

SOUTH CAROLINA PURCHASING CARD

POLICY AND PROCEDURES

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PROCEDURES FOR THE PURCHASING CARD (P-Card) PROGRAM

Abbreviations

DPS -	Division of Procurement Services
MBE -	Minority-Owned Business
MCC -	Merchant Category Codes
MMO -	Materials Management Officer
NASPO -	National Association of State Procurement Officials
NIGP -	National Institute of Governmental Purchasing
OCG -	Comptroller General's Office
PCA -	Agency P-Card Administrator
P-Card -	Purchasing Card
SMBCC -	Division of Small and Minority Business Contracting and Certification
STC -	Statewide Term Contracts
STL -	Single Transaction Limit
WBE -	Woman-Owned Business

Definitions

Agency – a state government department, commission, council, board, bureau, committee, institution, college, university, technical school, agency, government corporation, or other establishment or official of the executive or judicial branch. Agency excludes the General Assembly or its respective branches or its committees, Legislative Council, the Legislative Services Agency, and all local political subdivisions such as counties, municipalities, school districts, or public service or special purpose districts or any entity created by act of the General Assembly for the purpose of erecting monuments or memorials or commissioning art that is being procured exclusively by private funds.

Agency Head – the individual charged with ultimate responsibility for the administration and operations of the Agency.

Bank – Bank of America

Cardholder – Purchasing Card Holder

Code – SC Consolidated Procurement Code

Group A Agencies – Agencies that have their payments disbursed through the OCG.

Group B Agencies – an Agency that is a State college, university, or technical school (lump sum agencies)

P-Card Coordinator – Statewide P-Card Program Contract Administrator at DPS

Program – P-Card Program

State – State of South Carolina

State P-Card Policy (this Policy) – SC Purchasing Card Policy and Procedures

Works™ – Payment Management System by Bank of America

I. Introduction

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, services, and information technology for State business use. The program streamlines payments by reducing 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)

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pursuant to a contract awarded to the Bank by the Division of Procurement Services (DPS), with assistance from the Comptroller General's Office (OCG). A State P-Card may only be used to carry out the mission of the Agency.

The P-Card is the only purchasing card authorized for use by employees of Agencies.

All governmental bodies are required to use the Works[™] system provided by the Bank, or other system approved by DPS, for card administration and cardholder monthly bank statement reconciliation. Use of P-Cards is subject to the purchase procedures of the State Consolidated Procurement Code and ensuing Regulations (Code), this Policy, and the Agency's purchasing policies and procedures.

This Policy sets standards for use of P-Cards in order to ensure compliance with all applicable State laws pertaining to purchasing as contained in the Code. The version of this Policy posted on the DPS website is the official Policy governing the P-Card Program.

II. Program Administration

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 governmental bodies. The P-Card Coordinator manages all contractual matters regarding the Program, including the approval of new participating governmental bodies. You may contact the P-Card Coordinator by calling the DPS at 803-737-0600 or sending an email to pcard@mmo.sc.gov.

The State's contract with the Bank divides Agencies into two groups, Group A Agencies and Group B Agencies. Group A Agencies are those agencies for which payments are disbursed through the OGC. DPS publishes the list of Group A Agencies online at: <https://procurement.sc.gov/contracts/p-card>. Group B Agencies are the post-secondary educational institutions of the State – public colleges, universities, and technical schools.

A. Single Transaction Limits (STL)

Each P-Card is subject to Cardholder Spending (Credit) Limits. Neither Cardholders nor merchants may exceed the STL or split a purchase to accommodate the STL.

To raise the STL above the “no competition” limit, currently \$10,000, the PCA must first obtain the written approval of the Agency head. The PCA must then send a written request for change, along with the approval of the agency head, to the MMO, at pcard@mmo.sc.gov for approval. Each request must set forth the name of the cardholder, the new STL requested, the purpose of the request, and any added controls.

B. Merchant Category Codes

MCCs are four-digit numbers used by credit card companies to classify businesses based on the type of goods or services they provide.

