

Table of Contents

Purchasing Card Policies and Procedures

Section 1.0: Introduction	3
1.1 Statutory Authority	3
1.2 Scope.....	3
1.3 Policy	3
Section 2.0: Spending Unit P-Card Coordinator Duties & Responsibilities	4
2.1 Chief Financial Officer Responsibilities	4
2.2 Designation of Spending Unit Coordinator.....	4
2.3 Coordinator Responsibilities.....	4
2.4 Internal Controls.....	5
2.4.1 Segregation of Duties	6
2.4.2 Proper Oversight	6
2.4.3 Physical Controls.....	6
2.5 Payment Process.....	7
Section 3.0: Training	7
3.1 Coordinator Training.....	7
3.2 Cardholder Training.....	8
3.3 Spending Unit Training.....	8
Section 4.0: P-Card Issuance	8
4.1 Application Eligibility.....	8
4.2 Application Process	8
4.3 Cardholder Agreement Forms	9
4.4 P-Card Delegation	9
4.5 P-Card Security – Purchasing and Travel Only.....	9
Section 5.0: P-Card Activation	9
Section 6.0: Instructions for Use	10
6.1 General Instructions	10
6.2 Transaction Limit.....	10
6.3 Business-Related Travel.....	10
6.4 Usage Restrictions.....	11
6.5 Tax Reportable Services	11
6.6 Ordering.....	11
6.7 Tax Exempt Status	12
6.8 Hospitality.....	12
6.9 Convenience Fees.....	12
6.10 Ethics & Vendors.....	12
Section 7.0: Transaction Documentation & Reconciliation	12
7.1 Receipts & Receiving Reports	13
7.2 Transaction Statements, Reconciliation & Disputed Items.....	13
7.3 Reconciliation Software	14
7.4 Record Retention	15
Section 8.0: P-Card Maintenance	15
8.1 Maintenance Requests	15
8.2 P-Card Cancellation	15
8.3 Lost or Stolen Cards.....	15
Section 9.0: Fraud, Misuse & Abuse	16

9.1	Fraud.....	16
9.2	Misuse & Abuse	16
9.3	Failure to Follow P-Card Policies and Procedures	17
Section 10.0: Post-Audit/Review		17
10.1	Post-Audit Reviews by State Auditor's Office P-Card Division	17
10.2	Spending Unit Reviews	17
10.3	Post-Audit Training	18
Section 11.0: Emergency P-Cards		18
11.1	West Virginia State Agencies and Institutions of Higher Education	18
11.1.1	Authorization of P-Cards for Emergency Use	18
11.1.2	Emergency P-Card Activation	18
11.1.3	Payment of Invoices.....	19
11.1.4	Accounts	19
11.1.5	Emergency P-Card Post Audit/Review	19
11.2	West Virginia National Guard.....	19
11.2.1	Issuance of Emergency P-Cards	19
11.2.2	Policies.....	19
Section 12 – Definitions:		19
Section 13: Forms-Hyperlinks to Forms.		22

Section 1.0: Introduction

This manual contains the policies and procedures applicable to the State of West Virginia Purchasing Card (P-Card) Program for all State Agencies and Institutions of Higher Education (hereafter referred to as “Spending Unit”).

1.1 Statutory Authority

The State of West Virginia P-Card Program was created and implemented in 1996 by West Virginia Code, §12-3-10a, and is governed by Legislative Rule, 155 CSR 7. The State Auditor’s Office, P-Card Division serves as the Program Administrator for the P-Card Program.

1.2 Scope

The P-Card is the preferred method of payment and provides the most efficient and effective method of payment for expenditures incurred by spending units as outlined by these P-Card policies and procedures. The P-Card effectively decreases expenses and cuts program costs by offering increased control and monitoring of payments while reducing the time and paperwork associated with the use of purchase orders.

1.3 Policy

The P-Card Policies and Procedures Manual establishes minimum standards for the use of the State of West Virginia P-Card. Individual transaction limits and credit limits shall be determined by each Spending Unit P-Card coordinator upon approval by the State Auditor’s Office P-Card Division.

It is the Spending Unit’s coordinators and cardholders responsibility to be knowledgeable of and to follow all P-Card policies and procedures, as well as all applicable purchasing laws and guidelines.

Each Spending Unit is required to develop and document appropriate internal control procedures to ensure that P-Card usage is consistent with this manual, and to develop guidelines for distribution to cardholders. Sufficient internal controls must be in place to ensure compliance with P-Card Policies and Procedures and documentation of these controls must be submitted in writing to the State Auditor’s Office P-Card Division. In those cases where it is determined that internal controls are not adequate, the State Auditor’s Office, P-Card Division has the authority to request policy improvements and/or place card restrictions on the Spending Unit until such controls are established, documented, and implemented.

Participation in the P-Card program may be revoked.

Section 2.0: Spending Unit P-Card Coordinator Duties & Responsibilities

2.1 Chief Financial Officer Responsibilities

Each Spending Unit's chief financial officer or designee shall serve as the head Spending Unit P-Card coordinator. Each Spending Unit's chief financial officer is responsible for the administration of the P-Card program within their Spending Unit.

The chief financial officer's responsibilities include, but are not limited to the following:

- reviewing, on at least a quarterly basis, the compliance of their P-Card program with their own accounting and internal control procedures and the requirements set forth herein.
- requiring any member of a Spending Unit's staff finding an instance of unlawful use, possible fraud, misappropriation, or mismanagement with the P-Card to report such discovery to the Chief Financial Officer **immediately**. The Chief Financial Officer shall report all aforementioned instances to the Executive Director of the State Auditor's Office P-Card Division within 24 hours of his or her discovery.

