

State of Rhode Island
DEPARTMENT OF ADMINISTRATION
OFFICE OF ACCOUNTS AND CONTROL

PURCHASE CARD PROGRAM



PURCHASE CARD PROGRAM

1.0

INTRODUCTION TO THE PURCHASE CARD AND GENERAL INFORMATION	1
1.1 PURPOSE	1
1.2 INSTRUCTION FORMAT	1
1.3 BACKGROUND.....	1
1.4 PURCHASE CARD ADMINISTRATIVE CONTROLS.....	1
1.4.1 CARDHOLDERS PURCHASE AUTHORITY	1
1.4.2 TRAINING	1
1.4.3 STANDARDS OF CONDUCT	2
1.4.4 PROCUREMENT INTEGRITY	2
1.5 AUTHORIZATION PROCESS	2
1.6 QUESTIONS ABOUT THE PURCHASE CARD	2
1.7 PURCHASE CARD PROGRAM FUNCTIONAL ORGANIZATION	3
1.7.1 PURCHASE CARD PROGRAM COORDINATOR.....	3
1.7.2 APPROVING OFFICIAL	3
1.7.3 CARDHOLDER(S)	3
1.7.3.1 PERSONAL CREDIT CHECK.....	3
1.7.3.2 CARDHOLDER RESTRICTIONS.....	4
1.7.3.3 CARDHOLDER LIABILITY.....	4
1.7.3.4 LOST OR STOLEN CARDS.....	4
1.7.3.5 SAFEGUARDING PURCHASE CARDS.....	4
1.7.4 SPENDING LIMITS:.....	5
1.7.4.1 SINGLE TRANSACTION DOLLAR PURCHASE LIMIT	5
1.7.4.2 DAILY DOLLAR PURCHASE LIMIT	6
1.7.4.3 DAILY TRANSACTION LIMIT.....	6
1.7.4.4 MONTHLY DOLLAR LIMIT	6
1.7.4.5 MONTHLY DOLLAR LIMIT PER MCC GROUP	6
1.7.4.6 CHANGING THE CARDHOLDER LIMITS.....	6
1.7.5 DISCONTINUING CARDHOLDER USE	7
1.7.6 INTER-ACTIVITY TRANSFER	7
1.7.7 INTERNAL REVIEW	7

PURCHASE CARD PROGRAM

2.0	PURCHASE CARD PURCHASE PROCEDURES	7
2.1	GENERAL	7
2.2	PROCUREMENT NEED ESTABLISHED	7
	2.2.1 MATERIAL PURCHASE CARD QUALIFIED	7
	2.2.2 VENDOR RESEARCH AND SELECTION	9
	2.2.3 SELECT METHOD OF PURCHASE CARD PURCHASE	10
2.3	OVER THE COUNTER	10
	2.3.1 TRANSACTION COORDINATION	11
2.4	OVER-THE-TELEPHONE	
	2.4.1 "WILL CALL" VENDOR TRANSACTION	11
	2.4.2 "SHIP TO" VENDOR TRANSACTION	11
2.5	OVER THE INTERNET	11
2.6	OUT OF STATE TRAVEL PROCEDURES	13
3.0	DELIVERY AND RECEIPT PROCEDURES	14
3.1	GENERAL	14
3.2	INITIATE MATERIAL RECEIPT PROCESS	14
3.3	CARDHOLDER PICK UP	14
	3.3.1 REVIEW DOCUMENTATION AND ITEMIZATION	15
	3.3.2 IMPRINT CARD, SIGN AND RECEIVE "FLIMSY"	15
	3.3.3 MATERIAL ACCOUNTABILITY TRANSFER	15
3.4	END-USER OR EXPEDITER PICK-UP	15
	3.4.1 INVENTORY MATERIAL AND COMPLETE "WILL CALL" FORM	15
	3.4.2 CERTIFY RECEIPT AND VALIDATE DOCUMENTATION	15
3.5	CARDHOLDER PROVIDES VENDER SHIPPING AND MARKING INSTRUCTIONS	16
	3.5.1 MATERIAL RECEIPT AND DELIVERY:	16

PURCHASE CARD PROGRAM

3.5.2 CERTIFY MATERIAL RECEIVED & VALIDATE DOCUMENTATION16

3.5.3 ACCOUNTABILITY TRANSFER TO END USER16

3.6 PREPARE DOCUMENTATION FOR RECONCILIATION AND FILE16

4.0 PURCHASE CARD RECONCILIATION PROCEDURES.....17

4.1 REVIEW OF TRANSACTIONS17

4.2 RECONCILE STATEMENT OF ACCOUNT.....18

4.3 DISCREPANCY REPORTING18

4.4 ASSEMBLE RECONCILIATION PACKAGE.....18

4.5 AUTHORIZED AGENT REVIEW AND SIGNATURE19

4.6 FORWARD RECONCILIATION PACKAGE TO THE PURCHASE CARD PROGRAM COORDINATOR19

4.7 PURCHASE CARD FILE MAINTENANCE19

5.0 RETURNS, REFUNDS AND CREDITS.....20

5.1 GENERAL.....20

5.2 MERCHANDISE RETURN CREDIT FROM LOCAL VENDOR - CURRENT CYCLE.....20

5.3 CREDIT FROM REMOTE VENDOR20

5.4 AIRFARE, LODGING AND CAR RENTAL REFUNDS21

APPENDICES

APPENDIX A FAIR AND REASONABLE PRICE DETERMINATION

APPENDIX B RESTRICTED ITEMS

APPENDIX C POINTS OF CONTACT

APPENDIX D GLOSSARY OF TERMS

PURCHASE CARD PROGRAM

1.0 INTRODUCTION TO THE PURCHASE CARD AND GENERAL INFORMATION

- 1.1 **PURPOSE:** This document will provide PURCHASE CARD holders the necessary instructions and policies on the proper use of the Rhode Island PURCHASE CARD.
- 1.2 **INSTRUCTION FORMAT:** The following sections are contained within this manual:
- Section 1 Introduction to the Rhode Island PURCHASE CARD Program and General Information
 - Section 2 PURCHASE CARD Purchase Procedures
 - Section 3 PURCHASE CARD Material Delivery and Receipt
 - Section 4 PURCHASE CARD Reconciliation Procedures
 - Section 5 Returns, Refunds and Credits
- 1.3 **BACKGROUND:** The State uses various methods to accommodate the purchase of goods and services required by its employees. There are a number of potential benefits in using this PURCHASE CARD, both as a method of procurement and as a method of disbursement of funds. This card will accommodate the purchase of goods and services and is a supplement to Master Price Agreements (MPA's) and Departmental Purchase Orders (DPO's). The program promises to improve efficiency of the procurement process.
- 1.4 **PURCHASE CARD ADMINISTRATIVE CONTROLS:**
- 1.4.1 **CARDHOLDER'S PURCHASE AUTHORITY:** A Purchase Card Users Form shall be used to designate authorized Cardholders. The form shall specify various dollar, number of transaction and type of transaction limits.
 - 1.4.2 **TRAINING:** Individuals shall receive formal training on PURCHASE CARD procedures. All cardholders and Approving Officials shall read and be familiar with the requirements of this internal procedure. Prospective cardholders and approving officials shall complete activity training procedures prior to their account set up forms being submitted to the issuing bank. The PURCHASE CARD Program Coordinator shall ensure that cardholders receive refresher training as determined necessary. The refresher course will update and re-emphasize all the topics covered in the initial training.