Group A Agencies

For Group A Agencies, the office of the OCG limits where P-Cards may be used by blocking certain categories of vendors at a point-of-sale level. The goal is to ensure that only vendors appropriate to the needs of a public agency are allowed to accept P-Cards. The OCG maintains a list of MCCs which are blocked. If a cardholder receives a MCC block when using a card for a legitimate purchase, the card holder should contact the agency PCA to have the block removed. The PCA will email the request to

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unblock the MCC to the CG at PCard-MCC-Request@cg.sc.gov.

The request must include the following information:

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

The OCG will consider all requests but may decline such requests based on its assessment of the needs and best interests of the State. The OCG may prescribe the format required for submitting unblock requests.

Group B Agencies

Each Group B Agency decides for itself which vendors are proper to its mission needs. Based on this decision the Agency must set up and maintain its own list of blocked MCCs as well as the procedures for requesting the removal of a block on an MCC.

C. Emergency P-Card Use

The Agency Head or designee may authorize the Agency to designate certain cards to be moved to Emergency Status in the event of an emergency or disaster affecting the Agency's mission. This approval should designate the maximum STL that may be assigned to such cards.

In case of a declared emergency or during a time of an emergency affecting an Agency's mission such as a natural disaster (ice storm, forest fire, tornado, etc.), the PCA may move cards to Emergency Status with prior approval. The OCG must grant prior approval for Group A Agencies. The Agency Head or designee must grant approval for Group B Agencies. When there is an emergency, approved Bank of America P-Cards will be activated and allowed to access an emergency profile.

The PCA shall notify Division of Procurement Services of those cards that have been assigned a single transaction limit more than \$10,000 for the purposes of responding to the emergency as soon as practical after doing so.

The Agency shall keep a spread sheet documenting every emergency purchase over \$10,000. The spreadsheet should identify the emergency event, dates of the emergency event, cardholder making the purchase, what was purchased, the amount of the purchase, and the date of the purchase. Once the Emergency is over, the PCA must move cards in Emergency Status back to their normal status including reducing any increased STL's to normal limits.

D. Sales & Use Tax

Purchases From Vendors Located in South Carolina - The vendor should collect retail sales tax at point-of-sale. The receipt provided by the vendor should show the amount of sales tax.

Purchases From Vendors Located Outside of South Carolina – If the Agency pays sales tax in another state, the State Tax Code allows a use tax credit for the Agency. The individual receipt provided by the vendor should show whether the vendor has collected any out-of-state tax at the point-of-sale.

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If the vendor does not charge tax or charges an amount less than the amount required by the State, the Department Liaison should notify the Accounts Payable Department in order pay the proper amount to the S.C. Department of Revenue.

E. Annual Independent Audits

The Agency's Internal Auditing Department or other auditor independent of the Agency's P-Card program, must audit the Agency's Administration of the P-Card Program annually and provide Agency management and DPS with a written report of all findings. The auditor shall conduct this audit per Section V of the State P-card Policy & Procedures. The Agency will respond to all audit findings, if necessary, and provide corrective action plans to DPS. The Agency must provide DPS a copy of its annual audit and its corrective action plans by October 1 of each year. The Agency shall keep a copy of these audits in its Procurement files for three years as required by the State's record retention policy.

III. Agency Roles and Responsibilities

A. Agency Head Responsibilities

The Agency Head has responsibility for P-Card program compliance with the Code, this Policy, and the agency's internal P-Card policy. The Agency head may delegate the following administrative responsibilities to any one or more P-Card Administrators or Department Liaisons:

1) Program Administration:

