every two years that is approved by the West Virginia State Auditor and submit the required certificates to the DJS P-Card Purchasing Coordinator. They must successfully complete the training to retain their P-Card.
  - c. Additional training may be provided to the P-cardholders and Facility P-Card Program Designees by the Division as deemed necessary.
- 6. Record Retention - The DJS Purchasing Card Coordinator is required to retain documentation of Purchasing Card transactions for the Division.
- 7. Purchase Card Usage Review
  - a. Internal Review: The Assistant Director of Budget and Finance will review all P-cardholders' transactions on a quarterly basis and sign off on their log sheets.
  - b. Any P-cardholder that fails to comply with the required policies and procedures may lose their privilege to have a P-Card and/or receive disciplinary action.
  - c. External Review: A review of the P-Card activity may be conducted by independent auditing bodies.
- 8. Each facility will have in place an operational policy and procedural plan to ensure the standards and practices of this policy are followed.

Chapter	Subject	Policy #	Page
Administration and Management	WV Purchasing Card Use	124.00	7 of 7

**RIGHTS RESERVED**

The Director reserves the right to modify, suspend or cancel any provision herein in part or entirety, without advance notice, unless prohibited by law.

**APPROVED:**

  
Director

  
Date

## Purchasing Card Process

1. The purpose of the State Purchasing Card Program is to utilize the State Purchasing Card (credit card) which is the preferred method of payment for allowable goods and services incurred by Spending Units. The Purchasing Card provides an efficient and effective method for payments. These cards are issued in the name of an employee and the State of West Virginia. The state is responsible for payment of all authorized State Purchasing Card purchases. Using the Purchasing Card simplifies the purchasing process since each purchase is billed to the Purchasing Card account and at the end of each billing period (calendar month) only one "statement" or master bill per organization is processed for payment instead of processing numerous separate invoices.
2. New Card Requests
  - a. After the approval of the recommended staff member the DJS Purchasing Card Coordinator informs the staff member of the processing steps to obtaining a State Purchasing Card.
  - b. After completion of the required online web-based Purchasing Card training and the staff member has forwarded the required certificates of completion, the DJS Purchasing Card Coordinator sends the staff member an information packet which includes the Purchasing Card application, the Cardholder Agreement, the current Purchasing Card Manual, and four DJS agreements ((spell out)).
  - c. The staff member returns the completed signed Purchasing Card Application, Cardholder agreement and the four DJS Agreements to the DJS Purchasing Card Coordinator.
  - d. The Purchasing Card will be mailed directly to the Cardholder when issued. The Cardholder employee then signs the reverse side of the card. The Cardholder is **not to call the activation number on the front of the card**, but must contact the DJS Purchasing Card Coordinator.
  - e. Only the DJS Purchasing Card Coordinator has the four-digit PIN number and will call the activation phone number to activate the new Cardholder's card.
2. Using the Purchasing Card.
  - a. For all purchases, the Facility Cardholder must exchange:
    - i. his or her Credit Card Number (vendor may request the credit card from the Cardholder for walk-in purchases) and;
    - ii. the agency's Tax Exempt Number (you must provide a tax-exempt form upon vendor request).

- b. For shipped orders, the Facility Cardholder must exchange the following information:
  - i. the full delivery information,
  - ii. the exact shipping costs (if exact is unavailable make sure that the total amount, including shipping, does not exceed the Cardholder's limit per transaction) and;
  - iii. a sales receipt must be sent inside the package or, if it cannot be included in the package, mailed separately.

### 3. Receive/Pick-Up Goods

- a. The Facility Cardholder or another authorized receiver inspects goods/materials for quality, quantity and damage.
- b. The Facility Cardholder checks the credit card ticket (before signing if a walk-in purchase) and the vendor's sales receipt/counter ticket for accuracy.
- c. The Facility Cardholder and Facility P-Card Program Designee **signs and dates the sales receipt/invoice/ credit card ticket and forwards the original to the DJS Purchasing Card Coordinator.** A copy of these documents is attached to the *Cardholder's Log Sheet(s)*. The Cardholder must ensure that the *Credit Card and Cardholder's Log Sheet* are kept secure and private. If an electronic on-screen version is used, password protection may be used for security.
- d. Regarding authorized receiver requirements, if the Cardholder actually receives the goods or commodities purchased, he or she **is only required to sign** the delivery ticket. Both the Cardholder and Facility P-Card Program Designee must sign the monthly log sheet(s). If, however, another authorized receiver receives the goods or commodities, the actual receiver must certify the delivery ticket or prepare a receiving report and forward it to the Cardholder, who will attach it to the sales receipt/invoice/ credit card ticket.