PURCHASE CARD PROGRAM

1.4.3 STANDARD OF CONDUCT

1.4.3.1 State employees hold a public trust; their conduct must meet the highest ethical standards. All agency employees shall use the PURCHASE CARD to only purchase supplies and services within the guidance of this program. Cardholders and Approving Officials acknowledge that making false statements on PURCHASE CARD records will provide support for disciplinary action(s), termination and prosecution of criminal charges.

1.4.3.2 “Unauthorized use” means the use of a PURCHASE CARD by any person other than the Cardholder whose name appears on the PURCHASE CARD. “Unauthorized use” also means use of a PURCHASE CARD by a Cardholder who exceeds his/her delegation of authority. “Unauthorized use” also means use of a PURCHASE CARD to purchase goods or services for personal use.

1.4.3.3 Chapter 42-11 of the General Laws makes it unlawful for any employee of the state, or his/her designee, to use or permit others to use state-issued purchase cards for personal use. Any person who violates this law shall be liable for a civil penalty equal to three times the value of the unlawful use, plus an amount not to exceed \$10,000.

1.4.4 **PROCUREMENT INTEGRITY:** Cardholders who are authorized to conduct acquisitions are “procurement officials”. As “procurement officials”, the cardholders and approving officials are subject to administrative actions or remedies as well as civil and criminal penalties for violations of the State Purchases Act (37.2)

1.5 **AUTHORIZATION PROCESS:** The issuing bank, in issuing this card to State employees has established a number of steps in the authorization process that are taken each time the PURCHASE CARD is used. The merchant may use an electronic or telecommunication method for obtaining authorization on all purchases. Such authorization ensures that the cardholder is within the single purchase and monthly purchase limits as established in the Purchase Card Users Form. The authorization also verifies that the merchant is of the type permitted under the PURCHASE CARD program. EMERGENCY purchases beyond the assigned monthly limit may be authorized by contacting the State Controller (see 1.7.4.4 of this procedure).

1.6 **QUESTIONS ABOUT THE PURCHASE CARD:** Questions relating to the use of the PURCHASE CARD, shall be directed to the State Controller. See Appendix C - Points of Contact.

PURCHASE CARD PROGRAM

1.7 PURCHASE CARD PROGRAM FUNCTIONAL ORGANIZATION:

- 1.7.1 PURCHASE CARD PROGRAM COORDINATOR: The State Controller has overall responsibility and authority for assuring the integrity and effective administration of the PURCHASE CARD Program. This authority includes the suspension and/or revocation of PURCHASE CARD accounts. All requests for PURCHASE CARDS (either new cards or modifications to existing cards and accounts) will be forwarded to the State Controller. The State Controller is responsible for all external correspondence concerning issuance of cards through problem resolution after appropriate consultations, notification of current cardholders and other affected departments. The State Controller is also responsible for assuring cardholders and approving officials are fully trained in their responsibilities and that existing procurement regulations are not circumvented.
- 1.7.2 APPROVING OFFICIAL: Approving Officials are responsible for overseeing Cardholder PURCHASE CARD purchasing activity to assure appropriate PURCHASE CARD utility, timely processing of required documentation, appropriate PURCHASE CARD funds assignment/management and coordination with the State Controller for account maintenance. The Approving Official assures timely Cardholder account reconciliation and collects all statements, and all required documentation from individual cardholders under their cognizance. The Approving Official shall review the Cardholder Statement of Account for accuracy and propriety of purchase and sign the Cardholder Statement of Account. The Approving Official will forward the completed statement package to their Authorized Agent to sign the Purchase Card Payment Authorization Form and forward complete reconciliation package to the State Controller for processing, within 5 working days of Cardholder's receipt of Statement of Account.
- 1.7.3 CARDHOLDER(S): Cardholders are trained and authorized to make qualified purchases using their PURCHASE CARD. The unique PURCHASE CARD that you receive has YOUR NAME embossed on it. No member of your staff, your supervisor, or anyone else may use this card. Also embossed on the card is State of Rhode Island TAX EXEMPT. It has been specially designed so that it will not be confused with your personal cards. In all respects this is considered a regular credit card, however, THIS CARD MUST NOT BE USED FOR PERSONAL PURCHASES!
- 1.7.3.1 PERSONAL CREDIT CHECK: The cardholder will receive no literature from the issuing bank and no credit check of his/her personal credit history will be obtained.

PURCHASE CARD PROGRAM

- 1.7.3.2 **CARDHOLDER RESTRICTIONS:** Use of the PURCHASE CARD does not relieve the cardholder from prohibitions, controls, or required authorizations that exist within the State Purchases Regulations, or related Division of Purchases instructions regarding the acquisition of certain types of goods or within his/her department related to small purchases. Failure to comply with the aforementioned procurement regulations may result in suspension or cancellation of the Cardholder account and warrant revocation.
- 1.7.3.3 **CARDHOLDER LIABILITY:** Intentional use of this PURCHASE CARD for other than official state business will be considered an attempt to commit fraud against the State and can result in immediate cancellation of your PURCHASE CARD and disciplinary action. The cardholder will be personally liable to the State for the amount of any non-government purchases and could be subjected to criminal or civil penalties. You will NOT be responsible for charges on a lost or stolen credit card. (However, see paragraph 1.7.3.4 on the reporting of a lost or stolen PURCHASE CARD).
- 1.7.3.4 **LOST OR STOLEN CARDS:** If your card is lost or stolen you must notify the issuing bank immediately. Notify the issuing bank during normal business hours, after business hours and on weekends by calling: 1-800-270-7760. When contacting the issuing bank, the following information may be requested:

Cardholder's Complete Name
Account Number
Date Reported to Police (for stolen cards)
Any Purchase(s) made on the day the card was lost or stolen
Personal Information: 1) Mother's Maiden Name, 2) Social Security Number or 3) Date of Birth (whichever of three were provided for card issuance).

Also notify your Approving Official and the State Controller of a lost or stolen PURCHASE CARD as soon as possible.