- a) Develop an internal policy governing the use of the P-Card. DPS has created a model internal policy for agency guidance. The policy must include the following requirements:
 - i. Compliance with the State P-Card Policy;
 - ii. Responsibilities of Agency P-Card Program personnel and establish process for changes in personnel;
 - iii. Criteria and procedures for assigning P-Cards to employees;
 - iv. Establishing single transaction limits for P-Cards;
 - v. Acceptable use of the P-Card - cannot be less restrictive than State P-Card Policy;
 - vi. Method for reporting suspected misuse or fraudulent use;
 - vii. Consequences of misuse or fraudulent use;
 - viii. Procedures for Annual review of the internal policy for adequacy; and
 - ix. Provision for annual independent audit/review of all areas of program administration and transactions;
 - x. Procedures covering properly setting up the profile for each P-Card (including all blocked MCCs; see "II B" 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. Procedures for monitoring Cardholder accounts for inactivity and promptly close accounts and cards that are no longer needed.
 - xii. Establish procedures for compliance with State Policy regarding documentation of transactions;
- b) Work with Agency 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.
- c) Work with Agency management to determine the appropriate spending limits for the Program as a whole and for individual Cardholders based on budget constraints, Cardholder job

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responsibilities, knowledge, skills and abilities, historical spending patterns, and overall procurement practices.

- d) 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.
- e) 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 agency compliance with the State and agency P-Card Policy and notifying the P-Card Administrator of any discrepancies, including delinquent reconciliations and paperwork.
- f) 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 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 annually to determine if the exceptions should continue 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 P-Card Administrator and Bank;
 - 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 Works™ system immediately upon notification of theft or loss of the card or upon termination of Cardholder's employment.
- e) Establish written procedures to ensure that intentional misuse, or persistent negligent misuse (collectively "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

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the Bank's guidelines regarding Bank reimbursement of transactions related to fraud or card abuse, or misuse;

v) Notifying the S.C. Office of Inspector General immediately when fraud or card misuse occurs; and

vi) Immediately Reporting split purchases made to avoid the STL to DPS.

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 monthly bank statements) for each purchase.

4) Training:

a) Ensure that all Cardholders, supervisors, liaisons, and P-Card Administrators take State training annually:

i) Cardholder training is the initial training all prospective Cardholders, Cardholder Supervisors/approving officials, liaisons, and P-Card Administrators must take prior to issuance of a P-Card or assignment of a P-Card oversight role.

ii) P-Card Oversight training is training all prospective Cardholder Supervisors/approving officials, liaisons, and P-Card Administrators must take prior to assignment of a P-Card oversight role.

iii) Both Cardholder and P-Card oversight training are offered as online training.

b) Develop a documented, Agency-specific training program that addresses matters specific to the Agency's P-Card Policy and ensure Cardholders, Supervisors/approving officials, and Liaisons take this training annually.

5) Develop Mandatory Cardholder Agreement specifying terms and conditions for use of the card; identifying the Supervisor/Approver and Liaison; and including written acknowledgement of receipt and training on:

a) State P-Card Policy;

b) Internal P-Card Policy and/or user manual;

c) Cardholder STL and Credit Limits; and

d) familiarity with relevant forms.

6) Other Compliance 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 retain travel receipts and cannot delegate this responsibility to the travelers.

7) Disciplinary Procedures – Develop disciplinary procedures for repeated negligent failure to comply with the requirements of Policy or the agency's internal policy and for fraudulent or intentional misuse of the P-Card.

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B. Agency Purchasing Card Administrator (PCA)

- Serves as the Agency's liaison with Bank of America.
- Utilizes the Works system to perform a variety of functions relevant to the P-Card (order, receive, distribute, or cancel).
- Ensures that cardholders have proper spending limits assigned to them in Works program.
- Reviews P-Card Application forms for Cardholders and liaisons to ensure that approved applications are complete and have all required information. Ensures that each new cardholder, supervisor, or liaison receives and passes training before being issued a cardholder, supervisor, or liaison role. During internal training, reviews Agency P-Card policies and procedures.
- Obtains signature of each Cardholder on a Cardholder Agreement to signify acceptance and understanding of the terms of the P-Card Program.
- Helps with any disputed charge or discrepancy not resolved by the Cardholder or Liaison.
- Monitors P-Card usage for compliance and documents any misuse.
- Reviews P-Card accounts periodically to ensure compliance with respect to Cardholder inactivity, retirement, transfers, terminations, or other personnel matters.
 - Notify Bank of America through Works of any card changes, updates, or cancellations.
- Issues requests to Liaisons for the collection and delivery of cards eligible for cancellation per this Policy.
 - Follows-up on such requests until receipt of cards.
 - Notifies the proper management officials if Liaisons do not promptly deliver cards.
- Annually provides all cardholder information, including cardholder names, liaisons, and limits to each Department Director for review for any needed changes.
 - Make requested changes
 - Keep a copy of these reviews for three years per the State's record retention policy
- Provides oversight of monthly statement close process.
- Signs and dates monthly P-Card Certification attesting to accuracy and completeness of agency statement for payment and sends to:
 - Group A Agencies – OCG
 - Group B Agencies – Finance Director