2.2 Designation of Spending Unit Coordinator

The Chief Financial Officer or designee is charged with appointing P-Card coordinators in a sufficient number to allow thorough and timely performance of their responsibilities. P-Card coordinators are appointed based upon the reporting hierarchy assigned to them within their Spending Unit. A Spending Unit may have multiple coordinators at each reporting hierarchy, who may be delegated some or all of the Spending Unit coordinator's responsibilities. Each P-Card coordinator shall hold a position of knowledge and experience of the responsibility(ies) delegated to them by the Chief Financial Officer or designee of the respective Spending Unit. Any change in the head Spending Unit coordinator position or of any subordinate coordinators that require user changes in P-Card software or reporting tools, which are administered or set up solely by the P-Card Division staff, must be preceded by submission of a [Coordinator Authorization Form](#) to the State Auditor's Office P-Card Division.

Except for spending units having five (5) or fewer cardholders, no cardholder shall be their own coordinator unless the Spending Unit receives a written waiver from the State Auditor's Office P-Card Division.

Upon designation by the Spending Unit's chief financial officer, a Spending Unit coordinator at any reporting hierarchy must receive training, education, and certification designed and approved by the State Auditor's Office P-Card Division within 30 days of assuming the duties of the position.

2.3 Coordinator Responsibilities

The coordinator is required to complete training/education annually and to obtain certification confirming that training. Training shall include P-Card policies, purchasing policies, ethics training, and/or emergency P-Card or travel training as appropriate. Spending Unit P-Card coordinators must

successfully complete all applicable designated training to receive Spending Unit P-Card coordinator certification.

Spending Unit coordinator responsibilities include, but are not limited to the following:

- monitoring and overseeing a Spending Unit's P-Card program to ensure that internal controls are in place to prevent misuse;
- verifying potential cardholders eligibility to obtain a P-Card;
- ensuring proper completion and submission of applications, cardholder agreements, and maintenance forms;
- ensuring successful completion of initial training requirements before submitting requests for new cardholders and monitoring completion of on-going training requirements;
- determining or verifying the following: credit limit, single transaction limit, number of daily transactions, and number of monthly transactions;
- maintaining cardholder agreement forms;
- reconciling master statements or electronic payment files;
- ensuring the prompt payment of the Spending Unit's master statement/account;
- ensuring that Spending Unit cardholders follow all P-Card policies and procedures;
- disseminating updated P-Card information to Spending Unit cardholders;
- activating P-Cards;
- ensuring that P-Cards are cancelled and destroyed upon termination or separation from employment;
- providing updated contact information to the State Auditor's Office P-Card Division;
- performing biennial reviews of P-Card utilization levels within his or her Spending Unit and providing reports to the State Auditor's Office P-Card Division of the results of such reviews;
- identifying possible ethics law violations related to inappropriate activity by cardholders and vendors including the possession of gifts, bribes, etc.;
- conducting periodic reviews of transactions to ensure they are appropriate for the Spending Unit and that budgetary permission and/or supervisory authorization are part of the approval process;
- ensuring that all Spending Unit personnel assigned to monitor P-Card transactions have access, either electronically or manually to the transactions made by any cardholder under their purview;
- addressing and establishing additional controls/policies, in a timely manner, as recommended by external or internal audits and reviews;
- maintain documentation in a centralized location concerning the resolution of each disputed transaction submitted.

2.4 Internal Controls

Sufficient internal controls must be in place at each Spending Unit to ensure compliance with applicable laws, rules and regulations, P-Card Policies and Procedures, and other governing instruments. Each Spending Unit is required to develop and document internal control procedures

that ensure P-Card usage is consistent with this manual and to develop guidelines for distribution to cardholders. These procedures must be submitted in writing to the State Auditor's Office P-Card Division.

In those cases where it is determined that internal controls are not adequate, the State Auditor's Office P-Card Division has the authority to request improvements and/or place P-Card restrictions on the Spending Unit until such controls are established, documented and implemented. Each of the following items should be addressed in the Spending Unit's accounting and internal control procedures.

2.4.1 Segregation of Duties

The Spending Unit P-Card coordinator(s) should not handle all aspects of the P-Card process. Unless authorized by the State Auditor's Office P-Card Division, no cardholder shall be his or her own coordinator. Sufficient internal controls must be established and implemented to ensure that when a P-Card coordinator is also a cardholder, some other knowledgeable individual such as a direct supervisor or a different coordinator reviews and approves transactions appearing on the coordinator's P-Card. The reconciliation process must include a knowledgeable and independent review of documentation, receipts, and transaction reports.

If a coordinator is the only employee of a Spending Unit or if there are five (5) or fewer cardholders in a Spending Unit, the State Auditor's Office P-Card Division will review, at the Spending Unit site, the Spending Unit's master statement, receipts, and reconciliation documentation on a regular basis.

If the Spending Unit is a board, commission, authority, or council, a written report of P-Card transactions including the vendor, description of good or service and total transaction amount must be provided to members of the governing body to be approved or ratified at regularly scheduled meetings. A copy of the report, as well as the minutes of the meeting, must be available for review by the State Auditor's Office P-Card Division with the reconciliation documentation.

