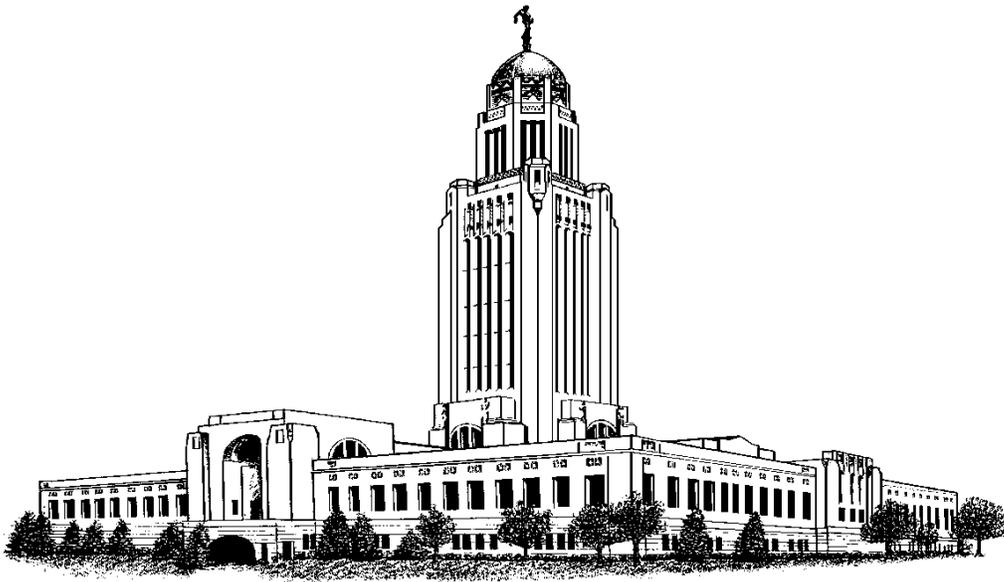


# State of Nebraska



## Purchasing Card Program

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## Overview of the Program

Statute 81-118.02 establishes the state purchasing card program.

The State Treasurer has contracted with US Bank for a purchasing card program. The program is intended to help make state government more efficient and cost-effective by modernizing the purchasing process. The purchasing card is an alternative to invoicing by providing for direct pay. Direct pay allows more purchasing options and can significantly reduce costs associated with accounting transactions.

The program is not intended to avoid or bypass policies that are in the EnterpriseOne (E1) Manual or in place at the agencies. Rather, the purchasing card is to be used within the guidelines of existing policies as an alternative method of payment. Expenditures that would not normally be incurred should not be made using a purchasing card. Continued usage of the purchasing cards within state government requires that cards not be abused.

The purchasing card may be used for payment with suppliers who accept the card throughout the United States and internationally. The program can be used for in-store purchases as well as mail, telephone, Internet, and fax orders. Since the State of Nebraska is exempt from paying Nebraska sales tax, no sales tax should be charged on purchases made in Nebraska, provided a Nebraska Resale or Exempt Sale Certificate, Form 13, is on file with the vendor. This Form 13 is available at [http://das.nebraska.gov/accounting/forms/Form13\\_completed.pdf](http://das.nebraska.gov/accounting/forms/Form13_completed.pdf). Therefore, **tell the vendor, before the purchase is processed, that the purchase is exempt from Nebraska sales tax.**

All cards are issued at the request of an agency and are generally issued in a teammate's name. Under no circumstances can a card be used for personal use. Card usage will be audited and either the Department of Administrative Services or the agency may rescind the card at any time. Failure to comply with the guidelines of this program may result in severe consequences, up to and including termination of employment.

A monthly payment is processed by State Accounting to pay for every cardholder's purchasing card charges. The transactions are coded to the default line of coding specified for the cardholder by the Agency. Cardholders will receive a Monthly Statement, which will report all activity during the statement period. It is the cardholders' responsibility to match the receipt obtained, at the time of the purchase, to the Monthly Statement and to submit such statement and receipts to their Agency Coordinator. Cardholders must immediately notify their Agency Coordinator of any discrepancies and assist with the resolution of the discrepancy.

## **Program Administrator**

The Program Administrator is the State Accounting Division within the Department of Administrative Services. The Program Administrator is responsible for the Purchasing Card Program administration to any agency, official, or political subdivision of the State.

