



**Division of Procurement Services,
Office of State Procurement**

**SOUTH CAROLINA PURCHASING CARD
POLICY AND PROCEDURES**

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PROCEDURES FOR THE PURCHASING CARD (P-Card) PROGRAM

I. Program Overview

The State of South Carolina Purchasing Card (P-Card) is a charge card designed to enable authorized State of South Carolina (State) employees to make small value purchases of supplies, materials, equipment, and services for State business use. The program streamlines payments by eliminating the administrative burdens and costs associated with traditional methods of payment.

The P-Card Program (Program) uses a VISA© purchasing card issued by Bank of America (Bank) pursuant to a contract awarded to the Bank by the Division of Procurement Services (DPS), with assistance from the Comptroller General's Office (OCG). The P-Card may only be used for official State business and must be surrendered upon termination of employment or upon demand by the State or by the cardholder's employer.

The P-Card is the only purchasing card authorized for use by employees of any State Agencies and by authorized employees of State Colleges and Universities.

All Entities are required to use the WorksTM Payment Manager (WorksTM) system provided by the Bank, or other system approved by DPS, for card administration and cardholder ~~activity~~monthly bank statement reconciliation.

Under the terms of the contract with the Bank, Counties and Local Political Subdivisions may also use the P-Card. DPS recommends that Counties and Local Political Subdivisions participating in the P-Card Program adopt and adhere to this Statewide Purchasing Card Policy. However, it is the responsibility of the appropriate governing body to put into place a P-Card policy and ensure its local entity adheres to that policy.

Use of the P-Card is subject to the small purchase procedures established by the State Consolidated Procurement Code (Code), this policy and Agency purchasing policies and procedures.

II. Statewide Program Administration

A. Administration

1. The DPS P-Card Coordinator serves as the Statewide Contract Administrator for this Program, including the provision of liaison services between the OCG, the Bank, and the customer Agencies. The P-Card Coordinator is responsible for all contractual matters regarding the Program, including the approval of new Group A & B Agencies and Group C entities. You may contact the P-Card Coordinator by calling the DPS at 803-737-0600 or sending an email to pcard@mmo.sc.gov.

2. The OCG is responsible for administering the merchant category codes for which the P-Card may be used (See II, C) and payment administration for any State Agency which has its payments disbursed through the OCG (Group A Agencies). The list of Group A Agencies may be found online at:
<https://www.procurement.sc.gov/agency/resources-and-forms/procurement-card>
3. Institutions of Higher Education (Group “B” Agencies) have delegated authority that allows them to make payments from Agency checking accounts. They are not on the State accounting or accounts payables systems.
4. Counties & Local Political Subdivisions (Group C entities) include cities, counties, school districts, special purpose districts, and other local government entities. Group C entities make payments from their own checking accounts. These entities shall determine supply/service purchases and develop their own purchasing limitations consistent with applicable law.

B. State P-Card Policy

1. This State P-Card Policy (Policy) establishes minimum standards for use of the P-Card in order to ensure compliance with all applicable State laws pertaining to purchasing as contained in the State Code. The version of the Policy posted on the DPS website is the official Policy governing the P-Card Program. The effective date of the Policy is on the cover page of this document. DPS maintains an archive of previous versions of the Policy, which is available upon request.
2. Agencies may use the P-Card for purchases up to the Code’s Small Purchase, “no competition” limit set forth in Section 11-35-1550(2)(a). This limit is currently \$10,000. Before authorizing P-Cards with a STL in excess of \$2,500, an agency should obtain the approval of the agency head or governing board. In no event may an agency issue a P-Card with a single transaction limit exceeding the “no competition” limit in Section 11-35-1520(2)(a) unless approved as set forth in Part IID below.
3. Utilization of Minority-Owned Business (MBE) and Woman-Owned Business (WBE) Enterprises. The Code and DPS encourage use of certified MBEs and WBEs in all State procurements. The P-Card is a convenient payment tool to encourage efficiencies for government and the business community in both the procurement and invoicing processes. In order to maximize the sharing of business opportunities with certified MBEs and WBEs, use of the P- Card is highly encouraged where appropriate.

Additional information regarding the Division of Small and Minority Business Contracting and Certification, including a list of certified MBEs/WBEs may be found at: <http://smbcc.sc.gov/directory.html>

4. Green Purchasing is designed to promote environmentally responsible purchasing by the State. Currently, statutes assign duties to DPS and the Department of Health and Environmental Control (DHEC) to develop specifications for recycled products, encourage the purchase of recycled and recyclable products, and thereby reduce the waste stream in the State. An effort in research, training and advocacy activities is ongoing to inform and train agency officials on what Green Purchasing really means and to assist them in that effort. DPS published a “State of South Carolina Environmentally Preferred Purchasing Policy” in 2009. The policy may be found at: <http://www.procurement.sc.gov/agency/green-purchasing>.