2.4.2 Proper Oversight

The Spending Unit's chief financial officer must ensure proper oversight of P-Card use within his or her Spending Unit. This includes developing internal controls that ensure a thorough review of the Spending Unit's P-Card transactions and assurance that each transaction is for official state business.

2.4.3 Physical Controls

Physical controls should be present to ensure security of P-Card cards and records. Records must be stored in a secure location to which only authorized individuals have access.

2.5 Payment Process

All WVFIMS coversheets and back-up documentation must be received by the State Auditor's Office, P-Card Division by dates established by the State Auditor's Office regardless of the status of statement reconciliation.

Back-up documentation required by the State Auditor's Office P-Card Division consists of the summary sheet from the Spending Unit's master statement that contains the amount due, and is stamped certified received or the payment report from an electronic software program. If paying an amount other than the amount due on the master statement, an explanation must accompany the coversheet.

WVFIMS coversheets must include the appropriate object code(s) for each transaction as defined in the Department of Revenue's Expenditure Schedule.

Each coversheet must:

- be approved and signed by an individual with signature authority;
- have the last four (4) digits of the Spending Unit master account number and the year and month of the statement entered into the WVFIMS coversheet field labeled "*vendor invoice number*";
- have the vendor number 0000489285 entered in the WVFIMS coversheet field labeled "*vendor number*";
- have special handling marked N (no);
- reflect Class 4 (Exempt) special authorization code;
- have "P-CARD" stamped or printed on the front of the coversheet;
- have the payment amount match the amount due on the master statement/account or an explanation from the Spending Unit regarding the variance.

Section 3.0: Training

The State Auditor's Office P-Card Division is required to provide training to all cardholders and coordinators. Training provided by the State Auditor's Office P-Card Division is mandatory for all new applicants. Training may be in person, or in a format approved by the State Auditor's Office P-Card Division. Any additional P-Card training provided by a Spending Unit must be approved by the State Auditor's Office P-Card Division. The current web-based training is available at:

<http://www.wvsao.gov/purchasingcard/webtraining.aspx>

3.1 Coordinator Training

A Spending Unit coordinator at any reporting hierarchy must receive training, education, and certification designed and approved by the State Auditor's Office P-Card Division within thirty (30) days of assuming the duties of the position. Designated training/education will be required annually. Training shall include P-Card policies, purchasing policies as they relate to P-Card, ethics training,

and/or emergency card or travel guidelines as appropriate. Spending Unit P-Card coordinators must successfully complete all applicable designated training to receive Spending Unit P-Card coordinator certification. For authorized Spending Units, coordinator certification fulfills the required cardholder training for coordinators who are also cardholders.

3.2 Cardholder Training

Before a P-Card may be issued, the trainee must have successfully completed a training session specifically designed for new cardholders. All current cardholders shall complete three (3) hours of training biennially. One session of training every two (2) years shall relate to ethics. General training on specific purchasing policies can be obtained by contacting your Spending Units' purchasing department. Other training topics include travel and emergency P-Card guidelines.

Any cardholder who begins employment with a new Spending Unit within sixty (60) days of the expiration of their certification must complete and receive their refresher certification before they can receive a P-Card in their new Spending Unit.

3.3 Spending Unit Training

In-person training sessions may be conducted at the Spending Unit. This training provides on-site instruction to new cardholders as well as existing cardholders that need updated on the latest policies and procedures.

Section 4.0: P-Card Issuance

4.1 Application Eligibility

P-Cards are issued at the request of the Spending Unit P-Card coordinator. Except upon written waiver by the State Auditor's Office P-Card Division, a cardholder must be an employee of the State of West Virginia.

Before a P-Card may be issued, the applicant must have successfully completed a training session and passed the quiz specifically designed for new cardholders. All cardholders shall complete three (3) hours of training biennially. One (1) hour of training every two (2) years shall relate to ethics. All training must be approved by the State Auditor's Office P-Card Division.

4.2 Application Process

The designated applicant must complete and sign a [P-Card Application](#) provided by the Spending Unit P-Card coordinator.

The coordinator must sign the application and indicate the credit and transaction limits and the daily and monthly transaction limits for use of the P-Card. The coordinator will submit all approved applications to the State Auditor's Office P-Card Division. Applications may be submitted in hard copy or electronically.

4.3 Cardholder Agreement Forms

The [Cardholder Agreement Form](#) signifies that the applicant acknowledges that he or she has had adequate training, understands the P-Card Policies and Procedures, and accepts responsibility for compliance with the P-Card Policies and Procedures.

All new applicants are required to sign a [Cardholder Agreement Form](#) before P-Card applications will be processed. P-Cards will not be issued without a signed [Cardholder Agreement Form](#).

The Spending Unit P-Card coordinator is required to maintain a copy of the [Cardholder Agreement Form](#) as long as the P-Card is active or pursuant to Section 7.4, whichever is longer. Forms may be retained in hard copy or electronically.

4.4 P-Card Delegation

P-Card delegation is prohibited. P-Card delegation is the practice of allowing an individual other than the cardholder whose name appears on the front of the P-Card to have access to the P-Card or P-Card number to initiate or complete a transaction. P-Card delegation increases the risk of fraud and cardholder liability.

P-Card delegation includes allowing an individual other than the cardholder to:

- have physical possession of the P-Card to make payments to point of sale vendors;
- have access to the P-Card number and expiration date to make payments via telephone, internet, or in person;
- have access to receipts or invoices that display the P-Card number and expiration date.