### **Program Administrator's Responsibilities**

A Program Administrator's responsibilities are to:

- Obtain transmissions of purchasing card transactions from the bank.
- Receive monthly account statements from the bank.
- Prepare an upload file of the transactions for electronic submission into the EnterpriseOne.
- Notify the agency coordinators when the purchasing card journal entry is available for the agencies to change the expense account codes.
- Review New Account Card Request Forms upon receipt. Check for a business unit and verify the spending limits and other relevant data.
- Process all new Account Card Request Forms.
- Maintain copies of each New Account Card Request Form received.
- Cancel cards immediately upon notification of employee termination.
- Serve as a primary contact for agency coordinators and a liaison between agencies and the bank.
- Establish and maintain statewide communication. Develop and distribute program literature and materials.
- Identify and promote future program initiatives.

## **Agency Coordinator(s)**

Agency Coordinators at each agency train cardholders, distribute cards, and obtain from the cardholders the receipts for all purchases. If authorized by the Agency Director, Agency Coordinators may have the authority to approve card requests for the Purchasing Cards within their agency.

### **Agency Coordinator's Responsibilities**

- Maintain a file copy of all New Account Card Request Forms and a log of all card numbers.
- Forward completed New Account Card Request Forms to the Plan Administrator at State Accounting, DAS for processing.
- Distribute training, Purchasing Cards and policy manuals to cardholders.
- Ensure that reconciled monthly statements, monthly transaction logs, and associated charge slips/receipts are received for each Purchasing Card.
- Notify the Plan Administrator of any card cancellations due to termination or employee transfer, or any maintenance changes, such as an address change or name change.
- Ensure that cards issued to the agency are properly utilized.
- Notify the bank's customer service department immediately of a lost/stolen card.

### **Cardholder's Responsibilities**

- Obtain a receipt for every purchase and attach the receipts to your monthly cardholder statement.
- Submit your monthly cardholder statement with receipts attached to your agency coordinator soon after receiving from the bank.
- Purchase the item from a contract vendor when the item is available on a statewide contract.
- Understand the agency's accounting / auditing procedures concerning the availability of funds to cover the expense.
- Purchase only the number of items, at the quantity and quality needed.
- No rebates, rewards, or promotional items shall be accepted for personal use as a result of any P-card transaction.
- Notify the bank's customer service department immediately of a lost/stolen card.

## **Accounting controls**

### **Business Unit and Account Code**

The business unit and the account code is a key piece of information that will be used as a default for the charges made on the card. The default account code is 539500 - Purchasing Card Suspense. This object code must be attached to any business unit used as a purchasing card default. The business unit and the accounting code allow automated import into the accounting system. It is the Agency Coordinator's responsibility to ensure that the journal entry decreases the suspense account and increases the appropriate expense account.

### **Cardholder monthly spending limit**

The cardholder's monthly spending limit is the maximum dollar amount authorized for a cardholder within a 30-day period. It is replenished automatically the day after the billing date. The general monthly spending limit is \$25,000.

### **Cardholder single-purchase limit**

The single-purchase restricts the amount of any single purchase made by a cardholder. It can be comprised of a single or multiple items purchased at one time at a single supplier. The general single-purchase limit is \$5,000.

### **Merchant Category Classification (MCC) code blocking**

In the Visa system, suppliers are assigned a 4-digit code according to their Merchant Category Classification (MCC). These codes are used as a reference to block certain purchase types.

### **Merchant Rebates, Rewards, or Promotional Items**

No rebates, rewards, or promotional items shall be accepted by the cardholder as a result of the P-card Transaction for his/her personal use. These may only be accepted by the cardholder's department or agency for appropriate departmental/agency business use.

## **To obtain a card**

Complete this DAS State Accounting purchase card application:  
[Purchasing Card Request Form](#)

The Agency Purchasing Card Coordinator must sign the Request Form. All requests will be processed through DAS State Accounting.

## **To use your card**

When you receive your card, read carefully and sign the Agreement to Accept the Purchasing Card, which comes with each card.

Call the 800 number listed on the card to activate your account.

Sign the back of the card and always keep it in a secure place. Although the card is issued in your name, it is the property of the State and is only to be used for State purchases as defined in this document.

## **Card renewal**

Renewal cards will automatically be mailed to DAS State Accounting for distribution to the agency when issued by the bank.