In addition, the National Institute of Governmental Purchasing (NIGP) and the National Association of State Procurement Officials (NASPO) have Green Purchasing initiatives. These organizations provide help and information on Green Purchasing at their respective websites, www.nigp.org and www.naspo.org.

C. Merchant Category Code Authorizations

1. The banking industry assigns Merchant Category Codes (MCCs) to each merchant or vendor based on the type of goods and services that each merchant or vendor typically provides. Allowing or blocking certain MCCs does not provide complete protection against unauthorized use of the P-Card; however, doing so provides a measure of protection against unauthorized or prohibited purchases.
2. MCCs govern where P-Cards may be used. The OCG establishes and manages the State-authorized MCC groups that are eligible for use by Group A Agencies. This is intended to help achieve the goal that only vendors appropriate to the needs of a public agency are allowed to accept P-Cards and to reduce the potential for prohibited or unauthorized purchases. Unless hereafter approved by the OCG, MCCs shown on the following list as “blocked” (designated by “x”) must be blocked by Bank and the agency on each cardholder’s card profile and may not be used by P-Card holders. See the list of the blocked MCCs by clicking on the tab entitled, “BLOCKED MCCs,” at the following link:
<http://www.procurement.sc.gov/agency/resources-and-forms/procurement-card>
3. Unless otherwise noted in this Policy, MCC blocks do not apply to Group B Agencies and Group C Entities unless imposed by that Entity’s own P-Card Policy or applicable law.
4. If a Group A Agency P-Card Administrator desires to have specific MCCs for specific cards unblocked for a stated purpose and time frame, the Agency may request written authorization from the OCG to unblock the MCCs for use by that Agency. An agency may not remove a block on any P-Card without written authorization from the OCG.

The Agency requests to unblock MCCs shall be directed to the OCG at PCard-MCC-Request@cg.sc.gov ; and shall include the following information:

- Card Holder's Name;
- Company name and number;
- Last four digit of the cardholder card;
- Vendor's Name;
- Amount of purchase;
- Business purpose of purchase; and,
- MCC Code to unblock.

The OCG shall consider all requests but may decline such requests based on its assessment of the needs and best interests of the State.

D. ~~Dollar~~ Single Transaction Limits

Each P-Card is subject to Cardholder Spending (Credit) ~~limits~~ Limits as defined in Section V(B). Neither Cardholders, nor merchants may exceed the Single Transaction Limit (STL) or split the purchase in order to accommodate for the STL. To raise the Single Transaction Limit above the "no competition" limit set forth in Section 11-35-1550(2)(a), the P-Card Administrator must first obtain the written approval of its governing board or if there is no governing board, Agency head. The P-Card Administrator must then submit a written request for the change, along with the approval of its governing board or Agency head, to the Materials Management Officer for approval. This request may be sent by email to: pcard@mmo.sc.gov. Each request must identify the name of the card holder, the new STL requested, the purpose of the request and any additional controls.

E. Emergency Procedures

The governing board of Group A and B agencies, or ~~if there is none,~~ the agency head or the designee of either may authorize the agency to designate certain cards to be moved to Emergency Status in the event of a disaster affecting that agency or a declared emergency ~~or disaster affecting that agency~~. This approval should designate the maximum STL that can be assigned to such cards. ~~The Agency P-Card Administrator shall notify the OCG and DPS of the cards designated for Emergency Status and the STL to be assigned to each.~~

When a State of Emergency has been declared, or during a time of an Emergency affecting an agency such as a natural disaster (ice storm, forest fire, tornado etc.), the P-Card Administrators ~~may must contact the OCG and DPS for approval to~~ move cards to Emergency Status. Group A agencies must obtain OCG approval before moving cards to Emergency Status. When there is an emergency, approved Bank of America P-Cards will be activated and allowed to access this emergency profile. ~~With DPS approval, the Agency P-Card Administrator may activate the Emergency Status STL for each card.~~ When moving a card to emergency status, agencies do not need advance approval of DPS to increase the STL when necessary to respond to the emergency. However, the agency shall notify DPS of those cards that have been assigned a single transaction limit in excess of \$10,000 for the purposes of responding to the emergency as soon as practical after doing so.

Cardholders shall document every approval and purchase made for Emergency Status.

Once the Emergency is over, cards moved to Emergency Status shall be returned to normal status.

III. State Agency Roles and Responsibilities

A. Agency Head Responsibilities.

The Agency head may delegate any or all of the following administrative responsibilities to any one or more P-Card Administrators or Department Liaisons, depending on the size and complexity of the local program.

