

**MISSISSIPPI MILITARY DEPARTMENT
STATE SMALL PROCUREMENT CREDIT CARD
STANDARD OPERATING PROCEDURES**

1. PURPOSE: The purpose of this manual is to establish policies and procedures for the use of the state small procurement credit card. This manual is intended to accomplish the following:

- To ensure that procurement with the credit card is accomplished in accordance with the regulations of the Office of Purchasing, Travel and Fleet Management (OPTFM), Purchasing Laws of the State of Mississippi and rules established by the Mississippi Military Department.
- To ensure appropriate internal controls are established within each department procuring with the credit cards so that they are used for authorized purposes only.
- To ensure that the Mississippi Military Department bears no legal liability from inappropriate use of credit cards.
- To provide a convenient and efficient method of purchasing small dollar orders for goods and services needed by the Mississippi Military Department.

2. SCOPE: This manual will be applicable to those selected employees using state credit cards to purchase goods and services. The decision of when a credit card is issued, and to whom, will be decided by the State Budget Manager, the Director, State Resources and the Director, State Purchasing and Contracting.

3. BACKGROUND: The Mississippi Military Department has used various methods to accomplish the procurement of goods and services. Some of these methods have proven costly, time consuming, and occasionally merchants have not accepted them. To promote vendor acceptance and operational efficiency, the credit card program has been adopted.

4. GENERAL INFORMATION:

a. Websites to be used

(1) Office of Purchasing, Travel and Fleet Management, procurement card services guidelines and forms: <http://www.dfa.ms.gov/dfa-offices/purchasing-travel-and-fleet-management/marketing-and-audit/procurement-card-services/>

(2) State Purchasing and Contracting Division regulations and forms: <https://www.ms.ng.mil/> then go to Resources, State Resources, then Purchasing and Contracting.

b. Request for Cardholder/s or Changes to Credit Card

(1) Request for the cardholder/s will be done by submitting to the Director, State Purchasing and Contracting, a “Request for Small Purchase Credit Card Authority Form” available on the State

Purchasing and Contracting website, along with the “Procurement Card Purchase Setup Form” and the “Cardholder Agreement Form” available on the OPTFM Website.

(2) Requests for credit cards must be approved by the State Budget Manager, the Director, State Resources, and the Director, State Purchasing and Contracting.

(3) Cardholder and their Supervisor will be required to attend a training class for use of the card and to personally sign for their credit card.

(4) Changes to current cardholder/s will be done in writing.

c. **The Credit Card**

The card will have the individual’s name, account number, expiration date, and the Mississippi Military Department name. The credit card contractor may have individual cardholder’s official job title, department, supervisor, social security number, work address and phone number. No credit records, files or reporting of the individual cardholder’s credit is required.

d. **Credit Card Authorization/Spending Limit**

Since the Mississippi Military Department, not the individual employee, will pay for the purchases made with the credit card, additional controls have been added to these accounts. When authorization is sought for a purchase by the merchant and before authorization for that transaction is granted, their system will check the individual cardholder’s single purchase limit and the cardholder’s 30 day limit.

e. **Use of Credit Card**

(1) The credit card is to be used for Mississippi Military Department State business purchases ONLY. It has a broad range of acceptance of retailers.

(2) Cardholder Responsibility:

(a) The credit card may be used only by that cardholder. No other person is authorized to use this card and the cardholder shall not loan procurement card to anyone.

(b) The cardholder shall safeguard the procurement card and account number.

(c) The cardholder should ensure the procurement card is kept in an accessible secure location.

(d) The cardholder should not post account number of his/her procurement card.

(e) The cardholder shall read and sign the cardholder agreement stating that he/she has read and understands the minimum requirements and any other additional policies and procedures.

(3) Conditions for Use of the card must meet the following:

(a) The total of a single purchase to be paid for using the card may be composed of multiple items and cannot exceed the authorized single invoice limit. Purchases will be denied if the authorization single purchase limit is exceeded. Payment for purchases will not be split in order to stay within the single purchase limit.

(b) All goods/services purchased over the counter to be paid using the card must be immediately available. No back orders allowed.

(c) All goods/services purchased by a telephone order and are paid for using the credit card must be invoiced by the merchant only on or after the date of shipment. Order should not be placed without this assurance. No back orders allowed.

(d) All goods/services purchased and charged during one telephone transaction must be delivered in a single delivery. No split shipments allowed. Order should not be placed without this assurance.

(e) All goods/services purchased on the internet must not be charged till the order ships. No back orders allowed.

(f) The “Record of Credit Card Use” shall be used to record all credit card purchases. This form is located on the State Purchasing and Contracting website.