C. Supervisor/Approver Responsibilities:

Supervisors/Approvers are responsible for oversight of P-Card transactions conducted by Cardholders who report to them. Supervisors must have a thorough knowledge of the job responsibilities of the Cardholders under their supervision to determine if purchases are reasonable and proper. Before approving the cardholder monthly bank statements, the supervisor/reviewer must carefully review all documentation.

Supervisor/Approver responsibilities include:

- Completing Cardholder and P-Card Oversight training and passing any associated test.
- Maintaining knowledge of this Policy and internal policies and procedures on P-Card use.
- Requesting P-Cards for employees under his/her supervision.
- Notifying the PCA when a Cardholder separates from department or agency employment and confirming cancellation of the P-Card within three business days from the event date.
- Monitor transactions and card activity to ensure that all purchases are for legitimate State business use.
- Reviewing all documentation to ensure:
 - Invoices/receipts have the required information;

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- State sales or use tax is applied if necessary;
- Purchases were for legitimate State business use;
- Cardholder Monthly bank Statements have the Cardholder's original signature. Digital signatures are acceptable provided the agency has in place sufficient controls to ensure that only the cardholder makes the signature.
- Ensuring cardholders send all documentation and reconciled cardholder monthly bank statements for payment to ensure timely payment of the P-Card billing statement.
- Signing and dating the cardholder monthly bank statements attesting to the accuracy and completeness of documentation, and signifying approval for payment. This responsibility cannot be delegated to another person.

D. Cardholders

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

The Cardholder has the following responsibilities:

- Completing State Cardholder training and passing any associated test.
- Maintaining knowledge of State P-Card policies and procedures
- Maintaining knowledge of Agency P-Card policies and procedures
- Following the purchasing requirements of the Code and all Agency internal procurement policies, procedures, and processes.
- Confirming funds are available prior to purchase.
- Ensuring use of established statewide term, multi-agency, or agency contracts when available.
- Ensuring that all purchases made from an established contract have the contract detail page included with the documentation.
- Distributing purchases from sources other than established contract sources among the population of qualified suppliers.
- Obtaining "best value" for the State
- Reconciling transaction documentation and approving all P-Card transactions in Works.
- Signing and maintaining a copy of all receipts and invoices as required by State and internal P-Card policies.
- Submitting all original signed receipts and invoices to cardholder's liaison each month.
- Securing the card and maintaining security of the account number, expiration date, and security code. Do not allow anyone else to use the P-Card.
- Notifying the PCA for card cancellation if the card has not been used for more than ninety days.

It is the cardholder's responsibility to ensure card usage within the guidelines of this Policy as well as Agency policies and procedures relating to the expenditure of Agency funds.

A cardholder may not approve payment for cardholder's own transactions or of the cardholder's monthly bank statements. All purchases must be reviewed and approved following the policies stated within this policy. Review and approval responsibilities cannot be delegated to someone else.

In the event the Cardholder will not be present see Section V, Cardholder, Reconciliation in the Absence of the Cardholder.

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The P-Card is a corporate charge card and will not affect your personal credit.

Lost or stolen cards:

Cardholder must immediately report a lost or stolen card to BoA at 1-888-449-2273. Bank representatives are available to assist 24 hours a day, 365 days a year. Notify your PCA about a lost or stolen card at the first opportunity during business hours.

E. Liaisons

The Agency shall assign a liaison to each cardholder and document that assignment. An employee may be the liaison for multiple cardholders, but no P-Card liaison should handle more cardholders than they can effectively manage at any given time.