PURCHASE CARD PROGRAM

NOTE: Personal information is requested only for transaction verification during the investigation process. It is for the cardholder's protection to prevent fraudulent use of the lost or stolen card. Notify the State Controller immediately after notification of the issuing bank. (See Appendix C - Points of Contact). Once the loss or theft has been reported to the issuing bank, a new card will be issued. It is important to carefully review the new statement and report any incorrect billings to the State Controller for immediate notification to the issuing bank. The State, as the cardholder, may be responsible for the charges against this card should the issuing bank not be notified at once of the loss of the card. You will not be responsible for charges on a lost or stolen card based on timely notification.

1.7.3.5 SAFEGUARDING PURCHASE CARDS: When not being carried by the Cardholder, PURCHASE CARDS should be safeguarded in the same manner as cash and the card stored preferably in an adequate security container. It is the responsibility of the Cardholder to assure the PURCHASE CARD is not accessible to others for improper use. The Cardholder should safeguard their Statement of Account and individual account number to prevent use by unauthorized personnel.

1.7.4 SPENDING LIMITS:

1.7.4.1 *SINGLE DOLLAR PURCHASE LIMIT*: This is the maximum dollar amount a Cardholder can spend in a single transaction. The single purchase may consist of a number of items handled as one transaction. A single purchase limit for each cardholder will be established for 1) non-MPA, non-travel purchase of goods or services, 2) MPA, non-travel purchase of goods or services and 3) for purchase of travel services. The cardholder's Approving Official will establish the single purchase limit for a cardholder to purchase travel services. A SINGLE ITEM REQUIREMENT MAY NOT BE SPLIT TO STAY UNDER THE SINGLE PURCHASE LIMIT. Any single item requirement for a non-MPA, non-travel purchase in excess of \$250 MUST be procured in accordance with Purchasing Laws and Regulations.

PURCHASE CARD PROGRAM

- 1.7.4.2 *CARDHOLDER DAILY **DOLLAR** PURCHASE LIMIT:* This is the maximum **dollar amount** a Cardholder can spend in a single day. The single daily limit may consist of a number of transactions. A “day” begins at 12:01 am and ends at 12:00 pm on the same date.
 - 1.7.4.3 *CARDHOLDER DAILY **TRANSACTION** PURCHASE LIMIT:* This is the maximum number of **transactions** a Cardholder can execute in a single day. A “day” begins at 12:01 am and ends at 12:00 PM on the same date.
 - 1.7.4.4 *CARDHOLDER MONTHLY (30-DAY) **DOLLAR** PURCHASE LIMIT:* This is the maximum dollar amount a Cardholder can spend in a single calendar month (from the 1st to the 31st).
 - 1.7.4.5 *CARDHOLDER MONTHLY **DOLLAR** PURCHASE LIMIT PER MCC GROUP:* This is the maximum dollar amount a Cardholder can spend in a single calendar month (from the 1st to the 31st) for a specific Merchant Category Code or group of codes.
 - 1.7.4.6 *CHANGING THE CARDHOLDER LIMITS:* To raise, lower or establish a new limit temporarily or permanently, the Approving Official must forward a written request via the Purchase Card User Form for approval to the State Controller who will process the increase with the issuing bank. Emergency requests to raise the limit will be handled by the State Controller by telephone but must be followed up in writing via the Purchase Card User Form approved by the cardholder’s Approving Official. If cardholders attempt to make purchases in excess of his/her established limit, the merchant's point of entry authorization device will not approve the purchase using the PURCHASE CARD.
- 1.7.5 **DISCONTINUING CARDHOLDER USE:** When a PURCHASE CARDHOLDER leaves the activity or moves to another department, he/she will notify the Approving Official. The Approving Official will, in turn, notify the State Controller in writing. The PURCHASE CARD will be cut in half and delivered to the State Controller. The State Controller will take action to revoke the Cardholder's card. The State Controller will cancel the cardholder's card with the issuing bank.

PURCHASE CARD PROGRAM

1.7.6 INTER-ACTIVITY TRANSFER: If a cardholder is moving to another department and the use of PURCHASE CARD is required by the gaining department, the Cardholder's current account will be canceled and a new card issued. Issuance of a new card requires a written request via the Purchase Card User Form by the gaining Department. The State Controller will complete and forward to the issuing bank the appropriate account maintenance forms.

1.7.7 INTERNAL REVIEW: A review of PURCHASE CARD statements and purchasing activity will be conducted periodically by the State Controller. Questionable purchases will be brought to the attention of the Approving Official. The State Controller will also conduct periodic reviews of internal controls and report findings to the Approving Official, respective Department Head and appropriate authority.

2.0 PURCHASE CARD PURCHASE PROCEDURES

2.1 GENERAL: This section provides the steps required by the cardholder to qualify a procurement action for the PURCHASE CARD, to select an appropriate vendor, to establish the requisition file and to make an over the counter, over the (tele)phone purchase or over the internet purchase.

2.2 PROCUREMENT NEED ESTABLISHED: The procurement process starts with an end-user's recognition of a material requirement. The end-user may contact his department Cardholder to determine if the item required is qualified for purchase by PURCHASE CARD. The PURCHASE CARD may be used for purchase of materials when requirements are within the Cardholder monetary limits and are not restricted by the law, regulation, or policy.

2.2.1 MATERIAL PURCHASE CARD QUALIFIED: The following conditions must be met to qualify the procurement for PURCHASE CARD:

- The required material is not available through your inventory system.
- The material is NOT on Restricted Items List, Appendix B.
- The material is for immediate use and not for creating stock or a spares inventory.
- The total cost of the purchase transaction including any transportation charges is within the single purchase threshold. SPLITTING A PURCHASE BETWEEN TWO OR MORE PURCHASE TRANSACTIONS IS STRICTLY PROHIBITED.
- The required items must be commercially available off the shelf items, EXCLUDING MATERIAL REQUIRING INSPECTION TO SPECIFICATION AND/OR DRAWING.

PURCHASE CARD PROGRAM

- MULTIPLE ITEMS - A single purchase may be comprised of multiple items but the total PURCHASE CARD charge receipt cannot exceed the authorized single purchase limit.
- SERVICES - The PURCHASE CARD may be used for the acquisition of certain types of services. The only services that can be purchased with the PURCHASE CARD are those routine, repetitive commercial services that are offered to the general public at firm fixed price. The Cardholder must be able to determine the price of services to be fair and reasonable at the time of the purchase, prior to performance. This determination of fair and reasonable price must be made in accordance with the guidance in Appendix A. Expert or consultant service, or any services, including repairs, which are open-ended and paid for on an hourly or time and material basis upon completion are explicitly excluded. **The following are the only services that may be purchased: tele-copier (fax) services, printing and duplicating services, newspaper advertisements, subscription services and one-time courier and delivery services.**
- HAZARDOUS MATERIALS: The PURCHASE CARD may be used to purchase hazardous materials, but only those which are “commonly used.” “Commonly used” means those materials and products which are customarily sold to the general public to be used for non-governmental purposes. Such materials and products are those required on a routine basis to meet daily operational needs such as lubricants, batteries, toner cartridges, detergents, mercury, etc.

