



TITLE	POLICY NUMBER	
Purchasing Card (P-Card)	DCS 03-13	
RESPONSIBLE AREA	EFFECTIVE DATE	REVISION
Business Operations and Office of Accounting	10/14/16	1

I. POLICY STATEMENT

The Department of Child Safety (DCS) shall maintain a purchasing card program to facilitate the purchase of goods and to provide staff an efficient method of paying for goods and services. DCS Purchasing Cards (P-Cards) shall supplement existing purchasing methods, including non-contracted and contracted purchases.

II. APPLICABILITY

This policy applies to Department employees authorized to make restricted purchases and payments on behalf of the state for a valid public purpose. This policy does not cover use of an employee travel card, a state vehicle fuel purchasing card, or an employee personal credit card on behalf of the state for a valid public purpose.

Other Department policies and procedures that are consistent with this policy and other laws, rules, technical bulletins, policies, and procedures dealing with procurement, budgeting, or accounting as outlined in the Authority section also apply.

III. AUTHORITY

[A.R.S. § 35-154](#)

Unauthorized obligations; effect; liability

[A.R.S. § 41-773](#)

Causes for dismissal or discipline for employees in covered service

A.R.S. Title 41 Chapter 23	Arizona Procurement Code
A.A.C. R2-5A-501	Standards of Conduct
A.A.C. R2-7-101 et seq.	Department of Administration, Finance Division, Purchasing Office
SAAM GAO Topic 45, Section 35, P-Card General Policies and Procedures	
SAAM GAO Topic 45, Section 36, P-Card Agency Responsibilities	
SAAM GAO Topic 45, Section 37, P-Card Cardholder Responsibilities	
Arizona Procurement Code Chapter 23 Article R2-7-E302 Emergency Procurement	

IV. DEFINITIONS

Cardholder: A state employee who has been issued a P-Card upon approval of his or her agency and has signed the [Purchasing Card Cardholder Application](#) and the [Purchasing Card - Cardholder Information](#) form.

Client: A person in the care, custody, and control of the Department. It also refers to those individuals of the general public receiving services provided by the Department while they are on state property (owned or leased).

Department or DCS: The Arizona Department of Child Safety.

DCS Procurement: The Department's Office of Procurement, responsible for administering purchasing processes.

Employee: Any full- or part-time individual receiving a pay warrant from the DCS Payroll Office.

GAO: The General Accounting Office of the Arizona Department of Administration.

Payment transaction: An action using the P-Card that discharges an obligation previously incurred; a remittance, or the paying of one or more invoices.

Purchasing Card (P-Card): A card provided through state contract to state employees, state organizations, or state departments, for conducting purchase or payment activities for a valid public purpose.

Purchasing Card Administrator (PCA): The Office of Procurement employee who is responsible for the coordination of all Purchasing Card program activity at the Department level.

Purchase transaction: An action using the P-Card to acquire goods for the state; an order resulting in the acquisition of one or more items, usually reflected on a single invoice or receipt, placed as part of a distinct occurrence.

Reconciliation: The process of matching purchase receipts to the monthly billing statement to verify that all account activity is in accordance with DCS guidelines and restrictions.

SAAM: State of Arizona Accounting Manual.

State P-Card Contractor: The contractor with which the state has contracted to provide P-Card services.

Statement: A statement of account, in any medium, furnished by the state P-Card Contractor that issued the P-Card.

Supervisor: Any full- or part-time individual responsible for the supervision or approval of a cardholder's activities.

Transaction: A distinct business event that results in a change to an organization's financial position or the financial results of its operations.

V. POLICY

A. Use of a P-Card

1. Only the P-Card issued by the State P-Card contractor shall be used for the purposes described in this policy.
2. The P-Card shall be used only when it is the method of procurement or payment most beneficial to the state.