The liaison will maintain the cardholder's receipts and invoices for all transactions in a monthly file for a period of no less than 3 years, consistent with the State record retention requirements. The liaison can contact the PCA for further information.

Liaisons have the following responsibilities:

- Completing Cardholder and P-Card oversight training and passing any associated test.
- Signing the 'Purchasing Card Agreement', along with the cardholder.
- Review the cardholder's transaction activity each month, document this review using a Liaison Purchasing Card Review Checklist for each cardholder's monthly bank statement, and keep a record of the review in the monthly P-Card file. A sample Liaison Purchasing Card Review Checklist is located at <https://procurement.sc.gov/contracts/p-card>
- Determine that the cardholder is complying with State and Agency P-Card Policies and Procedures in this Policy, ensuring no prohibited transactions are taking place, there are no split transactions, no transactions exceed the single transaction limits, and that no transactions have been made under blocked MCCs.
- Notify the supervisor and PCA if the card has not been used in more than ninety (90) days.
- Assist cardholder with any P-Card issues including transaction disputes, returns, receipt re-creation, etc.
- Communicate any concerns or issues with the cardholder to the PCA.

IV. Allowable Purchases

Cardholders may use their P-Card for small value purchases of supplies, materials, equipment, or services that are not otherwise prohibited or restricted. All purchases must be made within the Cardholder's assigned spending limits and in compliance with the SC Consolidated Procurement Code & ensuing Regulations.

The Agency assigns a STL to each P-Card. This limit places a cap on the amount of a purchase (including taxes and other charges and fees) for which the Cardholder may use the P-Card. Cardholders must not split purchases to circumvent this amount.

A. Competition Thresholds

P-Card Purchases of \$10,000 and under may be made without securing competitive quotations or any type of value analysis if the prices are considered reasonable. 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

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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.

B. Completing a Purchasing Card Transaction

Follow these general guidelines when using your P-Card to make a purchase:

- Determine if the intended supply is within Cardholder single transaction and credit limit.
- If required by the agency, complete a P-Card requisition indicating the description and cost of the item(s) to be purchased. If required by the department director, obtain approval of the purchase prior to making the purchase.
- Confirm the vendor will accept the State P-Card.
- Merchants may 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
- When making face-to-face purchases provide the vendor with your P-Card.
- When placing telephone orders, give the vendor your card information ensuring the vendor sends an itemized receipt.
- When making Internet purchases print the itemized receipt and sign.
- Always, obtain a copy of the itemized charge slip, sales slip, and/or packing slip. If the cardholder is not available to sign the delivery/receiving ticket, the ticket must be signed by the individual receiving the goods, then countersigned by the cardholder upon their return.
- After purchase is made, attach the receipt to the requisition form and submit to the liaison.

Only the cardholder, whose name appears on the P-Card may make purchases with the P-Card. Cardholders are strictly prohibited from sharing the card or card number with anyone else for the purpose of making a purchase.

Cardholders are strictly prohibited from splitting purchases to circumvent the P-Card single transaction limits. Split purchase transaction violations may subject the Cardholder to disciplinary action in accordance with Agency Policies and Procedures relating to disciplinary action.

Items should never be shipped to the cardholder’s personal residence. All items purchased with a P-Card should be shipped to an Agency address. All services purchased with a P-Card must be performed at an Agency location and never the cardholder’s personal residence.

The vendor must issue a credit to your card account for any item they have agreed to accept for return. This credit will appear on a subsequent statement. Under no circumstances should the Cardholder accept cash, check, or in-store credit in lieu of a credit to the P- Card.