The Cardholder has the authority to make multiple purchases for material of the specified type during that billing period, so long as:

- Each purchase does not exceed the single purchase limit ,
and
- Requirements are not “split” to avoid that limit.

Cardholders must retain itemized receipt documentation so that each individual transaction can be reconciled against the Statement of Account at the end of the billing period.

2.2.2 VENDOR RESEARCH AND SELECTION: The considerations addressed in the following paragraphs will assist the Cardholder and/or end-user in selecting a qualified vendor, consolidating purchases, determining a fair and reasonable price, facilitating timely material receipt, and preparing required purchase documentation respective of procurement regulations. All purchase regulations currently in effect apply to PURCHASE CARD transactions and

PURCHASE CARD PROGRAM

compliance is facilitated through the processes and concerns identified in this procedure.

ACCEPTANCE of the PURCHASE CARD - Make sure that the vendors queried understand that you are intending to use a PURCHASE CARD for payment. Vendors are unaccustomed to the term "Government PURCHASE CARD" and may unknowingly miss an opportunity to support your requirement. Any vendor participating in a credit card system must accept the government PURCHASE CARD. THE VENDOR MUST KNOW THAT THIS IS A QUERY AND NOT A PURCHASE AT THIS POINT OF PURCHASE CARD PURCHASE PROGRESSION.

MATERIAL AVAILABILITY - In most PURCHASE CARD transactions, the material requirement is immediate, therefore the vendor should have the material in stock or available for pick up within one or two days. When the requirement can't be satisfied locally, selection will be based on vendors ability to have the material shipped promptly. This requirement is to assure material delivery before Cardholder Statement of Account reconciliation to preclude processing a dispute unnecessarily. Also, where more than one item is being purchased, the vendor must charge for only those items shipped.

COST FAIR AND REASONABLE – There are three primary methods used in assessing price reasonableness for Cardholders. These methods are:

1. Competitive Quotes
2. Published price lists
3. Price History

The prices paid for each purchase with PURCHASE CARD must be considered fair and reasonable based on the cardholder and/or end-user employing at least one of the above methods. Appendix A provides detailed explanation of each method. The cardholder is required to be familiar with the provisions contained in Appendix A and assure compliance.

TAX EXEMPTION – At the time of query and purchase you must advise the merchant that the purchase is for Official R.I. Government purposes and therefore is not subject to state or local sales tax. If the vendor asks for a tax exempt number, point out that the face of your PURCHASE CARD indicates "RI GOVT TAX EXEMPT" and the TAX EXEMPT NUMBER: 056000522 in embossed letters.

VENDOR SELECTION – The cardholder must consider giving priority to certified minority-owned business vendors and local small business vendors, providing in his/her judgment the vendor is within price reasonableness thresholds. The price reasonableness threshold

PURCHASE CARD PROGRAM

is influenced by elements impacting end-user productivity and costs associated with shipping and receipt processing when a remote vendor is selected.

Important points to consider in the vendor selection process:

Master Price Agreement (MPA) Vendors - If an MPA exists for the commodity or service needed, the cardholders must use the MPA vendor.

Rotate Vendors - Locate and establish several businesses for material purchases. Do not use the same vendor repeatedly.

Conflict of Interest - Do not purchase from friends or relatives. Do not purchase from companies you have a material investment or ownership interest in, or with which you have a personal interest in.

Questionable Items - Do not purchase items that are of a questionable quality and content. Check with the end-user and Office of Purchases before making the purchase if you have questions.

2.2.3 SELECT METHOD OF PURCHASE CARD PURCHASE: The Cardholder must determine which approach, Over the Counter (over-the-counter) or Over the Phone (over-the-(tele)phone), or Over the Internet (over-the-internet) is most appropriate. Obviously, when the selected vendor is not local, an over-the-(tele)phone and "Ship To" purchase would be executed, discussed in detail in paragraph 2.4. For local purchases, consideration is given to availability of personnel to effect material pick-up or vendor willingness to deliver the material.

2.3 OVER-THE-COUNTER: There are two situations that establish an over-the-counter purchase:

- (1) The Cardholder is available to go to the vendor place of business (POB) to effect material receipt.
- (2) The vendor delivers the material to the Cardholder and has the ability to IMPRINT the Cardholders PURCHASE CARD on-site.

Factors to consider are transportation, material receipt timeline requirements and facilitating security of the material.

2.3.1 TRANSACTION COORDINATION: If the cardholder is to receive the material at the vendor's place of business, establish the date and time with the selected vendor for Cardholder arrival. This is to assure material availability and facilitate timely material receipt processing. If the vendor is to deliver the material, this constitutes an over-the-

PURCHASE CARD PROGRAM

counter purchase. The Cardholder will establish the date and time to meet the vendor at Receiving. The Cardholder will arrange to remove material immediately upon completion of the PURCHASE CARD transaction.

2.4 OVER-THE-(TELE)PHONE: AN OVER-THE-(TELE)PHONE PURCHASE APPROACH SUPPORTS CIRCUMSTANCES PREVENTING CARDHOLDER PURCHASE CARD IMPRINTING ON VENDOR PURCHASE DOCUMENTATION. It is the only time in which the Cardholder will give his/her PURCHASE CARD number and purchase request over the phone. It is very important that the following PURCHASE CARD program parameters are related to the vendor by the Cardholder:

- NO SALES TAX is to be added
- PARTIAL SHIPMENTS SHOULD BE AVOIDED, all materials available at pick-up
- NO SURCHARGES for PURCHASE CARD use
- NO BILLING UNTIL MATERIAL PICK-UP/DELIVERY
- MATERIAL MUST BE ITEMIZED

2.4.1 "WILL CALL" VENDOR TRANSACTION: This process involves material pick-up by the end-user and/or an expediter. When contacting the vendor to make the phone buy and coordinating material pick-up, the Cardholder must advise the vendor of the name of the person who is authorized to pick up the ordered item(s). The Cardholder will instruct the vendor to check the person's identification before providing the material.

2.4.2 "SHIP TO" VENDOR TRANSACTION: When placing the PURCHASE CARD purchase with a remote vendor, the following information must be related to the vendor and compliance emphasized for continued PURCHASE CARD utility:

NO TAX is to be added to purchases

PARTIAL SHIPMENTS SHOULD BE AVOIDED

PRICE QUOTED IS FOB DESTINATION, which includes shipping charges

ITEMS MUST BE RECEIVED PROMPTLY, (PREFERABLY BEFORE account reconciliation)

PURCHASE CARD PROGRAM

NO BILLING TO CREDIT CARD ISSUER UNTIL ITEMS ARE SHIPPED

ALL VENDOR PACKAGES AND SHIPPING DOCUMENTATION MUST BE PROPERLY ANNOTATED WITH, NAME AND BUILDING NUMBER OF THE PERSON TO WHOM THE MATERIAL SHOULD BE DELIVERED (i.e. either the Cardholder or the End-user - See section 3.5), AND THE STATEMENT "CREDIT CARD PURCHASE."