P-Cards are issued in an individual's name. Only that person named on the P-Card is the authorized user.

4.5 P-Card Security – Purchasing and Travel Only

The P-Card must be kept secure. The individual cardholder is accountable for every charge made by or authorized by the cardholder that appears on his or her P-Card.

P-Cards should only be used on secured internet sites. A secured site has a closed "lock" on the screen.

All cardholders are required to sign the back of their P-Card upon receipt.

Section 5.0: P-Card Activation

P-Cards are generally mailed directly to the cardholder's work address. Upon receipt, the cardholder must contact the Spending Unit P-Card coordinator to activate the P-Card. Do not call the activation number on the front of the P-Card. A four-digit PIN number is required for P-Card activation. The

Spending Unit coordinators are the only individuals with access to the PIN number. PIN numbers are assigned to individual coordinators and shall not be shared.

Section 6.0: Instructions for Use

6.1 General Instructions

The P-Card is a preferred method of payment for certain designated transactions or dollar amounts. All applicable laws, rules and regulations, P-Card Policies and Procedures, and other governing instruments must be followed, regardless of the method of payment.

State Agencies should refer to the State Purchasing Policies & Procedures Handbook at www.state.wv.us/admin/purchase/ where applicable. Higher Education institutions should refer to their purchasing policies & procedures. Any questions concerning purchasing rules, policies, or procedures should be referred to the Spending Unit's Purchasing Department.

The P-Card may be used to make payments for goods, services, and travel that are not prohibited by P-Card Policies and Procedures. Personal charges are prohibited.

Any returned goods must be credited to the P-Card. Debit cards, gift cards or cash are not an acceptable method of receiving refunds for returned goods. Any deviation from this policy must be reported to the State Auditor's Office P-Card Division.

6.2 Transaction Limit

Individual transaction limits and credit limits are determined by each Spending Unit P-Card coordinator upon approval by the State Auditor's Office P-Card Division. It is a violation of policy to manipulate the ordering, billing, or payment process in order to circumvent established cardholder limits.

6.3 Business-Related Travel

Agencies using the P-Card for travel expenses prior to July 1, 2007 may continue utilizing the card as previously approved. Any agency desiring to pilot P-Card travel after this date may do so with written approval from the State Auditor's Office P-Card Division. Agencies must submit internal controls/accounting procedures relating to travel as well as their implementation plan. If P-Cards are to be used solely for travel purposes, "travel only" should be written on the bottom of the card application in the section titled "State of WV Agency/Institution Internal Use Only" and the card will be restricted to travel MCC codes.

Approved business expenses generated while engaged in job-related activities away from the regular place of employment may be placed on a P-Card. Travel expenses include, but are not limited to the following:

- registration fee payments
- airline ticket payments

- vehicle rental payments (commercial or state-owned)
- gasoline for rental vehicles (commercial or state-owned)
- other transportation tickets
- hotel folio payments including business related costs such as business phone charges and business internet access

Travel expenses shall not include food expenses or any personal expenses on hotel folios such as room service or movie expenses. Proper documentation must be provided for any billing (i.e., hotel folios) relating to multiple travelers.

Purchasing Card Policies and Procedures do not supersede applicable agency travel regulations. Copies of P-Card travel receipts should be attached to the travel settlement form and referenced as a direct billed item. The Spending Unit's receipt requirements for those business-related travel expenses paid using the P-Card shall remain consistent with the Spending Unit's travel regulations.

6.4 Usage Restrictions

Except where otherwise exempted by statute, rule, or waiver from the State Auditor's Office P-Card Division, the P-Card may not be used to obtain cash, cash credits, or cash advances. The P-Card may be used for the purchase of gift cards, where authorized by applicable law, rules and regulations, or other governing instrument, only upon prior approval of the transaction by the State Auditor's Office P-Card Division. At this time, payments against state encumbered purchasing documents (WVFIMS PDoc) are also restricted.

6.5 Tax Reportable Services

The Internal Revenue Service (IRS) requires the issuance of IRS Form 1099 to certain service-providing vendors. Tax reportable services are prohibited from payment with the P-Card except where in compliance with [WVFIMS Administrative Policy Statement Number 35](#).

6.6 Ordering

Payments may be made with the P-Card by phone, fax, mail, secured internet site, or in person. Payments may be made through PayPal only upon prior approval by the State Auditor's Office P-Card Division. When paying by telephone, fax, mail, or internet, the vendor should be provided with a complete shipping address.

Shipping and handling charges must be included in the stated price and the total charge may not exceed the cardholder's assigned transaction limit.

When placing the order, the vendor should be instructed to provide an itemized invoice or receipt. The vendor may not charge the account until the merchandise has been shipped.

6.7 Tax Exempt Status

The State of West Virginia is tax exempt and should not pay tax to in-state vendors. Cardholders should remind vendors that the State of West Virginia is tax exempt before initiating a transaction. The words "Tax Exempt" and the Spending Unit's tax identification number are printed on the P-Card. The cardholder is required to provide the vendor with a copy of the Spending Unit's [tax-exempt certificate](#).

Pursuant to our contract with Citi (*Appendix J Billing Disputes Guide*), we may not dispute sales tax or shipping and handling charges. It is the cardholder's responsibility to ensure charge accuracy. Sales tax or shipping charges should be addressed immediately with the vendor by the cardholder.