1. Program Administration:

- a) Develop the internal policy governing the use of the P-Card, to include the following minimum requirements:
 - i. Ensure compliance with the State P-Card Policy;
 - ii. Provide for unique needs based on Agency mission;
 - iii. Define responsibilities of Agency P-Card Program personnel and establish process for changes in personnel;
 - iv. Define criteria for obtaining a P-Card;
 - v. Define acceptable use of the P-Card that cannot be less restrictive than State P-Card Policy;
 - vi. Provide a method for reporting suspected misuse or fraudulent use;
 - vii. List in detail consequences of misuse or fraudulent use;
 - viii. Create a provision for review of the internal policy for adequacy at least annually; and
 - ix. Create a provision for audit or other independent review of all areas of program administration and transactions at least annually.
 - x. Establish written internal procedures covering properly setting up the profile for each P-Card (including all blocked MCCs; see “C” above) and how to use the P-Card, including telephone, fax, and Internet orders in order to maintain security over P-Card account information.
 - xi. Monitor Cardholder accounts for inactivity and promptly close accounts and cards that are no longer needed.
 - xii. Establish written internal procedures for compliance with State Policy regarding documentation of transactions.
- b) Work with management throughout the Agency to determine the appropriate spending limits for the Program as a whole and for individual Cardholders based on budget constraints, Cardholder job responsibilities, knowledge, skills and abilities, historical spending patterns, and overall procurement practices.
- c) Designate the following Program administrative positions as needed and ensure coordination among the positions:
 - i. P-Card Administrator; the central Administrator located in the Agency Purchasing Department who coordinates the P-Card Program for the Agency and acts as the Agency liaison with the Bank, OCG, and DPS.

- ii. Department Liaison: an employee in each department who is responsible for reviewing transactions of individual Cardholders to make sure the transactions are legitimate public expenditures, are classified properly and comply with this policy.
 - iii. Internal Auditor: an employee responsible for auditing ~~all statements of account information and associated documentation verifying purchases are contract related~~ agency compliance with the State and agency P-Card Policy and notifying the P-Card Administrator of any discrepancies, including delinquent reconciliations and paperwork.
- d) Provide written designation of P-Card Program Administrator to the DPS P-Card Coordinator. Group A Agencies shall also provide this written designation to OCG. ~~Successor designations shall also be communicated as indicated herein.~~
 - e) Work with management to identify job titles/positions within the organization that require a P-Card or that would be good candidates for use of the P-Card.
 - f) Develop written internal procedures for requesting P-Cards and approving Cardholders. Agency Head approval delegates transaction authority to the Cardholder.
 - g) Ensure that a credit limit is assigned to each P-Cardholder Account and record the dollar amount of this credit limit on the employee Cardholder Agreement to be acknowledged by the prospective Cardholder upon receipt of a P-Card Account.
 - h) Develop default accounting codes for purchases on the P-Card.
2. Program Compliance
- a) Establish written procedures to ensure compliance with, or request exceptions to, the Code, the State P-Card Policy, and the internal P-Card policy.
 - b) Coordinate any requests for exceptions to the State P-Card Policy with the DPS P-Card Coordinator or OCG, as appropriate. Document review of the status of all exceptions ~~on an annual basis~~ at least annually to determine if the exceptions should still be granted and notify the DPS P-Card Coordinator or OCG, as appropriate, of any revocations.
 - c) Ensure that the Agency has sufficiently documented internal controls and other measures (e.g. audits) to prevent and/or detect misuse or fraudulent use of the P-Card.
 - d) Establish written procedures to ensure security over P-Card account information to include:
 - i. Ordering and receiving new and replacement cards;
 - ii. Reporting lost or stolen cards to the Bank and to the P- Card Administrator;
 - iii. Collecting and destroying cards when cardholders transfer to jobs not requiring a P-Card, resign, or are terminated; and
 - iv. Deactivating cards in the WorksTM system immediately upon notification of theft/loss of the card or upon termination of Cardholder's employment for any reason.
 - e) Establish written procedures to ensure that intentional misuse, or persistent negligent

misuse (collectively “misuse”) ~~misuse~~ or fraudulent use of the P-Card is documented. Minimum requirements include:

- i. Documentation of the transaction (e.g. copies of receipts, invoices);
- ii. Evidence of who conducted the transaction, who approved the transaction, and when and how the misuse or fraud was discovered;
- iii. Documentation of personnel actions taken (e.g. Cardholder was terminated);
- iv. Notifying the Bank immediately when fraud or card misuse occurs in order to properly meet the Bank’s guidelines regarding Bank reimbursement of transactions related to fraud or card abuse, ~~intentional misuse,~~ or ~~persistent negligent~~ misuse; and
- v. Notifying the S.C. Office of Inspector General immediately when fraud or card misuse occurs;
- vi. Immediately reporting split purchases made to avoid the STL to DPS at pcard@mmo.sc.gov

3. Assign Cardholders to Supervisors/Liaisons

Establish appropriate limits on the number of Cardholders assigned to a supervisor/ approving official and Liaison in order to ensure adequate review of business need and documentation (receipts/invoices, business purpose explanation for each transaction, and cardholder ~~activity~~monthly bank statements) for each purchase.

