SUBJECT: Procurement Card (ProCard)  
Policy Number: 507  
Adopted: 03/24/2015

The Office of the Commissioner of Higher Education (OCHE) participates in the State of Montana’s Procurement Card Program. The Procurement Card (ProCard) Program is a cost-effective method for State employees to procure and pay for State supplies, services, and travel; while reducing travel advances, out-of-pocket travel expenses, and reducing the number of State warrants issued.

Although the use of the State ProCard provides benefits to OCHE and to the employees who use the card, the risks inherent with all credit cards must be acknowledged and protected by the employees who are provided ProCards. The named employee on the ProCard is responsible for all purchases on the card—as well as for obtaining and retaining all appropriate documentation. Although the ProCard is issued in the employee’s name, it is the property of the State and can only be used for State of Montana purchases.

A. PROCARDs MAY BE USED FOR THE FOLLOWING PURCHASES:
   1. **Airline tickets.** OCHE staff **MUST** use ProCards to purchase airline tickets for State-business related travel.
   2. **Lodging.** The ProCard may be used for lodging expenses. However, all State and OCHE travel policies regarding reimbursement for lodging must be followed. ProCard charges for lodging **MUST NOT** include in-house movies, room-service, or other non-reimbursable personal charges.
   3. **Rental cars.**
   4. **State contract purchases.**
   5. **Supplies and goods purchased** according to State purchasing policies.

B. PROCARDs MAY NOT BE USED FOR THE FOLLOWING:
   1. **Cash advances.**
   2. **Per Diem expenses (meals).** Cardholders **MUST NOT** use the card to charge meals. Travel expense vouchers must be submitted to receive per-diem reimbursements.
   3. **Purchases that do not comply with State laws, policies, or regulations.**
   4. **Standard Merchant Category exclusions.** (liquor and tobacco product stores, etc.)
   5. **Any personal use.** (health and medical services or personal entertainment, etc.)

C. Obtaining a ProCard - In order to obtain a ProCard, OCHE employees will complete the **US Bank Purchasing Card New Account Information Record** and the **Employee Purchasing Card Agreement**.

The completed forms need to be submitted to the appropriate supervisor for approval and forwarded to OCHE’s Purchasing Card Coordinator (Debbie Bunker) in the Fiscal Department once approved. Upon receipt of the card (about 5 working days after submission to US Bank), the cardholder will need to activate the ProCard by calling the number listed on the card. **Note:** When prompted for the last 4 digits of the individual’s social security number, the employee will **use the last 4 digits of his/her employee identification number instead.**

A 4-digit personal identification number (PIN) will be mailed to the cardholder. It is the cardholder’s responsibility to keep, know, and maintain his/her PIN. No one but the cardholder will know the PIN. There is no ability to change the PIN only have it replaced, via mail, if lost or
forgotten. If a PIN is lost or forgotten, the cardholder must contact US Bank customer services to request a new PIN. The new PIN will be mailed to the cardholder, which takes approximately 7-10 days.

D. Caring for the ProCard - The ProCard should always be treated with a level of care that will reasonably protect the card and account number. The ProCard should be kept in an accessible, but secure location. The card should be treated in the same manner as a personal credit card. Neither the account number nor the PIN should not be posted at an individual’s desk or written down in a daily planner. Account numbers should not be provided over the Internet unless it is a secured site.

The only person entitled to use the State ProCard is the person whose name appears on the face of the card. AN INDIVIDUAL’S PROCARD SHOULD NOT BE GIVEN TO ANOTHER PERSON FOR USE. This will result in a loss of card purchasing privileges.

E. Making Purchases with the ProCard - OCHE employees must comply with State Purchasing and Procurement policies and regulations. After making certain that the purchase(s) complies with State purchasing regulations and that the purchase(s) will not exceed the card limit, the purchase may be initiated. Cardholders must not purchase from any vendor that is on the Federal or State suspended or debarred vendor listing.