(g) Instruct the vendor to include the following information on the shipping document or packing slip:

Agency and Cardholder name
Building Name and Room Number
Street Address
City, State and Zip Code
Cardholder Phone Number

(h) No surcharges may be charged to the state issued credit card.

(4) Food Purchases on the Credit Card

(a) Food purchases for business meetings may be purchased for a legitimate business purpose, more than one person must be present, no alcohol and gratuity over 20% requires written justification.

(b) Food may be purchased in restaurants, grocery stores or any location food is sold. The food may be picked-up, delivered or dine in. The General Ledger code 62040000 should be used.

(c) ALL food purchases on the credit card requires the “OPTFM Food Purchase Form” to be completed and submitted with credit card packet. The MEETING/EVENT box should be checked. If the food purchased is for a meeting, the meeting agenda should be attached to the form. If the food is

purchased for the agency rather than for a meeting or event, check the BULK FOOD PURCHASE box and complete only the “Purpose” section of this form. This form is located on OPTFM website.

(5) Documentation: Anytime a purchase is made that will be paid using the credit card, an **itemized** receipt must be retained as proof of purchase. All purchases must be documented on the record of credit card use. **NOTE:** If the receipt is small, it must be taped to a standard size piece of paper.

(6) Missing Documentation: If for some reason the cardholder does not have documentation of the transaction to send with his/her record of credit card use, he/she must attach written explanation using the “Missing Document Affidavit Form”. You must include a description of the item, date of purchase, merchant’s name and cost of the item and a detailed explanation of why there is no supporting documentation. The form must then be signed by the cardholder/employee and must be notarized by a Notary Public. This form is located on OPTFM website.

(7) General Ledger Codes to be used on credit card **ONLY**

- (a) 61900000 – Purchase of Services
- (b) 62900000 – Purchase of Commodities
- (c) 62040000 – Purchase of Food for Business Meetings

f. **Card Restrictions and Allowable Purchases**

(1) Procurement Card Minimum Requirements

- No cash advances allowed
- No travel related expenses
- Backorders may NOT be charged
- Cardholder must ensure prices are fair and reasonable
- Available budget authority must exist to cover expenditures
- No capital equipment
- No state and local taxes
- No giving card number for a recurring monthly charge
- Card may only be used by the named cardholder. No loaning of card
- Purchases must comply with purchasing laws
- Cardholders should periodically review and confirm the detailed list of what is allowed to be purchased
- State contract items may only be purchased from the state contract vendor at or below state contract price
- Contractual services may be charged as long as the business is Incorporated and the State laws are followed
- No Radioactive, Explosive, or any other Hazardous Materials
- No items for personal use or gifts or entertainment
- No Alcoholic beverages
- No tires for State Vehicles, must be purchased on a purchase order
- No vendor surcharge for using a state credit card

(2) Prohibited Equipment Purchases

NOTE: We are required to maintain a complete and current inventory list of each property item which cost \$1,000 or more unless the items purchased fall within the groups listed below. These items will be regarded as equipment regardless of their purchase value.

- Weapons
- Two-way radio equipment
- Lawn Maintenance Equipment
- Cellular telephones
- Chain Saws
- Air compressors
- Welding machines
- Generators
- Motorized Vehicles
- Camera & Camera Equipment (**greater than \$250**)
- Televisions (**greater than \$250**)
- Computer and Computer Equipment (**greater than \$250**)

ANY OTHER ITEMS THAT COULD BE CONSIDERED EQUIPMENT, USE PURCHASE ORDER PROCESS

NOTE: If equipment is inadvertently purchased on the credit card and it cannot be returned for a credit, then cardholder must complete the "Equipment" form and sign and date the form. The cardholder must give a detailed description of what was bought along with any other funding information. The equipment form will be sent downtown and they will keep a copy in your file. A copy will also be kept in State Purchasing and Contracting Division. This form is located on OPTFM website.

(3) Allowable Credit Card Purchases

- Conference Registrations
- Memberships
- Software, provided no Licensing Agreement is signed
- Auto Rentals (not while in Travel Status)
- Freight / Shipping Charges
- Postage / Post Office Box Rental
- Subscriptions / Publications
- Advertising
- Space Rental at Conferences / Conventions

g. **Disputes**

(1) If goods/services are procured with the credit card and are found defective or in dispute, the cardholder has the responsibility to return item(s) to the merchant for replacement; to receive a credit on the purchase; and/or a credit for or correction of disputed services rendered. If the merchant refuses to replace or correct the faulty item/service, then the purchase will be considered to be in DISPUTE.

(2) Cardholder will notify program coordinator when a dispute has occurred.