4. Training

Develop a documented, Agency-specific training program that must be completed for all prospective Cardholders, Supervisors/approving officials, and Liaisons prior to issuance of the P-Card.

- a) Level I training is the initial training all prospective Cardholders must receive prior to issuance of a P-Card. This training permits purchases up to the “no compete” threshold. Level I training shall include:
 - i. Mandatory Cardholder Agreement specifying terms and conditions for use of the card; and written acknowledgement of receipt and training on:
 - ii. State P-Card Policy;
 - iii. Internal P-Card policy and/or user manual; and;
 - iv. familiarity with relevant forms.
- b) Level II training, also referred to as “Procurement Official” training, is in addition to Level I training. This training permits purchases requiring simple quotes for items/services without statements of work for requisitions exceeding the “no compete” threshold. Level II training shall include:
 - i. Prior completion of Level I training (or have the components of subsection 4.a) above included in Level II training);
 - ii. Review of the Code for authority/limitations for purchases above the “no compete” threshold;
 - iii. Certification of understanding of Level II authority and agreement to abide by Code

policies and procedures.

5. Accounting Requirements

- a) Designate the storage location for all original transaction documentation.
- b) Establish billing discrepancy procedures, including disputed transactions.
- c) Establish reconciliation procedures between cardholders, supervisors/approving officials, and agency accounts payable unit to ensure timely payment of the monthly P-Card billing statement.
- d) Agencies are required to maintain travel receipts and cannot delegate this responsibility to the travelers.

B. Supervisors / Approving Officials Responsibilities:

Supervisors or other persons assigned the responsibility of reviewing Cardholder transactions (reviewer) must have a thorough knowledge of the job responsibilities of the Cardholders under his/her supervision in order to determine if purchases are reasonable and proper. Before approving the ~~P-Card log and/or~~ cardholder activitymonthly bank statements, the supervisor/reviewer must carefully review all documentation. Supervisor/reviewer responsibilities also include:

1. Attend Level I training.
2. Attend Level II training if supervising a Cardholder with Level II authority.
3. Maintain knowledge of State P-Card Policy and internal policies and procedures on use of the P-Card.
4. Request P-Cards for employees under his/her supervision.
5. Notify the P-Card Administrator when a Cardholder resigns, transfers, or is terminated from employment and confirm cancellation of the P-Card within three business days from the event date.
6. Monitor transactions and card activity to ensure that all purchases are for legitimate State business use.
7. Review all documentation to ensure:
 - a) Invoices/receipts have the required information;
 - b) State sales or use tax is applied if necessary;
 - c) Purchases were for legitimate State business use;
 - d) Cardholder ActivityMonthly bank Statements contain the Cardholder's original signature;
8. Sign the cardholder activitymonthly bank statements signifying review and approval for payment. This responsibility cannot be delegated to another person;
 - a) All signatures are original signatures. Signatures made with rubber stamps are prohibited;
9. Submit all documentation and cardholder activitymonthly bank statements for payment according to internally established procedures to ensure timely payment of the P-Card

billing statement.

C. Liaison Responsibilities

The liaison reviews the transactions for all cardholders assigned to him/her to determine that the cardholder and supervisor/approver are complying with this State P-Card Policy; i.e., no prohibited transactions, no split transactions, purchases are made from contract vendors when available, no deliveries to other than the business address(s), no blocked MCC codes, etc.

1. Attend Level I training
2. Attend Level II training if reviewing transactions of a Cardholder with Level II authority.
3. Perform documented monthly reviews of all transactions for assigned Cardholders to verify that there have been no non-allowable transactions
4. Notify P-Card Administrator of any non-allowable transactions identified in monthly transaction review.
5. Maintain documentation as assigned by the P-Card Administrator.
6. Assist in resolving disputed transactions.

D. Cardholders

All Cardholders are de facto purchasing agents for the State and their individual employers. Accordingly, all Cardholders must have a minimum understanding of State purchasing laws and regulations as contained in the Code, and internal purchasing rules.