6.8 Hospitality

Hospitality expenses may be paid using the P-Card. Specific documentation requirements exist for hospitality expenditures and that documentation must remain consistent regardless of the method of payment. Any hospitality documentation must be available to the State Auditor's Office P-Card Division for inspection.

6.9 Convenience Fees

A surcharge for the convenience of paying with the P-Card may be paid with the P-Card. Vendors may not charge a percentage of the purchase as a convenience fee. Such fees must be a flat rate charge.

6.10 Ethics & Vendors

It is unlawful for any vendor doing business with the State of West Virginia to provide a bribe, gratuity or kickback in any amount to a P-Card holder or a Spending Unit. Spending Unit receiving gifts with nominal value may keep such gifts (e.g., candy, fruit baskets, etc) as long as they are unsolicited and shared and distributed fairly throughout the Spending Unit or the gifts may be donated to charities. Any gift valued in excess of the amount noted in the State's Ethics Act, (West Virginia Code §6B-1-1, et seq.) "The Ethics Act," should be returned to the vendor if possible and reported to the State Auditor's Office P-Card Division.

Please check with your Spending Unit to see if it imposes rules of conduct in addition to those established by the Ethics Act. You can view the Ethics Act at www.wvethicscommission.org or email the Ethics Commission at ethics@wvadmin.gov.

Section 7.0: Transaction Documentation & Reconciliation

Cardholders are responsible for the review, acknowledgement or dispute of all transactions that appear on their P-Card statement. Documentation must be obtained for each transaction placed on the P-Card and must be available upon request by the State Auditor's Office P-Card Division. Documentation may include itemized receipts, log sheets (manual or electronic), individual

statements, or any other documentation required by applicable laws, rules and regulations, P-Card Policies and Procedures, and other governing instruments.

The reconciliation process should include a knowledgeable and independent review of documentation, receipts, and transaction reports. Each Spending Unit is required to develop and maintain accounting and internal controls that ensure P-Card usage is consistent with applicable laws, rules and regulations, P-Card Policies and Procedures, and other governing instruments and to develop guidelines for distribution to cardholders. In those cases where it is determined that internal controls are not adequate, the State Auditor's Office P-Card Division has the authority to request improvements and/or place P-Card restrictions on the Spending Unit until such controls are established, documented and implemented.

7.1 Receipts & Receiving Reports

Except where otherwise exempted by statute or rule, an itemized receipt must be obtained for each transaction placed on the P-Card. The receipt must be legible, itemized (reflecting the goods or services purchased), and contain the vendor name, date of purchase and price of items. Receipt documentation may be paper or electronic and shall be retained by the Spending Unit. A receipt description, which only states "Miscellaneous", or "Merchandise", or only includes a vendor's stock or item number, is not acceptable. In the event that an acceptable form of receipt is not available, the cardholder shall create, either in paper or electronic form, an itemized list which satisfies the requirements set forth in this subsection. The cardholder and direct supervisor or coordinator's signatures, physical or electronic, are required as well as the date the goods were received, along with whatever receipt is available.

State Auditor's Legislative Rule 155 CSR 1, §155-1-4 requires "receiving reports" be filed with the State Auditor's Office for all commodities purchased for the State. P-Card "receiving reports" include: P-Card log sheets, itemized receipts, packing slips or other forms approved by the State Auditor's Office P-Card Division and shall be maintained by the Spending Unit and available for review upon request by the State Auditor's Office P-Card Division. The person receiving the goods shall sign the packing slip, itemized receipt or P-Card receiving report and state, in writing, the date the goods or services were received. If the person receiving the goods is not the cardholder, the signed P-Card receiving report must be forwarded to the cardholder for transaction documentation and reconciliation purposes.

7.2 Transaction Statements, Reconciliation & Disputed Items

All spending units will receive electronic (or paper) statements. The statement closing date is the 3rd day of every month. Each cardholder is responsible for ensuring that his or her statement is reconciled every month. The Spending Unit P-Card coordinator or chief financial officer is responsible for ensuring the reconciliation of the master account(s). Cardholders must review all transactions to ensure that they are legitimate, for official State business, and that all required documentation is included.

Individual statements are available online at www.citimanager.com. Individual and master statements must be examined carefully for billing errors, debits due to erroneous billing, or credits made to correct a previously disputed item.

Cardholders may be required to sign an individual statement and submit it to the appropriate office in accordance with the Spending Unit's guidelines. The signed statement should be filed with that month's corresponding receipts.

Upon completion of reconciliation, the cardholder must forward his or her documentation to the Spending Unit's appropriate P-Card coordinator for review.

Disputed items may result from failure to receive goods, fraud, misuse, defective merchandise, incorrect amounts being charged, duplicate charges, credits not yet received or taxes other than sales tax charged by an in-state vendor. Transactions that appear fraudulent should be reported to the financial institution and the State Auditor's Office P-Card Division immediately.

Pursuant to our contract with Citi (*Appendix J Billing Disputes Guide*), we may not dispute sales tax or shipping and handling charges. It is the cardholder's responsibility to ensure charge accuracy. Sales tax or shipping charges should be addressed immediately with the vendor by the cardholder.

The first step in the dispute process is for the cardholder to contact the vendor and attempt to resolve the problem. If the vendor is unwilling to credit the charge, the cardholder must provide documentation that the vendor was contacted and was unwilling to credit the charge and a [dispute form](#) should be filed with the State Auditor's Office P-Card Division within 60 days from the statement date that contains the disputed item. The coordinator must maintain documentation in a centralized location concerning the resolution of each disputed transaction submitted. The Spending Unit must pay the statement amount pending resolution of the dispute.

