OFFICE OF THE COMMISSIONER OF HIGHER EDUCATION
PERSONNEL POLICIES

SUBJECT: Fiscal Policies
Policy 507 – Procurement Card (Procard);
Adopted: March 24, 2015; Revised June 14, 2019; Revised July 8, 2019

I. Policy

The Office of the Commissioner of Higher Education (OCHE) participates in the State of Montana’s Procurement Card Program. The State has implemented a Procurement Card Program designed to allow agencies the ability to make small purchases using a procurement card (US Bank Visa). The intent of this Program is to increase the efficiency of the purchasing system by eliminating manual steps and costly paperwork required to make small purchases. As a positive byproduct of the Program, the State and agencies can:

1. Reduce the amount and number of petty cash funds;
2. Better identify the actual cost to make such purchases;
3. Reduce the audits and administration of small purchases; and
4. Enhance the reporting of purchases made.

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 OCHE related purchases.

II. Procedures

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. All State and OCHE travel policies regarding reimbursement for lodging must be followed.
3. Rental cars.
5. Supplies and goods purchased according to State purchasing policies.
6. Conference registrations, subscriptions, membership dues, training materials, and catered meals for meetings which are preapproved by supervisor of cardholder.
7. Operational items where the card use enables workflow and processing efficiencies to be realized.

B. PROCARDS CANNOT BE USED FOR THE FOLLOWING:

1. Cash advances.
2. ProCard charges for lodging must not include in-house movies, room-service, or other non-reimbursable personal charges.
3. Per Diem expenses (meals). Cardholders must not use the card to charge meals. Travel expense vouchers must be submitted to receive per-diem reimbursements.
4. Purchases that do not comply with State laws, policies, or regulations.

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5. Standard Merchant Category exclusions (liquor and tobacco product stores).
6. Any personal use (health and medical services or personal entertainment, stores).

C. OBTAINING A PROCARD:

In order to obtain a ProCard, OCHE employees will complete the Procurement Card Application Form, and the Employee Purchasing Card Agreement. These forms must be signed by the employee and the employee’s supervisor, and then submitted to the Agency Procard Coordinator.

The completed forms need to be submitted to the appropriate supervisor and the Director of Operations and Administration for approval and forwarded to OCHE’s Purchasing Card Coordinator in the Operations and Administration Unit 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 State employee identification number instead.

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 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, that the purchase(s) will not exceed the card limit, and the proper approvals are in place, the purchase may be initiated. Cardholders must not purchase from any vendor that is on the Federal or State suspended or debarred vendor listings which can be found here:

http://emacs.mt.gov/DebarredSuspendedVendors
https://www.sam.gov/SAM/

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 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

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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 working days after the purchase was made. If the Procard is used during travel status, the log is due within five business days of the traveler’s return to the office. If a receipt has been lost, the vendor must be contacted for a duplicate copy. ProCard user(s) should retain a copy of all receipts, invoices, and purchasing card slips for his/her own records. These records should be maintained for at least 6 months. Procard records may be reviewed by OCHE Operations and Administration personnel and are subject to audit. The final deadline for all Transaction Logs and corresponding receipts occurs around the 21st of each month. Cardholders who repeatedly fail to provide timely transaction logs and/or receipts will have his/her ProCard suspended or cancelled.

1. First occurrence - cardholder will be reminded via email by Operations and Administration staff to provide log and/or receipts and documentation timely.
2. Second occurrence - Director of Operations and Administration will notify supervisor of cardholder of delinquent log or required receipts or documentation.
3. Third occurrence - card is suspended until receipts, documentation and log are received and fully completed. Card will not be reactivated until employee completes new Employee Purchasing Agreement and meets with Director of Operations and Administration for additional training.
4. Fourth occurrence – employee is deemed no longer eligible for ProCard and card is 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 to ensure the items listed are 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 must be notified. If the supplier does not agree that an error was made, then US Bank Customer Service must be
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contacted by the cardholder as soon as possible to resolve the issue (the phone number is located on the back of the ProCard). 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 must be notified.

H. IMPERMISSIBLE PROCARD USE:

Impermissible ProCard 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. If a personal charge is inadvertently charged to the State Procard, the cardholder must contact their agency Procard coordinator and/or accounting department to arrange repayment. In cases of intentional employee misuse, the agency must complete a Procard Employee Misuse Form and submit it to the Montana Department of Administration. This form can be found at: https://mine.mt.gov/content/programs/docs/Employee_Misuse_Form. Additionally, the misuse must also be reported in accordance with MCA 5-13-3.

Depending upon the circumstances surrounding the impermissible card use, the employee may be subject to disciplinary action in accordance with OCHE’s Personnel Policy 401.0 and may be required to pay for the unallowed charges. In addition, the misuse may be reported to the Legislative Audit Division and the Montana Attorney General’s Office, as required by State law.

1. First Occurrence - The cardholder and supervisor are notified by the Director of Operations and Administration. Depending upon the circumstances and dollar amount of funds involved, the ProCard may be suspended or cancelled.
2. Second Occurrence – The cardholder and supervisor will meet with the Director of Operations and Administration to discuss the card use and determine next steps which may include the ProCard being suspended or cancelled. The cardholder will be required to complete and sign a new Employee Purchasing Agreement in order to continue using a ProCard.
3. Third Occurrence - The ProCard will be suspended. The cardholder’s supervisor must send a written request to the Director of Operations and Administration to reactivate the ProCard. The letter must provide a justification as to why the employee needs a ProCard to carry out his or her job duties and how the supervisor intends to monitor future purchases made by the cardholder. The ProCard may continue to be suspended or may be cancelled.
4. Fourth Occurrence - The ProCard will be cancelled.

I. LOST OR STOLEN PROCARDS:

If a ProCard is lost or stolen, the cardholder must notify the Purchasing Card Coordinator and must contact US Bank Customer Service immediately.
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J. TERMINATED EMPLOYMENT:

If a cardholder terminates employment, the ProCard must be surrendered immediately to the Purchasing Card Coordinator.