ADVISE THE VENDOR'S SALES AGENT TO INFORM THE VENDOR ACCOUNTING AND SHIPPING DEPARTMENTS OF THESE REQUIREMENTS.

- 2.5 OVER-THE-INTERNET: AN OVER-THE-INTERNET PURCHASE ALSO SUPPORTS CIRCUMSTANCES PREVENTING CARDHOLDER PURCHASE CARD IMPRINTING ON VENDOR PURCHASE DOCUMENTATION.

"SHIP TO" VENDOR TRANSACTION: When placing the PURCHASE CARD purchase with a remote vendor via the Internet, the following information must be related to, and compliance emphasized with, the vendor.

NO TAX is to be added to purchases

PARTIAL SHIPMENTS SHOULD BE AVOIDED.

PRICE QUOTED IS FOB DESTINATION which includes shipping charges.

ITEMS MUST BE RECEIVED PROMPTLY (preferably before account reconciliation).

NO BILLING TO CREDIT CARD ISSUE UNTIL ITEMS ARE SHIPPED.

All vendor packages and shipping documentation must be properly annotated with name and building number of the person to whom the material should be delivered (i.e., either the cardholder or the end user – See Section 3.0), and the statement: "Credit Card Purchase."

Advise the vendor's sales agent to inform the vendor accounting and shipping departments of these requirements.

- 2.6 OUT OF STATE TRAVEL PROCEDURES

2.6.1 Traveler follows his/her departmental policies and procedures to initiate out of state travel.

2.6.2 **ALL** Travelers complete an A-47 form; then forwards the A-47 form to his/her *authorized agent* for approval.

PURCHASE CARD PROGRAM

- 2.6.3 The authorized agent approves the A-47 form and forwards it (in a timely manner to enable travelers to secure the early booking discounts) to the Budget Office for approval. **Time sensitive travel arrangements must be clearly marked on the A-47 form.**
- 2.6.4 The Budget Office approves A-47 form; then forwards it to Office of Accounts and Control.
- 2.6.5 Office of Accounts and Control reviews form and assigns a travel authorization number. Office of Accounts and Control notifies traveler that A-47 form is approved via posting traveler's name and authorization number to web site screen. Once notified, all travel arrangements should be made as soon as possible.
- 2.6.6 Traveler's business office or traveler makes travel arrangements with state travel agency. The state travel agency will use the state purchase card to pay hotel, airfare and pre-approved car rental. Travelers shall notify the state travel agency and the Office of Accounts and Control of trip cancellation as soon as possible. The state travel agency shall seek a refund/credit from vendors.
- 2.6.6.1 Charges for hotel, airfare and pre-approved car rentals will appear on PAYMENTNET web page.
- 2.6.6.2 Agency (Purchase Card) contact person will edit accounting of each transaction within the PAYMENTNET web page and enter traveler's name (last name, first name) in the designated field. Agency (Purchase Card) contact person reviews and approves charges on PAYMENTNET web page.

PURCHASE CARD PROGRAM

- 2.6.6.3 Within the first five business days of each month, The Agency (Purchase Card) contact person will print out the statement of the preceding month, attach one copy of each travel itinerary, receipt or confirmation for the same period to the statement and forward all to an authorized agent. The authorized agent approves purchase card charges appearing on the statement by signing the Purchase Card Payment Authorization Form.
- 2.6.7 Upon return, traveler completes and submits A-14 form to their business office within one week of completed travel. The employee's business office will review the A-14 form and complete an employee advance and expense report (original invoices attached). **The traveler must submit their A-14 with all applicable receipts attached even if no reimbursement is required. If a refund is due from the traveler, the traveler must submit their A-14 with all applicable receipts and a copy of the RI SAIL "BSJE" document accounting for the employee reimbursement.**
- 2.6.8 An authorized agent approves the employee advance and expense report and forwards it with attachments to Office of Accounts and Control for payment
- 2.6.9 Office of Accounts and Control matches approved employee advance and expense report with A-47 and pays employee advance and expense report voucher.

3.0 -- DELIVERY AND RECEIPT PROCEDURES

- 3.1 GENERAL: This section provides the procedures for proper delivery and receipt processing of material purchased with the PURCHASE CARD. The procedures are designed to accommodate compliance with regulatory requirements relative to separation of procurement functions, assure that only approved materials are purchased with the PURCHASE CARD for the utility and consumption of state government and provide effective material accountability transfer.
- 3.2 INITIATE MATERIAL RECEIPT PROCESS: Material receipt is initiated when: (1) the Cardholder leaves the activity to effect material pick-up; or (2) when the Cardholder provides shipping and marking instructions to the vendor.
- 3.3 CARDHOLDER PICK UP: The cardholder will select or verify the material at the vendors facility. The vendor may have assembled the material for pick-up or local delivery. Inventory the material to confirm the order is complete and check for the quality of the material. If there is a question as to the quality, identification or substitution of any item inspected, contact the end-user to determine whether material is acceptable. Although PURCHASE CARD

PURCHASE CARD PROGRAM

purchases qualify for consumer protection provisions, do not purchase any item of questionable quality.

- 3.3.1 REVIEW DOCUMENTATION AND ITEMIZATION: Review vendor documentation assuring that no unauthorized charges are reflected such as sales tax, PURCHASE CARD utility surcharge, re-stocking, etc.. All materials purchased must be itemized on either the PURCHASE CARD charge form or a cash register receipt.
- 3.3.2 IMPRINT CARD, SIGN AND RECEIVE PURCHASE CHARGE FORM: Provide the vendor with your PURCHASE CARD for imprinting embossed data onto the PURCHASE CARD charge form. RETRIEVE YOUR PURCHASE CARD IMMEDIATELY AFTER IMPRINTING. Review the imprinted PURCHASE CARD charge form to assure that the total price is as quoted or less if a discount is provided. Discounts must be identified on the form. Sign the PURCHASE CARD form on the Cardholder line and receive the Cardholder or Customer Copy.
- 3.3.3 MATERIAL ACCOUNTABILITY TRANSFER: When the Cardholder returns from the vendor with the material, it is then taken to the end-user. The end-user will certify the material receipt by comparing the PURCHASE CARD flimsy and/or cash register receipt to the quantity and actual material requisitioned. If there are no discrepancies, the end user will print his/her name, sign and date the backside of the PURCHASE CARD flimsy. This process verifies material transfer from the Cardholder to the end user.
- 3.4 END-USER OR EXPEDITER PICK-UP: The end-user or expeditor will receive from the cardholder a completed "WILL CALL PICK UP FORM". The form provides the end-user or expeditor with the necessary information and a checklist to properly receive material from the vendor. The form identifies the bearer as authorized to receive the material.
 - 3.4.1 INVENTORY MATERIAL AND COMPLETE "WILL CALL" FORM: The vendor may have assembled the material for pick-up. The end-user or expeditor will inventory the material and review documentation assuring that all the material is reflected. Then the documentation will be reviewed against the PURCHASE CARD pick up form to assure only authorized charges are reflected. The end-user or expeditor will sign the front of the PURCHASE CARD charge form, NOT THE CARDHOLDER LINE, to certify receipt of the material from the vendor. ONLY THE CARDHOLDER CAN SIGN ON THE "CARDHOLDER SIGNATURE" LINE.
 - 3.4.2 CERTIFY RECEIPT AND VALIDATE DOCUMENTATION: The end-user or expeditor must arrange for the Cardholder to certify the material receipt BEFORE UTILIZATION. The end user will print his/her name,

PURCHASE CARD PROGRAM

sign and date the back of the flimsy. The cardholder will retain the flimsy for reconciliation processing.