1. Cardholder responsibilities and procedures include:
 - a) Prospective Cardholders must attend a Level I training course. The Cardholder and Card Approving Official (e.g. the Cardholder's supervisor) will sign the Terms and Conditions for Use of the P-Card confirming that he/she has been fully trained and understands and will abide by all policies and procedures regarding the card usage prior to receiving a P-Card.
 - b) A Level II training must be taken in order to make purchases above the "no compete" threshold. Cardholders must certify that they understand and will abide by the additional policies and procedures of the Level II training.
 - c) Maintaining security of the account number, expiration date, and security code at all times.
 - d) Maintaining knowledge of State P-Card Policy and internal policies and procedures.
 - e) Ensuring all purchases are allowable purchases according to State and internal P- Card policies.
 - f) Ensuring all purchases comply with purchasing requirements of the Code.
 - g) Ensuring that funds are available prior to making any purchase
 - h) Obtaining "best value" for the State when making purchases with the P-Card.
 - i) Maintaining all documentation required by State and internal P-Card policies for a minimum of twelve months following each purchase. Minimum documentation requirements are:

- i. Monthly acquisition file for audit and/or review;
 - ii. Itemized receipt or invoice;
 - If receipt has been lost and a duplicate cannot be obtained, the P-Card Administrator can determine if internal policy will allow use of a Lost Receipt Affidavit. If allowed, a single Cardholder can use the form no more than three times in one fiscal year.
 - Use of the affidavit more than three times in one fiscal year will result in suspension of card privileges.
 - j) Ensuring the supplies or services are described in sufficient detail so the vendors and/or merchants have a clear understanding of what is being acquired. Some requirements, because of their complexity, may not be suitable for purchase using the P-Card and may necessitate the use of a written Purchase Order.
2. Spending Limits

For both Group A and B Agencies, P-Card Purchases ~~\$2,500.00~~10,000 and under may be made without securing competitive quotations or any type of value analysis if the prices are considered reasonable. ~~For both Group A and B Agencies approved in accordance with Part HB(2) of this Policy, this limit is \$10,000.~~ If a Cardholder, through prior experience (e.g., comparison with prices paid previously for the same or similar items, familiarity with the supply/service based on frequent purchasing) knows that the proposed price is fair and reasonable, he/she does not have to do any further prior evaluation or analysis. However, if the Cardholder suspects or has information to indicate the price may not be reasonable or is purchasing a supply or service for which no comparable pricing information is readily available, action should be taken to verify that the price is reasonable and supporting documentation maintained by the Cardholder for twelve months following the date of purchase.

3. Placing an Order.

Cardholders who are buyers within a governmental agency may use the P-Card as a payment mechanism. The documentation requirements will be the same as those required for any other type of acquisition or purchase, and Consolidated Procurement Code compliance is required for each acquisition. For proper allocation of funds, a purchase requisition is prepared, and a different reconciliation program may need to be utilized.

To place the order and accept delivery the following procedures shall be followed:

a) Confirm the vendor will accept the State P-Card.

~~a) Merchants may~~

~~b) Ensure the merchant does not~~ charge a “premium” for the use of the P- Card but must “disclose the surcharge as a merchant fee and clearly alert the consumer of the practice at the point of sale.” If the vendor charges a premium, ask the vendor to waive the premium. If a merchant attempts to impose a premium, percentage (often 3%) or additional charge on the purchase, remind them that premiums/surcharges are prohibited by VISA. If the merchant does not remove the charge, cancel the purchase and notify the Bank immediately:

~~e) Team Servicing~~

~~d) Phone: 888.715.1000 Ext. 22122~~

~~e) Fax: 804.264.0046~~

~~f) Email: dedicated_card_east@bankofamerica.com~~

~~g) Hours: 8:00 AM – 4:30PM EST~~

~~h)b) _____ *Team Servicing is available after hours – 1.800.822.5985~~

~~i)c) Delivery instructions: instruct the vendor to use the following format and list the following information on the shipping label and packing slip:~~

Agency Name

Attn.: PC#/Name and Building

Building 1050 – Main Street Columbia, S.C. 29201

~~j)d) When a telephone order is placed for pick-up at a merchant's facility, the Cardholder may designate a staff member to pick up the order. If someone other than the Cardholder picks up the order, they should sign as having received the item(s). Their signature is not an approval for the purchase on the P-Card but for receipt of the product.~~

4. Sign ~~Activity~~Monthly Bank Statements

Sign the cardholder ~~activity~~monthly bank statements attesting to the accuracy and completeness of the statement. All signatures must be original signatures. Signatures made with rubber stamps are prohibited.

5. Document all transactions

Submit all documentation to the supervisor or Liaison by internally established deadlines in order to ensure timely payment of the cardholder ~~activity~~monthly bank statements. When a purchase is made over the counter, the Cardholder must obtain a customer copy of the charge slip.

