

State Purchasing Card Policy

June 2008 Revisions

Executive Summary

State Purchasing Division has completed a re-write of the Statewide Purchasing Card Policy. The new policy incorporates the requirements of House Bill 1113 and sections of the Georgia Procurement Manual (GPM) that cardholders should be familiar with.

The following changes and/or additions were made to the January 2008 version of the State Purchasing Card Policy:

- Added Section II, Use of the Purchasing Card for Personal Purchases Prohibited – specifies definition of misdemeanor and felony contained in O.C.G.A. §50-5-80 (aka H.B. 1113) and consequences for cardholders and approving officials.
- Section III, Statewide Program Administration – Split up previous Section II, Program Administration Roles, into two sections, one for Statewide Program Administration (new Section III) and one for Local Program Roles and Responsibilities (new Section IV).
- Section III, Statewide Program Administration – Changed Section II.A from State Purchasing Responsibilities to Statewide Program Administration. New section has four sub-sections to cover different aspects of State Purchasing Division responsibilities and to name the units responsible for each:
 - ☆ State Purchasing Card Policy
 - ☆ State Card Program Manager
 - ☆ Process Improvement and Audits
 - ☆ Professional Development
- Section IV, Local Program Roles and Responsibilities – Changed Section II.B name from “Agency Procurement Officer or College and University Procurement Officer (Entity) Responsibilities” to include specific responsibilities for all levels of the program. Sub-sections are now:
 - ☆ Card program Administrator – Categorized responsibilities as:
 - Program Administration
 - Program Compliance
 - Training
 - Using the P-card
 - Accounting Requirements
 - ☆ Supervisors / Approving Officials (new sub-section)
 - ☆ Cardholders (new sub-section)
- Section V, Use of the Card – New section that contains requirements previously shown in Section III, Program Compliance.
 - ☆ Allowable Purchases – New provisions:
 - Supplies and Materials over \$5,000 from SWC, Agency contract, or mandatory source without prior approval to exceed \$5,000

- Special Approval not needed for BOR only for student travel and food for official research, laboratory animals, or instructional (classroom) use
- ☆ Prohibited Purchases – Added “Professional Services as defined in O.C.G.A. §14-7-2(2)”
- ☆ Declared Emergencies and Natural Disasters (new section)
 - Require notification within 72 hours
 - Documentation must meet guidelines for same in the GPM
- ☆ Sole Source / Sole Brand Purchases (new section)
 - Over \$5,000 requires use of Form SPD-NI003a, Sole Brand Justification, or SPD-NI004a, Sole Source Justification
 - Documentation must meet guidelines for same in the GPM
- Section VI, Program Compliance – Previously shown as Section III, Program Compliance.
 - ☆ Merchant Category Codes – provides for regular review of allowable MCC’s
 - ☆ Internal Controls – moved to Local Program Roles and Responsibilities
 - ☆ Allowable and Prohibited purchases – moved to new Section V, Use of the Card
 - ☆ Card Issuance Requirements
 - Revised to reflect only to whom cards can be issued and how to request one
 - Moved the Training requirements to Administrator Responsibilities
 - ☆ Cardholder Spending (Credit) Limits (new sub-section)
 - Defined available spending controls
 - Defined Policy maximums
- Section VII, Legal Issues (new section)
 - ☆ Consequences of failure to comply with laws, policies, and procedures will result in disciplinary action, including termination of employment and criminal prosecution.
 - ☆ Cardholder Background Checks – O.C.G.A. §50-5-83(b)(12)
 - Existing cardholders must be done before next renewal of card
 - New cardholders after July 1, 2008, must be done prior to receiving a card
 - ☆ Cardholder Credit Checks – O.C.G.A. §50-5-83(b)(12)
 - New cardholders after July 1, 2008, must be done prior to receiving a card
 - ☆ Competitive Solicitation requirements for purchases greater than or equal to \$5,000 as required by the GPM – O.C.G.A. §50-5-69

- ☆ Payment of State Sales and Use Tax – O.C.G.A. §48-8-3(1) and §48-8-3(8)
 - Code section where exemptions are found
 - Use of Department of Revenue Form ST-5
 - Credits for tax must be on card and not cash, gift card, etc.
- ☆ Records Retention Schedule – Directed to Office of the Secretary of State's web site.
- ☆ Internal Revenue Service 1099 Reporting – previously shown in Section III.F, Card Program Reporting Requirements
 - Referred to IRS code sections
 - Referred to Visa Information Management as source for data