- 3.5 **CARDHOLDER PROVIDES VENDOR SHIPPING AND MARKING INSTRUCTIONS:** The Cardholder can instruct the vendor to ship and mark the material for him/herself, or for the end-user. In either case, the vendor must be instructed to include in the marking information, **THE NAME AND BUILDING # OF THE PERSON TO WHOM DELIVERY IS TO BE MADE.** This information is to be followed by the address of the applicable location (see Section 2.4.2). **SHIPMENTS SHOULD BE TO ONLY AUTHORIZED AND APPROVED STATE GOVERNMENT LOCATIONS.**
- 3.5.1 **MATERIAL RECEIPT AND DELIVERY:** Since all material purchased by PURCHASE CARD and other small purchases are initially delivered to Supply Receiving Operations at all locations; receiving personnel will note who the material is marked for, and will deliver the material to that person. Cardholders must keep in mind that receiving personnel keep no records of these deliveries, so if the Cardholder instructs the vendor to ship material to anyone other than him/herself, **THE CARDHOLDER MUST MAKE ARRANGEMENTS TO OBTAIN THE ITEMIZED RECEIPT DOCUMENTATION AND EVIDENCE OF MATERIAL ACCOUNTABILITY TRANSFER.**
- 3.5.2 **VALIDATE DOCUMENTATION AND CERTIFY MATERIAL RECEIVED:** Upon material receipt the Cardholder will inventory the material to assure that the shipment is complete and correct. The documentation will be reviewed by the Cardholder for authorized charges and correct total price. Any discrepancies will be documented and the vendor contacted immediately by the Cardholder for resolution. If the Cardholder directed the vendor to ship/mark the material for the end-user, the Cardholder is responsible for ensuring that this validation is accomplished.
- 3.5.3 **ACCOUNTABILITY TRANSFER TO END-USER:** The end-user will inventory the material to determine if documentation accurately identifies the material received. The end-user will certify the receipt by printing his/her name and signing the back of the documentation listing the material. If material is damaged or is not what was ordered, the Cardholder will contact the vendor to arrange for return of material and replacement and/or credit.
- 3.6 **PREPARE DOCUMENTATION FOR RECONCILIATION AND FILE:** Assemble all related documentation to include forms used, vendor itemization, records of discussion with the vendor, etc. and staple together. Place in a file containing all active PURCHASE CARD purchases.

4.0 PURCHASE CARD RECONCILIATION PROCEDURES

PURCHASE CARD PROGRAM

- 4.1 REVIEW OF TRANSACTIONS: Periodically during each month, the Cardholder and/or the Authorized Agent will go the PURCHASE CARD company's web site {<http://www.PAYMENTNET.COM>} and edit the credit card transactions posted up to that date as needed (i.e., change line item, change natural account, split transaction(s), etc.) Division Chiefs and/or Managers will be responsible for reviewing and approving the credit card transactions posted during each month. Each transaction that is reviewed and approved should be marked "reviewed".
- 4.1.1 INAPPROPRIATE TRANSACTION(S): If a transaction appears due to a Cardholders unauthorized/inappropriate use of the PURCHASE CARD, the card should be retrieved from the Cardholder and cut in half and forwarded to the State Controller. The State Controller's Office shall notify the PURCHASE CARD company to cancel the card. Disciplinary action should be initiated against the employee.
- 4.1.2 ERRONEOUS VENDOR TRANSACTION: A discrepancy in vendor billing will be determined at one of two occasions, (1) with shipping documentation upon receipt of the material ordered or (2) during reconciliation of the Cardholder Statement of Account for the previous billing cycle. Before a transaction can be put in "dispute", the Cardholder MUST attempt to contact the vendor.
- 4.1.3 DISCREPANCY DISCOVERED UPON RECEIPT OF MATERIAL: If the vendor is in agreement, the vendor will initiate a CREDIT that should be reflected on a Cardholder Statement of Account. If the vendor disagrees with the Cardholder, dispute procedures must be followed.
- 4.1.4 DISCREPANCY DISCOVERED UPON RECONCILIATION OF STATEMENT OF ACCOUNT: If vendor is in agreement, the vendor will initiate a CREDIT that will be reflected on the NEXT Statement of Account.

If the transaction is questioned due to a vendor error (damaged goods, delivery to wrong address), the Division Chief or Manager should enter a description of the error in the "transaction notes" field and is responsible to insure that the vendor corrects the error or posts a credit for the erroneous transaction(s).

ERRONEOUS PURCHASE CARD COMPANY TRANSACTION: Determine if the charges on Cardholder's Statement of Account are authorized by matching procurement receipts with statement line items. MAKE SURE BY REVIEW OF RETAINED RECONCILIATION PACKAGE COPIES THAT THE CHARGE IS NOT RELATED TO A PREVIOUS BILLING CYCLE.

If the transaction is questioned due to an error by the PURCHASE CARD company, the Division Chief or Manager should enter a

PURCHASE CARD PROGRAM

description of the error in the “transaction notes” field and is responsible to insure that the vendor corrects the error or posts a credit for the erroneous transaction(s).