6. ~~Data Entry into Works~~Reserved

~~Enter purchase information into the Bank P-Card System or form. The information description of each item purchased must be clearly and easily identifiable by any reviewer. This is required each time the P-Card is used for a purchase, whether it is done over the counter, by telephone, or online. The order must be entered (header and vendor ID required) to secure a P-Card number from the System prior to placing the order on the telephone or internet as the purchase order number is generated for the P-Card System. When a purchase is made over the counter, the Cardholder may enter the information into the System after the purchase (same day). The Cardholder must also obtain a customer copy of the charge slip.~~

7. Reconciliation

The Cardholder will receive the ~~Statement of Account (SOA)~~bank statement each month. As an alternative, the Program's P-Card Administrator may choose to have Statements made available electronically through Bank of America's CenterSsuite[®] Payment Center Program.

The monthly transactions shall be processed and reconciled ~~no later than the fifth day after receipt upon receipt in compliance with the agency's internal procedure(s) to ensure submission to the OCG for timely payment.~~ The P-Card Reconciliation Program allows for daily reconciliation of transactions. The Cardholder is notified via e-mail each time a transaction is posted from the Bank and allows for immediate reconciliation in lieu of waiting for the ~~SOA monthly bank statements at the end of the month~~ to reconcile the charge.

Reconciliation in the Absence of the Cardholder

If the Cardholder will be absent from his/her office for more than four days after the SOA is received, he/she should notify the Agency P-Card Administrator if no system delegation has been made to another employee in the program area to reconcile the account. The P-Card System is set-up to enable daily reconciliation by the Cardholder. The System allows delegation to another employee for reconciliation purposes as well. If the absence is extensive and no delegation has been made, the Cardholder's Supervisor shall review the receipts/documentation and sign the SOA with an explanation as to why the Cardholder could not process the SOA in a timely manner. The SOA with receipts/documentation will be forwarded to the Agency P-Card Administrator for processing the reconciliation. The Agency P-Card Administrator shall provide training for an administrative alternate in the program area. Failure to review and/or process the SOA in a timely manner will be grounds to suspend and/or terminate the P-Card.

IV. Use of the P-Card

A. The P-Card is FOR OFFICIAL USE ONLY.

The P-Card has the Cardholder's name embossed on it, and in accordance with VISA International regulations and State policy, may only be used by that individual. Use of the P-Card by a Cardholder for a personal purchase and/or a purchase of supplies or services that the Cardholder had no authority to make, and/or use of the P-Card by a person other than the Cardholder are unauthorized and strictly forbidden. Unauthorized use of the P-Card for personal purchases or use of the P-Card by a person other than the Cardholder may result in disciplinary action, up to and including termination from State employment and criminal prosecution. Supervisors or other approving officials who knowingly, or through willful neglect, approve or allow personal or fraudulent purchases or misuse of the P-Card are subject to the same disciplinary actions as Cardholders.

B. Cash Advances.

Use of the P-Card to obtain cash advances or withdrawals is strictly forbidden. Use of the P-Card to obtain such cash advances or withdrawals does not comply with the Contract and may subject both the Cardholder and the Bank to sanctions.

C. Order Splitting.

Splitting transactions to avoid the single transaction limit is strictly prohibited and doing so may result in removal of P-Card privileges.

D. Allowable Purchases.

The P-Card can be used for small value purchases of supplies, materials, equipment, or services, in compliance with the SC Consolidated Procurement Code, and where not otherwise prohibited or restricted. All purchases must be within Cardholder assigned spending limits

unless prior, written approval is received to exceed these limits per the provisions of the Manual. Ordering methods such as verbal, internet or fax can be used under simplified acquisition procedures to acquire any type of supplies or services WITH THE EXCEPTION OF purchases from vendors assigned an MCC on the list of blocked Merchant Category Codes (MCCs). The P-Card can be used for orders placed against Statewide Term Contracts by the Materials Management Office such as the Laboratory Supplies, Office Supplies, and Personal Computers. Purchases from open market sources shall be distributed equitably among the qualified suppliers.

E. Prohibited Purchases.

The following types of purchases are strictly prohibited by State policy. No exceptions will be granted unless obtained in writing as set forth in this policy. This list must be included in lists of prohibited purchases in policies at the local agency and program level:

1. Personal purchases of any kind (Personal purchases are defined as purchases of goods or services intended for non-work-related use or use other than official State business).
2. Cash advances in any form, including use of the card or card number at Automated Teller Machines (ATMs), inside bank branches or at cash advance, quasi-cash and money transfer locations such as Western Union, Telecheck, etc.
3. Gift cards, stored value cards, calling cards, pre-paid cards or similar products.
4. Employee travel expenses, including lodging, transportation (except airline tickets and rental cars), and meals.
 - i. **State Institutions of Higher Learning:** See Provisos 117.8 and 117.20 of the 2019-2020 Appropriations Act as applicable to Higher Education.
 - ii. **Exception for Lodging:** The OCG and DPS offers a program that permits Agencies to use certain P-Cards for lodging. For details, see: [State of South Carolina Lodging Purchasing Card Program](#)
5. Entertainment, including in-room movies.
6. Alcoholic beverages.
7. Tobacco products.
8. Fuel for State-owned vehicles.