- a. The P-Card is to be used solely for authorized State expenditures incurred while conducting State business during authorized duty hours.
 - b. The P-Card may only be employed to acquire or pay for goods and services to be used for a valid public purpose.
 - c. P-Card procurements are expected to be made according to the purchasing standard of fair and reasonable pricing.
3. All payments for charges on P-Cards are the responsibility of the Department. Late fees, delinquency charges, and interest accrued are the responsibility of the Department.
- a. The State is responsible for payment of all disputed items. If the resolution of a dispute results in a credit, it will be posted to the cardholder account.
 - b. All receipts shall have sufficient information to properly identify the purchase and, if applicable, contain the case or client number.
 - c. The cardholder shall not transfer, borrow, or lend a P-Card. The use of a P-Card by anyone other than the authorized cardholder is prohibited.
 - d. Cardholders shall be personally liable for unauthorized P-Card charges and shall be required to reimburse the Department for P-Card transactions that are contrary to any applicable laws, rules, policies, or procedures.
 - e. P-Card privileges may be canceled, restricted, or revoked at any time by Program management, the P-Card Administrator (PCA), the DCS Chief Procurement Administrator, or the card issuer.
 - f. Improper use of the P-Card shall be subject to disciplinary actions, up to and including dismissal and prosecution.
 - g. The P-Card is neither dependent on an employee's personal credit history, nor does its usage reflect on the cardholder's credit history.

- h. Each cardholder is responsible for the security and use of his/her P-Card. Lost or stolen P-Cards must be immediately reported to the State P-Card Contractor and the PCA.

B. P-Card Transactions

- 1. The P-Card shall be used only for allowable transactions as outlined in this policy. Approved P-Card purchases include but are not limited to the following:
 - a. for clients only:
 - i. Welcome Center groceries;
 - ii. personal items;
 - iii. bus or train fare;
 - iv. vital record fees;
 - v. visitation calls (video and telephonic);
 - vi. insurance premiums.
 - b. for DCS employees:
 - i. conference and registration fees;
 - ii. emergency supplies.
 - c. unless otherwise prohibited, the P-Card may be used to conduct payments by way of telephone or the internet.
 - d. for Americans with Disabilities Act (ADA) related purchases, authorization and purchase must be coordinated with the Department's ADA Liaison. The Department shall report ADA-related purchases to the Department ADA Coordinator as requested.

2. The P-Card may not be used for any of the following transactions, except as otherwise provided in this policy:
 - a. the purchase of gasoline, airfare, train fare, hotel lodging, car rental, parking fees, employee meals, or incidental expenses;
 - b. the withdrawal of cash from an ATM or other sources;
 - c. the purchase of traveler's checks or any other negotiable instruments;
 - d. the purchase of alcoholic beverages or any illegal substance;
 - e. the purchase of food and/or beverage items for employee consumption;
 - f. information technology-related supplies, equipment, or software including thumb drives, wall jacks and equipment located in the wall jacks, patch cords, switches, hubs, and routers;
 - g. information technology-related supplies, equipment, and software for DCS IT-supported servers;
 - h. cell phones, devices, or telephonic equipment;
 - i. the purchase of items that will ultimately benefit the employee's personal Amazon Prime™ membership account, such as free shipping.
3. When practicable, cardholders shall purchase from State-contracted vendors. However, vendors whose contracts with the State do not explicitly require acceptance of the card may elect not to accept the P-Card for purchases of or payments for State contracted items.
4. Purchases from non-State contracted vendors must be approved by DCS Procurement to ensure compliance with the Arizona Procurement Code. The cardholder shall contact the PCA for guidance.

C. P-Card Purchase Limits

1. Single purchases, as well as daily spending, shall be limited to \$1,000. Exceptions may be made for a specified period of time upon documented approval of the Program Manager, Administrator, or designee.
2. Monthly spending shall be limited to \$5,000. Exceptions to this amount shall require prior approval by the PCA, upon authorization from the GAO.
3. The Department may establish daily and monthly spending limits that are lower than the maximum limits.
4. P-Card spending limits shall apply to the total transaction, including taxes, delivery, and installation.
5. Dollar limitations for emergency, off-contract, or contracted purchases shall be in accordance with this policy.
6. Dividing purchase transactions to circumvent the single, daily, or monthly purchase limits is prohibited.