- 4.2 RECONCILE STATEMENT OF ACCOUNT: Within five (5) business days after the end of a month, the Cardholder will reconcile those items "qualified for billing" in their PURCHASE CARD file to the Cardholder Statement of Account (*Each line item on the Cardholder Statement of Account should have a related receipt of material to be qualified for billing. The Cardholder will review items not billed on previous Cardholder Statement of Accounts to ensure against mistaking an authorized charge on subsequent statements as "unallocated/unauthorized cost".*). Determine status of material receipt for the current cycle and material not received on last billing cycle has been received by reviewing material receipt documentation. The following conditions identify related processing.
- 4.2.1 VENDOR CREDIT REFLECTED - NO ADJUSTMENT TAKEN PREVIOUSLY: This condition requires no follow-up action. If a vendor provided credit voucher was obtained, forward with the reconciliation package.
- 4.2.2 VENDOR CREDIT NOT REFLECTED ON THE STATEMENT OF ACCOUNT: Contact the vendor to determine if CREDIT will be processed. Advise the vendor that a CREDIT must be processed to preclude DISPUTE/CHARGEBACK processing by the issuing bank.
- 4.3 DISCREPANCY REPORTING: If other discrepancies exist contact the vendor, initiate correction and make the appropriate annotation on the discrepant transaction line of the Cardholder Statement of Account. After annotating the discrepancy on the Cardholder Statement of Account, send the signed original to the State Controller with the reconciliation package with any other available supporting documentation (i.e., shipping documentation, refund voucher, credit voucher, etc.).
- 4.4 ASSEMBLE RECONCILIATION PACKAGE: Compile all documentation relative to PURCHASE CARD transactions reflected on the Cardholder Statement of Account, forward the original and support documentation to the State Controller, via the approving official. The Reconciliation Package consists of the following:
- Original Purchase Card Payment Authorization Form.
 - Original of the Cardholder Statement of Account
 - Receipt documentation
 - Any other supporting documentation (i.e., refund voucher, credit receipt, etc.)

CARDHOLDER: On the first business day of the month, print out your statement for the previous month. Attach all receipts and support

PURCHASE CARD PROGRAM

documentation for transactions appearing thereon and forward to your approving official (your manager or division chief).

APPROVING OFFICIAL: During each month visit PAYMENTNET web site to review transactions. Review the reconciliation package received from your cardholder(s) and forward to your authorized agent for payment authorization at the beginning of each month.

AUTHORIZED AGENT: Within the first five business days of the month, review the reconciliation package received from your cardholder(s), sign the Purchase Card Authorization Form (to cover ALL reconciliation packages for the month) and forward to the Office of Accounts and Control for payment.

- 4.5 **AUTHORIZED AGENT REVIEW AND SIGNATURE:** Forward the Reconciliation Package to your Authorized Agent for final review, certification and signature. The Authorized Agent will review the monthly PURCHASE CARD statement of each CARDHOLDER to determine accuracy and completeness in accordance with small purchase and PURCHASE CARD procedures. The Authorized Agent shall compile the Reconciliation Packages of his/her division/department/agency and forward all individual statements in one package to the State controller's office for payment.

TIMELY RECEIPT OF STATEMENTS - Should the Authorized Agent not receive all the statements, it will be the Authorized Agent's responsibility to contact the Cardholder and obtain the statement. In the event the Authorized Agent is absent, another Authorized Agent may reconcile and forward a department/agency package to the State Controller.

- 4.6 **FORWARD RECONCILIATION PACKAGE TO THE PURCHASE CARD PROGRAM COORDINATOR:** The Authorized Agent will forward all Reconciliation Packages of his/her division/department/agency at the same time to the State Controller. The State Controller must be provided with the Cardholder Statement of Account reconciliation package within 5 working days of the end of the month. The package will be audited for accuracy and propriety of purchases. The audit will assure that purchases are authorized and made in accordance with procedures. The State Controller will contact the Authorized Agent of the Cardholder for additional information on questionable items.

The PURCHASE CARD company will mail a statewide monthly statement of account to the Office of Accounts and Control. The Office of Accounts and Control will download all of the month's transactions into RISAIL and issue payment to the PURCHASE CARD company.

- 4.7 **PURCHASE CARD FILE MAINTENANCE:** Cardholders are required to maintain COPIES of all PURCHASE CARD transactions until discrepancies are resolved. The Department/Agency business office will retain a copy of the monthly reconciliation package of each CARDHOLDER. When the Cardholder Statement of Account is completely reconciled, the copy of the monthly reconciliation

PURCHASE CARD PROGRAM

package will be maintained for 6 months. The State Controller will maintain the official records of PURCHASE CARD transactions.

5.0 RETURNS, REFUNDS AND CREDITS

- 5.1 **GENERAL:** Government PURCHASE CARD purchases are eligible for provisions of the Consumer Protection Act. Also, there are elements of the PURCHASE CARD Operation Procedures that enforce the act and protect the cardholder from utility surcharges.
- 5.2 **MERCHANDISE RETURN CREDIT FROM LOCAL VENDOR - CURRENT CYCLE:** If, after purchase during the current billing cycle, the cardholder or end-user determines that the item is to be returned, the cardholder is responsible for the return **MUST** receive refund documentation from the vendor. The refund must be in the form of a Credit to the purchase card account, **AT NO TIME IS THE CARDHOLDER TO ACCEPT A CASH REFUND FOR A PURCHASE CARD PURCHASE.** File the Credit Voucher in your PURCHASE CARD File Folder.

NOTE: If the vendor will not accept the return and/or provide a Credit Voucher, instead of a cash refund, retain the merchandise and contact the State Controller immediately.

CREDIT REFLECTED - If upon review of the cardholder Statement of Account it is determined that the credit is reflected, then forward the Credit Voucher with the rest of the reconciliation package.

CREDIT NOT REFLECTED - If upon review of the cardholder Statement of Account it is determined that the credit is not reflected, the cardholder, approving official or authorized agent should follow up with the vendor to obtain a credit against the cardholder's account.

- 5.3 **CREDIT FROM REMOTE VENDOR:** If the cardholder determines upon receipt of material from a remote vendor that an inappropriate or unauthorized charge was applied, the cardholder must contact the vendor for resolution. The vendor should apply a credit for the amount questioned or refund the total purchase amount and re-bill for the correct amount, this will be reflected accordingly on the Cardholder Statement of Account. The cardholder should prepare a memorandum regarding the situation and file in your PURCHASE CARD File Folder until the monthly Statement of Account is received

PURCHASE CARD PROGRAM

- 5.4 AIRFARE, LODGING AND CAR RENTAL REFUNDS: If a need to cancel a previously approved out of state trip arises and the trip has been paid using the agency ghost card account, the procedures outlined below should be followed.

The employee at the agency who has been designated as the “contact person” for the agency ghost card shall notify the state travel agency of the need to cancel the trip and request a “credit” for each original “charge” transaction related to the trip (common carrier, lodging, car rental). The travel agency will contact each vendor that was originally contacted to provide services for the trip to obtain “credits” against the ghost card account that was originally charged.

Department of Administration
OFFICE OF ACCOUNTS AND CONTROL

PURCHASE CARD PROGRAM

APPENDIX A

FAIR AND REASONABLE PRICE DETERMINATION

PURCHASE CARD PROGRAM

APPENDIX A

DETERMINATION OF FAIR AND REASONABLE PRICE

1. "Employees shall purchase supplies and services from responsible sources at fair and reasonable prices." This section is intended to familiarize you with the various factors which affect a price and to show how those factors also affect price reasonableness.
2. There are three primary methods for determining price reasonableness of purchases made with the PURCHASE CARD:
 - 2.1. Competition among qualified vendors
 - 2.2. Comparison with published price lists for commercial items sold to the general public
 - 2.3. Comparison with prices paid on previous purchases
3. The reason so much emphasis is placed on determining a fair and reasonable price is to ensure that fair value is received through the expenditure of public funds.
4. There are five rules of thumb to remember when purchasing materials in order to determine price reasonableness. They are:
 - 4.1. Right quality
 - 4.2. Right quantity
 - 4.3. Right price
 - 4.4. Right source
 - 4.5. Right time

Only after these five R's have been met can the price be reviewed for reasonableness.