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C. Prohibited Purchases

The following are prohibited from purchasing with a P-Card under any circumstances:

- Personal purchases of any kind
- Purchases of goods or services currently under a SC State Term Contract from another vendor that is not a party to that State contract (a listing of SC State Term Contracts can be found at www.procurement.sc.gov)
- Cash advances, use at ATM's, use inside banks or cash advance, quasi-cash and money transfer locations such as Western Union, Telecheck, etc.
- Gift cards, stored value cards, calling cards, pre-paid cards or similar products
- Employee travel expenses, including lodging, transportation, and meals
 - Exceptions:
 - airline tickets purchased directly through the airline website
 - rental cars
 - Use of an approved lodging card for lodging
- Entertainment, including in-room movies
- Equipment required by the OCG to be capitalized
- Alcoholic beverages
- Tobacco products
- Fuel for vehicles
- Professional services (See Procurement if you need assistance or clarification)
- Food for consumption by State employees
- Purchases from a vendor with a blocked MCC. For Group A agencies, a list of these merchant categories is found at: <https://procurement.sc.gov/contracts/p-card>. For Group B agencies, consult with your PCA.
- 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
- Payment of State and local taxes to the Department of Revenue

Failure to comply with these policies and procedures may result in an unauthorized procurement. An unauthorized procurement requires a written determination as required by Regulation 19-445.2015. The cardholder may also be required to reimburse the state for any such purchase as determined by the agency. The agency may also take disciplinary action in accordance with its internal policies.

V. **Month-end Transaction Approvals and Payment**

Three different individuals must approve all P-Card transactions: 1 - the cardholder, 2 - the cardholder's supervisor, and 3 - the cardholder's liaison. Each approver will have their own login credentials for the Works site and must approve each transaction. The liaison must maintain these records like all other P-Card documents as required in this procedure. Each transaction must also have an accompanying receipt that is signed by the cardholder and this receipt must be uploaded into Works for the transaction. This may be completed by either the cardholder or the cardholder's liaison as determined by agency policy. The scanned and uploaded copy of the receipt in the Works Program must be legible.

Monthly transactions shall be processed and reconciled upon receipt in compliance with the agency's internal procedure(s) to ensure submission to the OCG or finance department for timely payment.

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A. Cardholder

- The Cardholder will receive the 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 Global Card Access.
- Sign Monthly Bank Statements - Sign and date the cardholder monthly bank statements attesting to the accuracy and completeness of the statement. Note the date of signing on the statement. All signatures and dates must be original signatures and dates. Signatures made with rubber stamps are prohibited. Digital signatures are acceptable provided the agency has in place sufficient controls to ensure that only the signor makes the signature.
- Document all transactions - Submit all documentation to the supervisor/approver by internally established deadlines in order to ensure timely payment of the Cardholder monthly bank statements.
- If cardholder losses a receipt and cannot obtain a duplicate, the cardholder may use a "Lost Receipt Affidavit." The Agency shall not allow a cardholder to use this form more than three times in any one fiscal year.

The P-Card Reconciliation Program in Works 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 monthly bank statements to reconcile the charge.

Failure to review and/or process the monthly bank statement in a timely manner will be grounds to suspend and/or terminate the P-Card.

Reconciliation in the Absence of the Cardholder

If the Cardholder will be absent for more than four days after the monthly bank statement is received and no system delegation has been made to another employee in the program area to reconcile the account, he/she should notify the Agency P-Card Administrator. The System allows delegation to another employee for reconciliation purposes as well. The Agency P-Card Administrator shall provide training for an administrative alternate in the program area. 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 monthly bank statement in a timely manner. The Supervisor will forward the reconciled monthly bank statement with receipts/documentation to the Agency P-Card Administrator for processing the reconciliation.

B. Supervisor/Approver

Upon receipt of the monthly bank statement from the Cardholder, review all documentation to ensure:

- Invoices/receipts have the required information;
- State sales or use tax is applied if necessary;
- Purchases were for legitimate State business use; and
- Cardholder Monthly bank Statements contain the Cardholder's original or digital signature.

After reviewing the Cardholder's reconciled monthly bank statement, sign and date the statement attesting to accuracy and completeness of documentation, and signifying approval for payment. All

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signatures must be original. Digital signatures are acceptable provided the agency has in place sufficient controls to ensure that only the signor makes the signature.