If a cardholder consistently has problems with a particular vendor, a [P-Card Vendor Complaint Form](#) should be submitted to the State Auditor's Office P-Card Division. The State Auditor's Office P-Card Division will work with the Spending Unit and the vendor to seek a resolution.

7.3 Reconciliation Software

Spending Units have several different products available to assist with the reconciliation process. STARS (Software for Transaction Accounting and Reporting System), is a sub-system of the State's accounting system, WVFIMS. The provider bank (currently Citi) also provides software reconciliation and reporting tools.

By January 1, 2009, all Spending Unit's must use one of the electronic reconciliation tools available, which allows reconciliation and account coding at the transaction level. The choice of tool and the reconciliation process should be documented in the Spending Unit's internal controls and approved by the State Auditor's Office P-Card Division.

7.4 Record Retention

For P-Card inspection and post-audit review purposes, Spending Units must keep all documentation relating to the State Auditor's Office P-Card Program (cardholder applications, agreements, maintenance forms and training certificates) as long as the P-Card is active or for two (2) years from the end of the fiscal year in which the last transaction was completed, whichever is longer. All transaction documentation must be kept for a minimum of two (2) years from the end of the fiscal year in which the last transaction was completed. These records must be available to the State Auditor's Office P-Card Division upon request. **No** P-Card records may be destroyed without written approval from the Executive Director of the State Auditor's Office Purchasing Card Division.

This rule does not supersede the record retention policy of the Spending Unit or other state or federal retention policies or record retention policies otherwise provided for herein.

7.5 Imaging

Spending units may elect to fulfill record retention requirements by participating in the State Auditor's Office Imaging Program.

Section 8.0: P-Card Maintenance

8.1 Maintenance Requests

A [P-Card Maintenance Request](#) must be completed to make modifications to a cardholder's account.

The request should clearly state the type of maintenance requested such as address or name changes, credit or transaction limit changes, or P-Card cancellation.

Maintenance requests must be signed by the coordinator and submitted to the State Auditor's Office P-Card Division electronically or in paper copy. Spending Units should maintain a copy of the P-Card maintenance request.

8.2 P-Card Cancellation

P-Cards must be cancelled immediately upon termination of or separation from employment. Upon cancellation of any P-Card, the Spending Unit coordinator is responsible for ensuring that the P-Card is destroyed and that a [maintenance request](#) is completed and forwarded to the State Auditor's Office P-Card Division.

8.3 Lost or Stolen Cards

Immediately report lost or stolen P-Cards to the financial institution and the Spending Unit P-Card coordinator within 24 hours to limit cardholder liability.

To report a lost or stolen P-Card call 1-800-790-7206 or 1-800-VISA911.

The Spending Unit P-Card coordinator must forward a [maintenance request](#) to the State Auditor's Office P-Card Division for all lost or stolen P-Cards.

Section 9.0: Fraud, Misuse & Abuse

West Virginia Code, §12-3-10b, states:

“It is unlawful for any person to use a state P-Card, issued in accordance with the provisions of section ten-a of this article, to make any purchase of goods or services in a manner which is contrary to the provisions of section ten-a of this article or the rules promulgated pursuant to that section. Any person who violates the provisions of this section is guilty of a felony and, upon conviction thereof, shall be confined in the penitentiary not less than one nor more than five years, or fined no more than five thousand dollars, or both fined and imprisoned.”

Failure to comply with P-Card Policies and Procedures, rules, and law associated with the State P-Card Program may result in revocation or limitation of P-Card privileges, a period of probation, or mandatory P-Card training in addition to any other discipline deemed necessary or appropriate by the Spending Unit.

Instances of unlawful use, possible fraud, misappropriation, or mismanagement with the P-Card shall be reported immediately to the CFO of the Spending Unit. The CFO shall report all aforementioned instances to the Executive Director of the State Auditor's Office P-Card Division within 24 hours of his or her discovery in a format approved by the State Auditor's Office P-Card Division.

The P-Card is a privilege not a right and disciplinary action will be taken for fraud, misuse or abuse of the P-Card.

9.1 Fraud

Fraud is a deception deliberately practiced in order to secure unfair or unlawful gain. For example, fraud occurs when the cardholder's account information has been intentionally utilized for personal gain. Intentional use of the P-Card to make purchases for personal use or non-state business is fraudulent and is prohibited.

Individuals using the P-Card to knowingly pay for items intended for personal use will be subject to disciplinary action up to and including termination and prosecution under state law, and may be subject to civil action by the credit card company for personal liability.

9.2 Misuse & Abuse

Misuse/Abuse is the improper, unlawful or incorrect use, compromise or misapplication of the P-Card. Examples include:

- Failure to maintain security protecting your P-Card
- Paying for items in which the P-Card is not authorized for payment

- Purchase of authorized goods or services, at terms (e.g. price, quantity) that are excessive

9.3 Failure to Follow P-Card Policies and Procedures

Individuals or Spending Units failing to properly follow the P-Card Policies and Procedures, rules, and laws associated with the State P-Card Program will be subject to disciplinary action as referenced in this section.

The State Auditor's Office may limit and revoke P-Card privileges, institute a period of probation or require a mandated training for any Spending Unit or subdivision of a Spending Unit if that Spending Unit is found to have violated State P-Card policies and procedures and failed to take corrective action.