The ProCard may be used for individual transactions commensurate with the amount authorized by an employee’s supervisor. Splitting charges to stay within an individual’s assigned limits is not allowed and may be a violation of procurement laws. ProCard purchases may be made via online, phone, mail order, or in person. A ProCard user should request an itemized receipt from the vendor. A printout of the official receipt that is generated after the on-line purchase is completed is an acceptable receipt. Inappropriate card use will result in a loss of card purchasing privileges and may result in severe consequence, up to and including termination of employment. Regular purchases should not require a PIN with the possible exception of stand-alone kiosk type machines where a signature cannot be acquired. However, merchants have the right to ask for a PIN, if the swipe machine requires it. PINs will be required for purchases abroad. Phone or on-line orders may still ask for the security code on the card. The PIN is different than the security code located directly on the card.

F. ALL PURCHASES MUST BE RECORDED ON THE OCHE PROCARD TRANSACTION LOG (Transaction Log) The transaction log should be delivered to the OCHE Purchasing Card Coordinator weekly before Friday with the corresponding receipts for each purchase attached. The transaction log should be completed within five (5) working days after the purchase was made. If a receipt has been lost, the vendor must be contacted for a duplicate copy. ProCard user(s) should retain a copy of receipts, invoices, and purchasing card slips for his/her own record. These records should be maintained for at least 6 months. PROCARD RECORDS MAY BE REVIEWED BY OCHE FISCAL PERSONNEL AND ARE SUBJECT TO AUDIT.

The final deadline for all transaction logs and corresponding receipts occurs around the 21st of each month. Cardholders that continually fail to provide timely transaction logs and/or receipts may have his/her ProCard suspended or cancelled.

Each cardholder must verify purchases as they are received. Items will be charged against whatever default org that was identified when the card was issued. ProCard users need to complete the org section on the transaction log. If purchases were returned or cancelled, the vendor needs to be contacted to request a credit. This action should be noted on the transaction log.
G. **Reviewing ProCard Statements and Dispute Resolution** - Each cardholder will receive a ProCard statement (similar to personal credit card statement) directly from US Bank after the cycle end date which is around the 21st of each month. The cardholder should review the statement ensuring items include valid purchases. The cardholder is responsible for all transactions identified on the statement. If there is a disputed charge the supplier should be contacted to try to resolve the error. If the supplier agrees that an error has been made and a credit is issued, the Purchasing Card Coordinator needs to be notified. If the supplier does not agree that an error is made, then US Bank Customer Service needs to be contacted by the cardholder (the phone number is located on the back of the ProCard) as soon as possible to resolve the issue. Typically, a Purchasing Cardholder Dispute form must be sent to US Bank within 60 days of the statement date via fax or mail. Also, the Purchasing Card Coordinator needs to be notified.

H. **Inappropriate ProCard Use** - Inappropriate card use includes the use of a ProCard for personal and/or non-State items, use of a ProCard without the knowledge or consent of the employee assigned to the ProCard, and/or allowing/loaning use of a ProCard not assigned to the employee. Depending upon the circumstances surrounding the inappropriate card use, the employee may be subject to disciplinary action in accordance with OCHE’s Personnel Policy 401.0. Also, the misuse may be reported to the Legislative Audit Division and the Attorney General’s Office, as required by State law.

1. **First Offense** - A violation letter is sent to the cardholder and the respective supervisor from the Purchasing Card Coordinator. Depending upon the circumstances, the ProCard may be suspended or cancelled. The cardholder must read and sign a new Employee Purchasing Card Agreement.

2. **Second Offense** - The ProCard will immediately be suspended. The cardholder’s supervisor must send a written request to the Deputy Commissioner for Fiscal Affairs to reactivate the ProCard. The letter must provide a justification as to why the employee needs to have a ProCard and how the supervisor intends to monitor future purchases made by the cardholder.

3. **Third Offense** - The ProCard will immediately be cancelled.

I. **Lost or Stolen ProCards** - If a ProCard is lost or stolen the cardholder must notify the Purchasing Card Coordinator and contact US Bank Customer Service immediately.

J. **Terminated Employment** – If a cardholder terminates employment, the ProCard must be surrendered immediately to the Purchasing Card Coordinator.