### 4. Record Purchase Receipt

- a. The Facility Cardholder records the transaction on the *Cardholder's Log Sheet(s)* as purchases are made and immediately forwards the original invoice/sales receipt/credit card ticket to the DJS Purchasing Card Coordinator. The cardholder is encouraged to monitor their purchases throughout the month by utilizing STARS (Software for Transaction Accounting and Reporting System) in the WVFIMS (West Virginia Financial Information Management System).

- b. Any outstanding original invoices/sales receipts/credit card tickets must be submitted to the DJS Purchasing Coordinator no later than the 2<sup>nd</sup> of the month for the current billing cycle with a draft of the Cardholder's Log Sheet. For example- if the billing cycle is October 3 to November 3, all invoices/sales receipts are due by November 2<sup>nd</sup>.
- c. In the event of additional transactions occurring up to the billing cycle closing date, immediately forward the invoice/sales receipt to the DJS Purchasing Card Coordinator for processing.

#### 5. Reconciling the Purchasing Card Statement

- a. Compare each transaction on the Purchasing Card "Memo Statement" to ensure each transaction is listed on the *Cardholder's Log Sheet(s)* and to the purchasing card tickets and sales receipts.
- b. Record "R" for all reconciled transactions and "D" for any disputed transactions in the column labeled "R/D/C" on the *Cardholder's Log Sheet(s)*.
- c. For transactions not listed on the month's memo statement:
  - i. record "C" in the "R/D/C" column, signifying that the charge is "carried-over" to next month's statement," and
  - ii. record the transaction at the beginning of the *Cardholder's Log Sheet(s)* for the following month.
- d. Then add and record a Grand Total of all transactions listed as "R" or "D." This total must match the total amount of the Purchasing Card "Memo Statement."
- e. The P-Card Holder and Facility P-Card Program Designee must sign and date the log sheet, retain a copy and send the original log sheet and the original "Purchasing Card "Memo Statement" to the DJS Purchasing Card Coordinator no later than the 16<sup>th</sup> of the month the credit card payment is due.

#### 6. Payment Processing

- a. The DJS Purchasing Card Coordinator confirms that
  - i. the Grand Total of each *Cardholder's Log* matches the Total Amount of the Purchasing Card "Memo Statement,"
  - ii. the combined Total Amount of all the organization's Purchasing Card "Memo Statements" matches the Total Amount payable listed on the organization's Purchasing Card "Statement" (Invoice).

- b. The DJS Purchasing Card Coordinator processes the Purchasing Card "Statement" (Invoice) payment utilizing STARS. The Invoice (first page with payment stub) is then mailed to the State Auditor's Office with the WVFIMS coversheet.
- c. The DJS Purchasing Card Coordinator makes a copy of the first page of the Purchasing Card Statement and files it with a copy of the *Transmittal* and all of the organization's monthly Purchasing Card transaction documentation.

## 7. Resolving Disputes

- a. Upon first identifying a questionable charge, the Facility Cardholder will contact the vendor. A questionable charge may result from:
  - i. not yet receiving the goods/services;
  - ii. unidentifiable purchase (no record of the charge - fraudulent use);
  - iii. altered charges (quantity and/or dollar amounts different than expected);
  - iv. defective goods;
  - v. credits not yet received; and
  - vi. West Virginia Sales Tax charged (state agencies do not pay WV Sales Tax, but reference c.ii., below).
- b. The Cardholder may carry over (move to next month's log) any goods not received or credits not processed, but these **must** be resolved or placed into dispute within 60 days of the statement date on which the disputed transaction first appeared.
- c. If the Cardholder is unable to get results from the vendor, then he or she completes a *Purchasing Card Dispute Form*, sends a copy to the DJS Purchasing Card Coordinator, mails the original form to the State Purchasing Card Administrator, and retains a copy.
  - i. A *Purchasing Card Dispute Form* **will not** be processed until the charge appears on the statement, although purchasers **must** seek resolution with the vendor before then if they have knowledge of the problem.
  - ii. A *Purchasing Card Dispute Form* **will not** be processed for charges of West Virginia Sales Tax of less than \$5.00, but the purchaser must attempt to resolve the matter with the vendor.

- d. Cardholder then attaches his or her copy of the *Purchasing Card Dispute Form* to the *Cardholder's Log*.
- e. All disputes will be resolved on subsequent statements.
- f. **No adjustments to the statement for disputed charges are acceptable unless authorized in writing by the financial institution.**
  - i. Send the original and one copy of the written authorization for adjustment along with the "Statement" to the DJS Purchasing Card Coordinator for payment processing.
  - ii. Also, prepare and submit to the DJS Purchasing Card Coordinator a written explanation of why and how the amount being paid (if different from invoice) was calculated.