(3) A disputed goods/service must be noted on the cardholder's Statement of Account. In addition, a "Visa Purchasing Card Dispute Form" must be completed by the cardholder with appropriate documentation attached. This form shall be forwarded with the statement to the program coordinator for adjustment with the credit card issuer. The program coordinator will notify the cardholder of the action taken on disputed goods/service. This form is located on the OPTFM website.

h. Lost or Stolen Credit Cards

(1) It is the responsibility of the cardholder to immediately notify the credit card issuer and the State Purchasing and Contracting Division program coordinator of the loss/stolen card. The telephone number to the credit card issuer is 1-800-821-5184.

(2) In addition to notifying the credit card issuer and the State Purchasing and Contracting Division program coordinator, the cardholder must notify their supervisor of the lost or stolen credit card **WITHIN ONE (1) WORKING DAY** after the discovery of the loss or theft of the card. The cardholder will be required to send a written report to the State Purchasing and Contracting program coordinator **WITHIN TWO (2) WORKING DAYS**. The written report will include the complete information on the lost/stolen credit card, date that the lost/stolen card occurred, if known, the purchases that the cardholder had made prior to the date of the loss/stolen card and any other information that may be considered helpful. If the credit card is known to be stolen, a copy of the police report shall be attached to the written report.

i. Payment and Invoice Procedures

(1) The credit card vendor will provide a monthly account statement electronically to the cardholder and to the purchase card program coordinator at the end of a billing cycle (between the 1st and the 4th of each month). This is provided via email. **DO NOT** wait until you receive an email to check for your statement, you can go to your statement anytime via their website at www.commercialcardcenter.com

(2) The cardholder is required to review and reconcile their credit card statement. The cardholder will then submit the following to the program coordinator for payment to be processed within **one (1) working day** after the statement is received. Non-compliance may mean denial of future use.

(a) Account Statement

(b) Original itemized receipt(s) received for that statement. **NOTE:** If sales receipts are not clear as to what was purchased, clarify by annotating in ink what the goods or services are on the receipt. If the receipt is small, it **MUST** be taped to a standard size piece of paper.

(c) Original **Summary Record of Credit Card Use Sheet**. The summary must be signed and dated by the cardholder and the budget manager. This form is located on the State Purchasing and Contracting website.

(d) Original **Record of Credit Card Use Form**. This form must be signed and dated by the cardholder only. This form is located on the State Purchasing and Contracting website.

NOTE: It will be the responsibility of the cardholder to provide the program coordinator with the above. If travel or extended leave is scheduled at the time the credit card packet is due and he/she will not be able to certify or complete the credit card packet, his/her supervisor will complete the credit card packet and provide receipts for the absent employee which will then be forwarded to program coordinator. The employee will sign the original cardholder statement at the time he/she returns.

(3) The program coordinator will be responsible for receiving completed credit card packets and itemized receipts from all cardholders, reviewing them, resolving any questions on the purchases, signing the statements, and forwarding complete cardholder statements with all attachments to the Fiscal Division within **two (2)** working days after receipt from all cardholders.

(4) If a cardholder had no purchase activity on his/her credit card for a particular billing cycle, no Statement of Account will be generated for that cardholder unless adjustments for previously billed transactions are processed during that cycle.

j. **Approval**

Approval of the transactions that the cardholders have made using the credit cards will not be totally defined in this manual. Supervisors, because of their knowledge of the job responsibilities of cardholders, may be required to pre-authorize each cardholder's purchases in order to determine if these items are for official use and if they are goods/services that are allowed to be purchased. If for any reason the supervisor questions the intended purchase(s), it is his/her responsibility to resolve the issue with the cardholder. Resolutions and/or disciplinary action for improper use of the credit card will be the responsibility of the supervisor.

k. **Annual Inventory of Credit Cards**

On an annual basis, the State Purchasing and Contracting program coordinator will provide a list to each State Budget Manager (SBM) of the employees that are state cardholders. The SBM will conduct a physical inventory of credit cards and provide a report to the Director, State Purchasing and Contracting of the results of the inventory. If any changes occur to the state credit cards, then a training class will be held to go over new policies and refresh the policies already in place.

l. **Terminated, Resigned or Retired Employees**

Credit cards are issued to individual employees. When an employee is terminated, resigns or retires their card must be collected and destroyed. The cardholder's supervisor will be responsible for collecting cards and delivering the cards to the State Purchasing and Contracting program coordinator, along with written request to cancel the credit card. In the event the supervisor is not able to collect the credit card when an employee leaves, the supervisor shall notify the State Purchasing and Contracting program coordinator immediately by telephone and follow-up with memo to take action to ensure the credit card is cancelled.