Spending Units whose P-Card privileges have been suspended will be eligible for assessment of a special penalty fee double the amount of the current penalty fee and will incur the increased costs of conventional payment processing. Spending Units may also be assessed a penalty fee of two (2) dollars for any purchase submitted for payment to the State Auditor's Office through the conventional payment process that could have been paid using the P-Card.

Section 10.0: Post-Audit/Review

10.1 Post-Audit Reviews by State Auditor's Office P-Card Division

Random post-audit reviews and compliance inspections, as well as monitoring, of P-Card transactions will be conducted by the State Auditor's Office P-Card Division to ensure compliance with all P-Card Policies and Procedures. Transaction receipts, reconciliation documentation, and related support documentation must be provided to the State Auditor's Office P-Card Division upon request.

Failure to provide all required documentation may result in the cancellation or restriction of a Spending Unit's P-Card privileges. After the post-audit review is completed, the State Auditor's Office P-Card Division will present the Spending Unit's chief financial officer with a report of findings discovered during the post-audit and recommendations to correct those findings.

The Spending Unit will be granted the opportunity to respond to the findings and recommendations. The final audit report will consist of the findings and recommendations, as well as the written responses provided by the Spending Unit. The final report is public information and its distribution is not limited.

10.2 Spending Unit Reviews

Spending Units are encouraged to conduct random reviews of transactions within their programs. Various reports are available through the electronic reconciliation software products. Coordinators should be knowledgeable of the types of transactions appropriate for cardholders within their area of

responsibility and review, and have the authority to request documentation for any transaction appearing on a cardholder's account.

Instances of unlawful use, possible fraud, misappropriation, or mismanagement with the P-Card shall be reported immediately to the CFO of the Spending Unit. The CFO shall report all aforementioned instances to the Executive Director of the State Auditor's Office P-Card Division within 24 hours of his or her discovery in a format approved by the State Auditor's Office P-Card Division.

10.3 Post-Audit Training

Post-Audit consultations will be conducted as needed after the completion of post-audits. These consultations focus on findings presented in the post-audit and instruct cardholders on the proper use of the P-Card. The State Auditor's Office P-Card Division reserves the right to require additional training as it deems necessary.

Section 11.0: Emergency P-Cards

11.1 West Virginia State Agencies and Institutions of Higher Education

11.1.1 Authorization of P-Cards for Emergency Use

P-Cards will be authorized for use by emergency management or response personnel. P-Cards may be utilized for payment when an emergency, public necessity, rescue, relief or disaster is declared by a Board of Public Works member or his or her designee, or the President of an Institution of Higher Education or his or her designee and approved by the chancellor and will only remain activated throughout the declared emergency for such purchases as may be required. State Agencies should refer to the State Purchasing Policies & Procedures Handbook at www.state.wv.us/admin/purchase. Higher Education Institutions should refer to their emergency purchasing policies & procedures. Any questions concerning emergency purchasing rules, policies, or procedures should be referred to the Spending Unit Purchasing Department.

Agencies that may be called upon to respond in these situations must contact the State Auditor's Office P-Card Division to establish an implementation plan for emergency P-Card use as well as for emergency contact information for individuals involved.

11.1.2 Emergency P-Card Activation

Upon declaration of an emergency, [public necessity, rescue, relief or disaster,] the P-Card Coordinator or his or her emergency designee for the authorized emergency management or response personnel shall contact the State Auditor's Office P-Card Division to request use of the P-Card for emergency purposes or, where applicable, to request activation of the card. The P-Card coordinator or emergency designee shall, when deemed necessary, request increases in the credit limit to meet the requirements of the emergency. Within five (5) business days of an emergency, the written confirmation of the declaration of emergency shall be sent to the State Auditor's Office P-Card

Division, as well as a list of authorized emergency management and response personnel responding to the specific situation. An emergency terminates thirty (30) days from the date of proclamation, unless previously extended or terminated by written proclamation by the initiating member, the president with approval by the chancellor, or the passage by the legislature of a concurrent resolution terminating such emergency, [public necessity, rescue, relief or disaster.]

11.1.3 Payment of Invoices

The P-Card account must be paid in full at the end of each billing cycle. The authorized emergency management or response personnel shall have additional thirty (30) days after the termination of the emergency to pay invoices for goods and services rendered during the emergency, [public necessity, rescue, relief or disaster,] as approved by the State Auditor's Office P-Card Division. Except as otherwise provided by statute or rule, the P-Card policies and procedures shall be followed for all emergency purchases.

11.1.4 Accounts

Each State Agency or institution of Higher Education may be issued a separate master account for emergency purchases.

11.1.5 Emergency P-Card Post Audit/Review

A post audit review will be performed by the State Auditor's Office P-Card Division of all P-Card transactions relating to a declared emergency, [public necessity, rescue, relief or disaster.]

11.2 West Virginia National Guard

11.2.1 Issuance of Emergency P-Cards

The Adjutant General will issue Emergency P-Cards to selected members of the West Virginia Army and Air National Guard called to Active Duty by the Governor for state emergencies such as floods, snow storms, fires or any other disaster so ordered.

11.2.2 Policies

AGD MEMORANDUM Number 01-01, revised June 15, 2006, contains the policies and procedures for the use of the West Virginia Emergency P-Card by members of the West Virginia National Guard. In addition to this memorandum, the State P-Card Policies and Procedures Manual will be followed by The Adjutant General.