## **Lost or stolen cards**

The purchasing card is state property and should be secured just as you would secure your personal credit cards. If your purchasing card is lost or stolen, immediately notify the bank's customer service department. Customer service representatives are available 24 hours a day, 365 days a year at 1-800-344-5696. Upon receipt of your call, further use of the card will be blocked. Prompt action in these circumstances can eliminate fraudulent charges. Written confirmation of cancellation must then be accomplished by mail or fax.

## **Disputes / unauthorized charges**

If there is an incorrect charge on your monthly statement, first try to resolve it directly with the supplier. If the supplier refuses to issue a credit or otherwise fails to resolve the problem, call the bank's fraud department at 1-800-523-9078.

If there is an unauthorized charge on the monthly statement, notify the bank's fraud department at 1-800-523-9078, immediately. If the charge appears to be fraudulent, the account will be closed and a new account / card will be opened.

## Purchasing Card Uses

- Examples -

### Acceptable uses

- Newspaper and magazine subscriptions, books, video tapes
- Conference registration
- Utilities
- Photo development
- Employee awards and recognition
- Heating, plumbing, and air condition repairs
- Hardware stores
- Equipment parts
- Miscellaneous maintenance requirements
- Computer maintenance expenses
- Postage
- Airlines (agency card only)
- Lodging while traveling on State business. **Room charge only. This is subject to audit and this use can be revoked at any time.**  
(agency card only on request)

### Unacceptable uses

- Any merchant, product, or service normally considered to be inappropriate use of State funds
- Meals while traveling on State business. Meals are reimbursed through an Expense Reimbursement Document
- Any item that exceeds the established per transaction limit
- Acceptance of merchant rebate, rewards, or promotional items for personal use
- Items available through statewide contracts (e.g. Office Depot),  
**\*unless approved by DAS Materiel.**

\*Agency Director's may request the ability to procure non-IT commodity items off contract utilizing a Purchasing Card by contacting the DAS-Materiel Division Administrator. A Purchasing Card Program letter of agreement between DAS and the requesting agency must be completed and signed. The agreement will specify the contracts available for use with a purchasing card. As purchase orders are not created for purchasing card transactions, an approved agency will be required to track all purchases made within the program and report to DAS-Materiel Division all purchases made by contract number on a monthly basis using a provided PCard Program Spreadsheet. It is the agency's responsibility to only procure items off a valid current contract. The Purchasing Card Program letter will need to be reaffirmed annually. The letter will remain in effect as long as the requirements are followed. The program can be terminated at any time by the DAS-Materiel Division.

## **Questions with Answers**

### **How many cards can my agency have?**

Agencies are allowed a purchasing card for all individuals who are required to make purchases in the normal course of their job. Each agency is allowed only one card that can be used for purchasing airline tickets and this card should be issued to the Director.

### **How does the cost get into the accounting system?**

All purchases made on your card will be charged to the agency through identifier specified on your original application using account 539500 - Purchasing Card Suspense. Once the charges post, the agency will need to adjust the prepared journal entry to charge the correct expense account.

### **Do I receive a document when State Accounting makes purchasing card payments?**

When State Accounting pays the bank, no paper transaction will be created. An email message will be sent to the agency coordinator notifying them that a purchasing card payment has occurred. The agency will see a disbursement on their daily posting.

### **Will US Bank do a credit check on my personal credit before the card is issued?**

No, card issuance is based on the credit of the State of Nebraska.

### **Will my Purchasing Card affect my personal credit rating?**

The account will not be used for personal charges; therefore, the bank does not report monthly activity to any credit bureau.

**Will my purchases be audited?**

YES! Each month you are required to submit receipts to your agency coordinator for approval. Also, there can be random audits to verify compliance, so the agency must retain all statements and receipts.

**Do I pay sales tax?**

No, since purchases made with a State of Nebraska Purchasing Card are directly billed to, and paid by the state, the purchases are exempt when supported by a Form 13.

**What if I need to return an item that I have purchased?**

Return the item to the store or contact the supplier and arrange for the return. Be sure to obtain the credit receipt from the purchase and submit the credit receipt to your account coordinator along with your monthly statement.

**How do I reconcile my monthly statement?**

You will receive a monthly statement from the bank listing all purchases by supplier and amount of the charge or the credit. Use your receipts to verify that the statement charges match your records.

**Can I use the card over the telephone?**

Yes, just as you might use your personal card. The supplier will ask for the card number and expiration date. Instruct the supplier to provide you with a detailed receipt showing the purchases.

Revised June 13, 2023