Many of these purchases may be made with the State Fuel Credit Card, an alternate program.
9. Professional services.
10. Food for consumption by State employees.
11. Purchases using a P-Card from a vendor with a blocked MCC.
12. To make payment on “open” accounts maintained with vendors. The P-Card shall only be used to pay one transaction at a time and cannot be used to pay the accumulated balance of an account.
13. Payment of State and local taxes to the Department of Revenue

NOTE: Gift Cards received as promotional items are to be used to the benefit of the State. If an employee receives a gift card, the card(s) must be turned in to the Agency P-Card

Administrator.

F. When PRIOR AUTHORIZATION is required

P-Card holders may **not** use the P-Card for any of the following reasons absent express PRIOR authorization from the Agency P-Card Administrator:

1. requirements that necessitate other than routine terms and conditions
2. requirements that are too complex to be conveyed verbally

G. STANDARDS OF CONDUCT

State employees expending public monies hold a public trust; their conduct must meet the highest ethical standards. All State government employees must use the P-Card only to purchase supplies and services within the guidelines of this Policy. Cardholders and the Cardholder's Supervisor who make false statements on the P-Card records may be terminated from their position and may be fined, imprisoned, or both, as stated in the S.C. Code Ann. § 16-13-210.

V. Program Compliance

A. Internal Controls.

Each Agency's internal P-Card policy must establish an internal control process and structure that ensures compliance with the Code and State P- Card Policy. Internal controls shall include:

1. Appropriate separation of duties between making transactions (Cardholders), review and approval of transactions for payment (approving officials), and payment of the cardholder activitymonthly bank statements (Accounts Payable).
2. Weekly independent supervisory review of all card maintenance activity if the P-Card Administrator is also a Cardholder.
3. Appropriate hierarchical review and approval of purchases by someone with supervisory authority over the Cardholder and/or with the authority to question purchases if needed.
4. No Cardholder can provide approval for payment for his/her transactions or of the P-Card cardholder activitymonthly bank statements. Review and approval responsibilities cannot be delegated to someone else.
5. Appropriate limits on the number of Cardholders assigned to supervisor/approving officials, and liaisons in order to ensure adequate review of business need and documentation (receipts/invoices, and monthly billing statement) for each purchase, and to ensure that each purchase complies with this policy and the Code.
6. Provision for an annual independent audit or review of the P-Card Program by the P-Card Administrator, Internal Audit unit, or other unit assigned audit responsibilities. Reviews must address:
 - a) Adequacy of internal policies and procedures;
 - b) Appropriateness of cardholder spending limits;
 - c) Adequacy of review, reconciliation, and payment procedures; and
 - d) Adequacy of documentation for transactions.
7. P-Card Statement Certification - P-Card Administrators are required to submit a completed Purchasing Card Statement Certification Form with each monthly statement. This form certifies that all purchases are in compliance with specific procurement laws,

regulations, policies and procedures and that any misuse, abuse or fraudulent use of the Purchasing Card will be reported by the agencies. No payments will be approved by OCG without this completed form. See the appendix for a copy of this form.

B. Cardholder Credit/Spending (~~Credit~~) Limits.

Spending limits enable management to provide Cardholders with the purchasing power to accomplish the needs of the job without exposing the State or the organization to unnecessary risk. Spending limits should be based on job responsibilities of the Cardholder and/or of the job title. Cardholder spending limits must be reviewed at least annually to determine that actual usage is consistent with spending limits. Spending limits that are available are:

1. Cycle (Credit) Limit – The cycle limit is a mandatory spending limit that restricts the amount of purchases a cardholder can make in one billing cycle. This limit is established between the agency and Bank of America.
2. Single Transaction Limit (STL) – The STL is a mandatory spending limit imposed on each Cardholder account for each purchase. The STL is subject to the “no competition” Limit as set forth in Parts IIB(2) & IID above. Agencies may choose to set a lower STL under their policies and procedures;
3. Number of Transactions per Day (Optional) - Management can choose to impose a maximum number of transactions on a Cardholder account in order to control use of the P-Card.
4. Number of Transactions per billing cycle limit (optional).

C. Card Issuance Requirements

1. Issuance is limited to one P-Card per Cardholder.
2. Cardholders must be permanent, part-time or full-time State employees whose jobs require the use of P-Card. There will be no exceptions to the following:
 - a) Cards may not be issued to student employees, temporary workers, or contractors.
 - b) Cards will not be issued in the name of a department or work unit to be shared by multiple employees.
 - c) Cards will not be issued to employees of foundations associated with any Agency.
3. An employee’s supervisor and the Department Head must approve a Cardholder’s application for a P-Card.
4. All training requirements as described in this Policy must be met before an employee receives the P-Card.