VI. PROCEDURES

A. Cardholder Responsibilities:

1. complete the [*Purchasing Card – Cardholder Information*](#) form and submit it to the Assistant Director, Business Operations;
2. sign the [*Purchasing Card Cardholder Application*](#) and submit it to the supervisor;
3. ensure the security of the P-Card;
4. procure only those items that have been approved for purchase under section V.B of this policy; when in doubt about a purchase, consult with the supervisor and the PCA before using the P-Card to make the purchase;
5. retain original cash register receipts from all transactions for reconciling against the monthly statement;

6. prepare reconciliations in a Department-prescribed format;
7. within five workdays of receipt of an e-mail notification and P-Card Transaction Log from the PCA:
 - a. review and sign the P-card Transaction Log, if the purchases are correct;
 - b. forward all original receipts and the P-Card Transaction Log to the supervisor for verification.
8. resolve any discrepancies on the monthly statement of activity including:
 - a. charges for items returned to vendors;
 - b. credit vouchers not appearing on the statement of activity;
 - c. disputes with either the vendor or the State P-Card Contractor.
 - i. If the cardholder has a dispute and cannot reach a resolution with the merchant, the cardholder notifies the State P-Card Contractor of the disputed transaction by calling the phone number on the back of the card.
 - ii. The cardholder flags the transaction as disputed on the P-Card Log.
9. immediately notify the PCA and the State P-Card Contractor of a lost, misplaced, stolen, or destroyed P-Card;
10. return a P-Card that has been damaged or otherwise rendered inoperative to the PCA;
11. surrender the P-Card when transferring to another cost-center within the Department; assuming a position in another State agency; and/or upon resignation, retirement, or termination from the Department;
 - a. failure to do so will permit the Department to withhold any wages due to the employee pending the final monthly reconciliation;

- b. use of the card after separation from State service constitutes theft and shall be handled accordingly.

B. Supervisor Responsibilities:

1. review and approve the employee [Purchasing Card – Cardholder Information](#) form and [Purchasing Card Cardholder Application](#) form and forward the approved documents to the PCA;
2. verify cardholder transactions to ensure compliance with the provisions of this policy and the GAO policy within three days of a transaction;
3. ensure that the cardholder reconciles all transactions upon receipt of the P-Card Transaction Log;
4. report any inappropriate transactions to the PCA;
5. retain documentation of P-Card transactions and approvals for each cardholder under his or her supervision;
6. submit a [Request for Cancellation of a Purchasing Card](#) to the PCA when a cardholder under his or her supervision transfers or departs.

C. Purchasing Card Administrator (PCA) Responsibilities:

1. Establish and implement the P-Card program for the Department:
 - a. receive and retain a copy of each [Purchasing Card – Cardholder Information](#) form and State of Arizona Purchasing Card Cardholder Agreement form in the DCS Office of Procurement P-Card records;
 - b. forward cardholder data to the State P-Card Contractor for processing;
 - c. issue, monitor, and cancel P-Cards for Department employees:
 - i. receive and distribute new and replacement P-Cards;
 - ii. close P-Card accounts;

- d. submit P-Card logs and original receipts to Accounts Payable for payment.
 - e. coordinate training for cardholders.
2. administer the P-Card program for the Department:
- a. send notifications by e-mail to P-Card holders that the P-Card Transaction Log is available and set the deadline for submission of signed P-Card Transaction Log and original receipts;
 - b. review cardholder records monthly to verify compliance with governing laws, rules, and policies to confirm the appropriate use of the P-Card and ensure that the charges on P-Card statements of activity match the charges submitted by the cardholder;
 - c. reconcile and approve all P-Card Transaction Logs and receipts for payment by the 10th of the following month;
 - d. report any inappropriate purchases made by the cardholder to the appropriate Deputy Director or designee;
 - e. forward any documentation of P-Card misuse to the Attorney General's Office for prosecution consideration.
3. Serve as a coordinator between the Office of Procurement and the Arizona Department of Administration State Procurement Office on implementation procedures and contract questions.
- D. Accounts Payable Office Responsibilities:
- 1. reconcile the generation monthly P-Card transactions to comply with funding streams and accounting principles;
 - 2. generate payment to the State P-Card Contractor within 45 days;
 - 3. resolve payment problems with the State P-Card Contractor;
 - 4. report any inappropriate purchases or misuse of the P-Card to the PCA to

ensure compliance with the provisions of this policy.

VII. FORMS INDEX

[*Purchasing Card Cardholder Application \(GAO PC-101\)*](#)

[*Purchasing Card – Cardholder Information \(DCS-1066A\)*](#)

[*Request for Cancellation of a Purchasing Card \(DCS-1067A\)*](#)