C. Liaison

Using the P-Card Review Checklist, review all assigned cardholders' monthly bank statement to make sure there are no prohibited transactions, split transactions, transactions exceeding the single transaction limits, or transactions made under blocked MCCs. The liaison shall complete, sign and date the checklist and report any concern or issues with a cardholder's monthly bank statement to the PCA via the checklist.

D. P-Card Administrator

Prepare a Purchasing Card Statement Certification Form certifying that all purchases are in compliance with applicable laws, regulations, policies and procedures and that any misuse, abuse or fraudulent use of the Purchasing Card has been reported. Submit this form along with the monthly statement for payment to the OCG or agency finance department as proper for your agency group. For Group A agencies, the OCG will not approve a payment without a completed Purchasing Card Statement Certification form. See the appendix for a copy of this form.

VI. 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 this 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 monthly 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 may act as his/her approving reviewer for payment for his/her transactions or of the Cardholder's monthly bank statements.
5. Appropriate limits on the number of Cardholders assigned to each supervisor/approving official, and liaison 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 Internal Audit, or other unit assigned audit responsibilities that is independent from the P-Card program. 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. Provision for P-Card Statement Certification by the PCA certifying all purchases are in

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compliance with specific procurement laws, regulations, policies and procedures and that any misuse, abuse or fraudulent use of the Purchasing Card has been reported to the Bank by the agency. The PCA shall submit each monthly statement with a completed Purchasing Card Statement Certification Form for payment. The OCG will not approve payments without this completed form.

Group B agencies include procedures in their internal policy to preclude process payment without a completed P-Card Statement Certification. See the appendix for a copy of this form.

B. Cardholder Credit/Spending Limits

Spending limits enable management to provide Cardholders with the purchasing power to accomplish the needs of their jobs without exposing the State or the organization to unnecessary risk. Spending limits should be based on job responsibilities of the Cardholder or of the job title. The agency must review Cardholder spending limits annually to determine that actual usage is consistent with assigned 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 may not exceed \$2,500 unless approved by the agency head. Agencies may choose to set a lower STL under their policies and procedures. In no event may the STL exceed the \$10,000 “no competition” limit of the Code without both the agency head and material management officer’s approval.
3. Number of Transactions per Day (Optional) - Management can choose to impose a maximum number of transactions on a Cardholder account to control use of the P-Card.
4. Number of Transactions per billing cycle limit (optional).

C. Card Issuance Requirements

Each Cardholder is limited to one active P-Card. The P Card will be issued in the employee’s name and will include the State of South Carolina emblem, the wording “For Official Use Only” and agency name clearly indicated on the card.

Cardholder Qualifications

Cardholders must be permanent, part-time or full-time or Grant time-limited State employees whose jobs require the use of P-Card. Agencies may not issue cards:

- To student employees, temporary workers, or contractors
- In the name of a department or work unit to be shared by multiple employees
- To employees of foundations associated with any Agency.

For an employee to become a Cardholder, their supervisor must complete and approve a ‘Purchasing Card Request Form’. Once this form is completed and approved by the cardholder’s Department Director, it should be submitted to PCA.

Before an employee receives a P-Card, he/she must meet all training required by this Policy.

D. Training

All cardholders, supervisors, liaisons and PCAs must complete Cardholder training prior to issuance

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of a P-Card or assignment of a P-Card oversight role. Supervisors, liaisons, and PCAs must also complete P-Card Oversight training before assignment of a P-Card oversight role. Thereafter, All cardholders, supervisors, liaisons, and PCA's must complete this required training annually. For Group A Agencies, Cardholder and P-Card Oversight training is offered online via SCEIS – MySCLearning Module. DPS has provided this training to Group B Agencies management to make it available to their employees through their Learning Management System.

In addition to the above, each agency must develop training specific to internal policies and require all cardholders, supervisors, liaisons and PCAs to complete this training annually.

E. P-Card Termination

Upon separation of a Cardholder for any reason, it is the responsibility of the cardholder's supervisor, to notify the liaison and PCA within three (3) days to immediately cancel the P-Card. The supervisor must also turn the P-Card in to the PCA for destruction.