VI. Types of Accounts

Accounts allowed under this Program include traditional cards as well as accounts for which no physical card is issued. All accounts can be used only for official State of South Carolina business.

A. Standard P-Cards.

Cardholders are limited to one active P-Card. Exceptions may be made for ghost accounts. The standard card Bank of America issues utilizes Chip and Pin technology, which is a card that contains data embedded in a microchip and requires the consumer to enter a personal identification number to complete the transaction. A chip and PIN card, also called an EMV

microchip card, is considered more secure than a magnetic stripe credit card because of both the technology in the chip and the requirement to enter a unique PIN.

B. Ghost Card Accounts.

The term “Ghost Cards” refers to a P-Card account established for the payment of monthly or other periodic charges to an established supplier of a State Entity and for which a physical card is not issued. In cooperation with the State P-Card Coordinator and the Bank, an Agency’s P-Card Administrator may establish a Ghost Card to make payments to a single, specified supplier.

Ghost Cards provide a secure payment method restricted for use with the identified supplier and secured through numerous account restrictions including spending limits, MCC restrictions, and the absence of a physical card. Ghost cards may be considered when the supplier provides goods or services through an established relationship, often sending a monthly invoice for those goods or services. Examples of suppliers suitable for payment via a Ghost Card include telecommunication service providers, utilities, bulk fuel providers, and landlords. Ghost Card accounts are subject to the same MCC restrictions and single transaction limits as standard P-Cards as well as the same procedures for changing these restrictions and limits. Ghost Card accounts are also subject to all other requirements of this Policy. Please contact the State P-Card Coordinator for more information on Ghost Cards or for assistance in setting up Ghost Card accounts.

VII. Legal Issues

Failure to Comply with Laws, Policies, and Procedures. Cardholders or supervisors/approving officials who knowingly, or through willful neglect, fail to comply with the following may be subject to suspension or termination of card privileges or other disciplinary action, up to and including termination of employment and criminal prosecution to the fullest extent of the law.

1. The Code
2. State P-Card Policy
3. Internal policies and procedures governing procurement and the P-Card Program.

The DPS P-Card Coordinator reserves the right to withdraw any authority or delegated approval due to non-compliance with applicable laws, rules, regulations, policies, and procedures, or the terms of any conditional approval.

VIII. Student Group Travel by Institutions of Higher Learning

For an institution of higher learning, acting under policies approved by its Board of Trustees, use of the P-card may be authorized by Agency P-Card Administrators for meal and lodging purchases incurred for the travel of student groups under the following procedures when expending funds derived wholly from athletic or other student contests, from the activities of student organizations, and from the operations of canteens and bookstores, and from Private Practice or funds other than general funds provided:

1. Only certain designated staff members who chaperone student trips routinely will be authorized to use P-cards for student group travel.
2. As with all other P-cards, each card must be issued in the name of one employee who is authorized to chaperone student trips. Each employee assigned a card has complete responsibility for the use of that card. The card may not be used by anyone else.
3. P-cards may be used by authorized personnel to purchase food/meals, lodging, and airfares for students and chaperones when on student travel status trips. The p-card may not be used to pay meal or lodging expenses for any state employee who chaperones the students except as authorized under the exception for the institutions of higher learning listed above.
4. All P-card expenditures will be reviewed monthly in accordance with agency P-card review and reconciliation procedures.
5. All P-card charges related to travel expenditures for the students' travel should be accounted for as student travel.
6. Charges related to travel expenses for a state employee chaperone should be accounted for as employee travel. An employee chaperone must comply with state travel regulations for employees, including not using the p-card for their portion of meal and lodging expenses when non-exempt funds are used.
7. Any charges to the P-card that are found to be out of compliance with grant, state and/or institutions guidelines will be reimbursed to the college by the card holder within 10 days of the discovery of the excess charges.
8. Failure to repay excess charges will result in the permanent revocation of P-card use by the offender and will result in disciplinary action by the college.
9. Each P-card holder, with a P-card authorized for food/meal and lodging purchases, will sign, receive, and read a copy of this P-card guideline for food/meal and lodging purchases, acknowledging understanding and receipt of the guidelines, his respective institution's Board of Trustees' travel policies, and the terms of use.

Appendix

The documents listed below may be found online at the following link:

<https://www.procurement.sc.gov/agency/resources-and-forms/procurement-card>

- Cardholder Maintenance Form
- Commercial Card Claims
- Group A MCC Code BOA Master List
- Program Request Letter
- Purchasing Card Statement Certification
- Sample Suspension Memorandum for Inappropriate Use
- Application for South Carolina Lodging Purchasing Card