5. Quality is determined by the reconciliation of two inseparable considerations: (1) technical considerations of suitability, and (2) economic considerations of cost and availability. As a cardholder, you can help ensure the quality of items purchased by exercising your knowledge of the materials (know what you are buying), by keeping current with the conditions in the markets and economic trends, and by fully utilizing your knowledge and experience regarding reliable sources of supply. During the course of doing business with suppliers, there are many instances when the suppliers propose alternatives to the item you are purchasing that will perform the same function at a lower price. This should always be considered and discussed with the end-user.

PURCHASE CARD PROGRAM

6. The second of the five R's is quantity. Purchasing the right quantity is as important as obtaining the right quality, and will also have an effect on the price. The cardholder has the responsibility to review the quantity of material required. Items purchased with the PURCHASE CARD are for immediate use, not to create stock to be expended over time. Establishing multiple "stocks" of items increases losses due to obsolescence, deterioration, and shrinkage. The PURCHASE CARD Program is not intended to circumvent the state's normal procurement practices for stock items and will not be used to replenish stock or spares.
7. Prudent buyers interpret the right price to mean "a price that is fair and reasonable to both the buyer and the seller." What constitutes a fair and reasonable price varies from buy to buy and is dependent upon the factors influencing the five R's. When you are satisfied that the conditions of the five R's will be met, the next step is to determine a fair and reasonable price. The three methods you can use to do this are, in priority order from most to least preferred are Competitive quotes, Published price lists (or other prices established under market condition), and/or Comparison with price history.

7.1 COMPETITIVE QUOTES

To reduce administrative costs, the regulations provide that small purchases valued at less than \$250 may be awarded without soliciting several quotes. However, if the quotes can be obtained without undue effort, this method is preferred. It may also be necessary regardless of the effort required if neither of the other two methods can be used. When using competitive quotes, you must ensure that vendors are quoting exactly the same item.

7.2. PUBLISHED PRICE LISTS

Published price lists are often made available by suppliers; however, the arbitrary use of them can cause problems. When using price lists, you must be aware that the prices listed are generally asking or "list" prices and may not be selling prices. Also, it is your responsibility to ensure that the price list or catalog you are using is current and is available to the general public.

7.3. PRICE HISTORY

Recommendations from the end-user, your knowledge of the material being purchased, and information from previous purchases can be used to determine the right price. When comparing prices with previous purchases, the cardholder buyer must ensure that the quantities and circumstances of the purchase are similar. Unless you know the circumstances surrounding each procurement are similar, the two purchases cannot be compared for the purposes of determining a fair and reasonable price. When internal information is not sufficient to determine a fair and reasonable price and competition cannot be obtained, the Office of Purchases must make the purchase.

Department of Administration
OFFICE OF ACCOUNTS AND CONTROL

PURCHASE CARD PROGRAM

APPENDIX B

RESTRICTED ITEMS

Department of Administration
OFFICE OF ACCOUNTS AND CONTROL

PURCHASE CARD PROGRAM

APPENDIX B
RESTRICTED ITEMS

These items shall not be purchased with the PURCHASE CARD.

Bottle-type water coolers

Cash advance through bank teller or automated teller machines.

Construction services and supplies (except small tools and nominal expenses).

Hazardous material may not be purchased unless it is "commonly used." (See Section 2.2.1)

Department of Administration
OFFICE OF ACCOUNTS AND CONTROL

PURCHASE CARD PROGRAM

APPENDIX C

POINTS OF CONTACT

Department of Administration
OFFICE OF ACCOUNTS AND CONTROL

PURCHASE CARD PROGRAM

APPENDIX C

POINTS OF CONTACT

<u>NAME / ADDRESS</u>	<u>PHONE / FAX NUMBERS</u>
Maureen Fletcher Chief Preaudit Supervisor Office of Accounts and Control One Capitol Hill, Fourth Floor Providence, RI 02908 MaureenF@gw.doa.state.ri.us	(401) 222-5067 (401) 222-6437 (Fax)
Joyce Gervasio Office of Accounts and Control One Capitol Hill, Fourth Floor Providence, RI 02908 JoyceG@gw.doa.state.ri.us	(401) 222-5066 (401) 222-6437 (Fax)
Lynn Loveday Office of Accounts and Control One Capitol Hill Providence, RI 02908 Lynnl@gw.doa.state.ri.us	(401) 222-2612 (401) 222-6437 (Fax)

Department of Administration
OFFICE OF ACCOUNTS AND CONTROL

PURCHASE CARD PROGRAM

APPENDIX D

GLOSSARY OF TERMS

PURCHASE CARD PROGRAM

APPENDIX D

GLOSSARY OF TERMS

APPROVING OFFICIAL: An employee of a state department designated by the director of that department to review and approve all credit card user applications, transactions and reconciliation's for that department.

AUTHORIZED AGENT: An employee of a state department designated by the director of that department to review and approve vouchers to pay vendors for goods and services.

BILLING CYCLE: The state is on a calendar month billing cycle.

CARDHOLDER(S): An employee of a state department who has been approved to hold and use the purchase card for approved state purchases.

OVER-THE-COUNTER: A purchase transaction, using the credit card, where the vendor has the capability to imprint the credit card for the purchase. This type of transaction can occur in two situations: (1) the cardholder goes to the vendor's place of business to purchase and receive the material; (2) the vendor delivers the material to the cardholder and can imprint the credit card for the transaction.

OVER-THE-INTERNET: A purchase transaction, using the credit card, where the cardholder effects a purchase by data-entering a purchase request with the vendor via a computer. The vendor then delivers the merchandise to the cardholder or the end user.

OVER-THE-TELEPHONE: A purchase transaction using the credit card where the cardholder effects a purchase via telephone to a vendor customer service representative or to an automated telephone response unit. The vendor then delivers the merchandise to the cardholder or the end user.

PURCHASE CARD. A commercial credit card issued by a financial institution to accommodate small dollar value purchases by state departments.

PURCHASE CARD PROGRAM COORDINATOR: The State Controller is the PURCHASE CARD Program Coordinator. As such, he is responsible for maintaining all policies and procedures related to the program.

WEB-BASED ACCESS: A secure internet web site for use by the State of Rhode Island only. This site is where cardholders, managers, and the program administrator can review transactions, edit transactions, dispute postings, etc.