Infrequent Use - If a P-Card goes more than 180 days without use, the PCA shall determine if the card is still necessary. If the PCA determines that the card is no longer needed, the PCA must cancel the card after providing notification of its cancellation to the cardholder, the cardholder's supervisor, and liaison. The supervisor is responsible to turn the card in to the PCA immediately for destruction.

If a situation exists that justifies infrequent use of the P-Card, the PCA may, as provided for in the Agency's internal Policies, place the card in suspended mode until needed. This is a temporary state, which can be lifted, that keeps the card from being used but not cancelled. When needed the PCA may move the card out of suspended mode and then return it suspended mode once the transaction.

VII. Types of Accounts

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

Cardholders are limited to one active P-Card. However, exceptions may be made for ghost accounts and lodging cards upon implementation of adequate controls approved by DPS.

A. Standard P-Cards Accounts.

The standard card issued by Bank of America 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. P-Card accounts using a standard card may configured with varying restrictions.

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 and for which a physical card is not issued. In cooperation with the State P-Card Coordinator and the Bank, a PCA 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 many 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

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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.

C. Lodging Card Accounts.

The State has two lodging card programs, one for Group A agencies and one for Group B agencies. Under these programs, agencies gain access to a special profile at the Bank of America which includes all lodging MCCs. Because each annual General Appropriations Act contains a couple of provisos treating Group B agencies differently than Group A agencies, the two program requirements are slightly different. The OCG has created an application form for each type lodging card which sets for the requirements applicable to each. These forms are posted on the DPS website at <https://procurement.sc.gov/contracts/p-card>.

D. Social Media Card Accounts

For use by agencies that require social media accounts, typically for advertising to a targeted market where the account requires monthly payment of incurred charges in a short turn-around. Applications for these cards must state the specific purpose for which the card(s) will be used and proposed internal control procedures, including the following:

- Approved annual funding,
- STL to accommodate planned monthly budget amount,
- Monthly review by the Cardholder and program director,
- MCCs limited to the needs of the program, and
- One social media per card.

E. Client Assistance Card Accounts

For use by agencies that serve clients with healthcare or social assistance needs, many with some form of government financial assistance, may apply for one or more client assistance cards from the OCG. Applications for these cards must state the specific purpose for which the card(s) will be used and proposed internal control procedures including the following:

- Total budgeted amount by cardholder,
- STLs for the cardholder's intended use,
- Specific MCCs
- prior approval and documented use procedures,
- case manager approval of monthly statements,
- periodic reconciliation to MMIS spend by beneficiary, and
- procedures for limited instances of increased STL to meet client need.

VIII. Legal Issues - Failure to Comply with Laws, Policies, and Procedures.

Each agency shall include provisions in its internal P-Card Policy manual for disciplinary action when Cardholders or supervisors/approving officials knowingly, or through willful neglect, fail to comply with the following:

1. The Procurement Code
2. State P-Card Policy
3. Agency's internal policies and procedures governing procurement and the P-Card Program.

Disciplinary action shall be commensurate with the nature infraction or infractions.

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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.

IX. 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, the activities of student organizations, the operations of canteens and bookstores, approved Private Practice plans, or funds other than general funds provided:

1. Only designated staff members who chaperone student trips routinely will be authorized to use P-cards for student group travel.
2. 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.
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. The p-card may not be used to pay meal or lodging expenses for any state employee who chaperones the students except when using funds derived wholly from athletic or other student contests, the activities of student organizations, the operations of canteens and bookstores, approved Private Practice plans, or funds other than general funds.
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. 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.

X. Assistance with Special Requirement

An agency may experience a special need that may only be accommodated through the use of a P-Card but is not provided for in this Policy. In such event, agency may contact the Materials Management Officer (MMO) and manager of Audit and Certification (A&C) to discuss its need and the potential use of a P-Card for this purpose. The MMO and A&C, and OGC where appropriate will consider the need and whether or not a suitable set of controls may be developed to permit the requested use.

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Appendix

The Group A MCC Code BOA Master List may be found online at the following link:

<https://procurement.sc.gov/osp/policy#ditem-527>

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

<https://procurement.sc.gov/contracts/p-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