Section 12 – Definitions:

Athletic and Academic Team-Related Expenses - Expenses generated by a team-related activity which may include student travel, necessary team-related medical or drug testing or treatment, food,

or hospitality expenses paid for by a designated, authorized employee at an institution of Higher Education.

Auditor's Office - West Virginia State Auditor's Office.

Cardholder - Individual responsible for and named on the P-Card.

Cardholder Account Number - The individual account number assigned to each State of West Virginia payment account.

Cardholder Agreement Form - A form signed by the cardholder that acknowledges that the cardholder has had adequate training, understands the *P-Card Policies and Procedures*, and accepts responsibility for compliance with all policies and procedures. [Download Cardholder Agreement Form From Section 13](#)

Cardholder Application Form - A form that initiates the P-Card issuance process. [Download Cardholder Application Form from Section 13](#)

Chief Financial Officer - The individual responsible for oversight of the financial activity within a Spending Unit.

Collusion - A secret agreement between two or more parties for fraudulent, illegal, or deceitful purposes.

Disputed Item - Any transaction that was not authorized by the individual cardholder. [Download Cardholder Dispute Form from Section 13](#)

Electronic Signature – An electronic sound, symbol or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record. (See WV Code 39A-1-2(8)).

Emergency Management or Response Personnel - All persons acting under color of authority of state law engaged in rescue efforts, emergency or disaster relief recovery or coordination of emergency services, and are identified as such by a Board of Public Works member.

General Emergency - The occurrence or imminent threat of widespread or severe damage, injury or loss of life such that a state of emergency is declared by the Governor or the Legislature pursuant to West Virginia Code §15-5-6.

Goods - Materials, supplies, commodities, equipment, and any other articles or items used by or furnished to a Spending Unit.

Higher Education Emergency - The occurrence or imminent threat of substantial damage or risk to health or safety at an institution of Higher Education such that a state of emergency is declared by the president of the institution and approved by the chancellor pursuant to West Virginia Code §18B-5-9. Emergencies may include, but are not limited to, partial or total destruction of a campus facility; loss

of a critical component of utility infrastructure; heating, ventilation or air condition failure in an essential academic building; loss of a campus road, parking lot or campus entrance; or a local, regional, or national emergency situation that has a direct impact on the campus.

Hospitality - Food, nonalcoholic beverages, and related expenses for the reception of guests by a Spending Unit for a specific event or function relating to conducting State business.

Individual Statement - A listing of transactions available monthly to the cardholder indicating all activity on an individual P-Card.

Master Billing Account Number - The master account number assigned to each Spending Unit for billing purposes.

Master Statement - A list of transactions available monthly to the Spending Unit coordinator indicating all activity on each individual P-Card that rolls up to that Spending Unit's master account number.

Official State Use - Payments made by a cardholder on behalf of the State as permitted by law and P-Card policies and procedures.

P-Card Coordinator - The individual designated by each Spending Unit to administer the P-Card Program within the Spending Unit. [Download Coordinator Authorization Form from Section 13](#)

P-Card Delegation - The practice of allowing an individual other than the cardholder whose name appears on the front of the P-Card to have access to the P-Card or P-Card number to initiate or complete a transaction.

P-Card Provider - The financial institution providing P-Card services to the State of West Virginia.

Program Administrator – The Executive Director of the State P-Card Program in the State Auditor's Office P-Card Division.

Public Necessity, Rescue Relief or Disaster – The occurrence or imminent threat of harm or damage to a significant resource area.

Purchasing Card (P-Card) - A payment account issued in the name of an individual employee of the State of West Virginia for official state use.

Receipt - An itemized document indicating the vendor, the price per item, and the total amount charged in a transaction.

Reporting Hierarchy - The description assigned to each level within the organizational hierarchy that defines the Cardholder's or Coordinator's relationship within the Spending Unit's reporting and/or review structure.

Routine Regularly Scheduled Payments - All payments which have either received Attorney General approval in accordance with statute or do not require such approval, and are made on a regular, predictable and routine basis whether weekly, monthly, annually, or on any other regular schedule.

Spending Unit – Department, agency, or institution of state government.

Spending Unit Contract - A legal and binding instrument between the state Spending Unit and a vendor to provide goods or services.

Transaction –The payment for goods and services and other items as set forth in 155 CSR 7.2.

Transaction Limit - The maximum dollar amount permitted in any single transaction.

Travel Expenses - An employee's individual expenses generated while engaged in job related activities away from the employee's regular place of employment. Travel expenses include, but are not limited to the following: registration fee payments, airline ticket payments, vehicle rental payments, other transportation tickets, hotel folio payments including business-related costs such as business phone charges and business internet access. Travel expenses shall not include any personal expenses on hotel folios such as room service, movie expenses, or food expenses.

Vendor - The supplier of goods or services to the State of West Virginia.

Section 13: Forms-Hyperlinks to Forms.

[Coordinator Authorization Form](#)

[P-Card Application](#)

[Cardholder Agreement Form](#)

[P-Card Maintenance Form](#)

[WV-49](#)

[WVFIMS Administrative Policy Statement Number 35](#)

[Hospitality Documentation Event Information Form](#)

[Sample P-Card Log Sheet](#)

[P-Card Dispute Form](#)

[P-Card Vendor Complaint Form](#)

[Sample P-Card Travel Settlement Summary Form](#)

[Tax Exemption Certificate](#)

[Unauthorized Card Use Affidavit](#)

[WVFIMS Tax Reportable Object Codes](#)