I. PURPOSE

This policy outlines the additional standards for processing purchasing transactions using the State P-Card of Oregon Transaction System (SPOTS) card within the Department of Corrections. The SPOTS card is a state-sponsored credit card that agencies may use to procure and pay for goods and services. The SPOTS card program saves the state time and money because the bank and merchants process most of the paperwork. This reduces the need for agencies to issue purchase orders in some circumstances or to rely on petty cash funds.

II. Policy

Except as noted below, the department has adopted the Department of Administrative Services (DAS), State P-Card of Oregon Transaction System (SPOTS) policy:


III. POLICY CLARIFICATION (DOC Specific)

Below is the specific policy clarification sections referenced in this policy. Each section is identified by its corresponding section reference to the Oregon Accounting Manual-55.30.00.

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A. **Purchasing Requirements:**

Agencies that use the SPOTS card to pay for goods and services must follow the Public Contacting Code found in ORS 279. The code includes the following topics:

1. A procurement of goods or services not exceeding $10,000 are awarded in any manner the contracting agency deems practical or convenient, including by direct selection or award.

   For a procurement with a value of $5,000 or more, ORS 200.035 requires a state agency to provide timely notice and information to the Governor’s Advocate for Minority, Women and Emerging Small Business, (also known as the Director of Economic & Business Equity) regarding:

   a. Bid or proposal solicitations; and

   b. Contract awards.

   If a state agency requests bids or proposals with a value of $5,000 or more, the agency must provide timely notice and information to the Governor’s Advocate. If an agency makes an award of $5,000 or more, the agency must provide timely notice and information of the award to the Governor’s Advocate, whether it was by direct small procurement award, or by another method.

   The Minority, Women, and Emerging Small Businesses (MWESB) Policy (DAS Statewide Policy #107-009-0030-PO) and the Oregon Procurement Information Network (ORPIN) Policy (DAS Statewide Policy #107-009-0020-PO) provide for use of ORPIN to comply with the notice requirements of ORS 200.035.

2. According to ORS 279B.065(2), an agency must not fragment or separate purchases to get around solicitation requirements. Fragmenting a purchase using a SPOTS card is unauthorized.

3. Agencies may use the SPOTS card to make purchases on state price agreements. The state may require a purchase order to purchase some items whether or not a price agreement exists. The terms and conditions of the price agreement take priority. Use of the SPOTS card must not replace a purchase order where one is required. Products purchased with the SPOTS card must reflect the same price, terms, and conditions as those listed in the price agreement, unless contract language grants additional consideration to a vendor. In cases where a vendor receives additional consideration for accepting SPOTS
cards, the modified contract terms will prevail. An agency must not use a SPOTS card to avoid the requirement to use a state price agreement.

DOC staff shall comply with Executive Order 12-05. Cardholders must comply with the green initiative and follow the price agreement for buying all green janitorial supplies, industrial paper and janitorial equipment. This price agreement has approximately 8,000 items and is designed to meet all the guidelines, Green Chemistry and the EO 12-05. This price agreement is a mandatory contract for all Oregon state agencies under DAS authority.

B. 105. Roles and Responsibilities

Cardholder—An individual cardholder must:

1. Use the card in compliance with DAS and agency policies and procedures.
2. Obtain purchase documentation.
3. Reconcile bank transactions with receipts monthly and retain original receipts for one year.
4. Sign the monthly reconciliation.
5. Submit SPOTS log, with receipts and proper authorizations no later than the 14th of every month unless the 14th falls on a weekend, then the next business day.

C. 109. Card Custodian

For agencies using department cards (e.g., SPOTS Parking Cards), the card custodian administers and controls the use of the card. The card custodian must:

1. Manage physical custody and security of the SPOTS card and account number.
2. Maintain records of card check out and check in by designated card users.
4. Ensure card use complies with agency policies and procedures.
5. Reconcile bank transactions with receipts monthly.
6. Sign the monthly reconciliation.

D. 110. Designated Card User

A designated card user of a department card must:

1. Check the card in and out of the card custodian.
2. Use the card in compliance with agency policies and procedures.
3. Obtain and submit purchase documentation for each purchase made.

E. 113. SPOTS Card Training

Department of Corrections must:

1. Train cardholders, card custodians, and designated card users prior to issuance of a SPOTS card.

2. Train the managers and supervisors that approve SPOTS card purchases.

3. Document that each of the above has received initial training and training within a year of this OAM revision or every other year.

4. An agency must suspend the SPOTS card use of any employee who has not taken required training within 45 days of being notified this was due or after two failed attempts at the training.

5. Card custodians and designated card users must complete SPOTS training prior to issuance of department cards. A department card must be permanently closed when the card custodian separates from their role as custodian.

F. 116. Issuing Cards

The agency’s SPOTS Coordinator will process new card requests, up to credit limit of $50,000, Access Online, based on the approved SPOTS card Application and Agreement Form 75.55.02.FO.

Card Controls

G. 123. Single Transaction Limit

DOC’s single transaction limit is no more than $10,000.

H. 125. Fragmenting

Intentionally fragmenting purchases to avoid single transaction or monthly credit limit is unauthorized.

I. 126. Merchant Category Code (MCC)

Vendors accepting purchase cards have a four-digit Merchant Category Code (MCC) used to classify the business by the type of goods or services provided. The SPOTS card has certain MCCs blocked to prevent purchases from inappropriate or high-risk vendors (e.g., casinos, money orders). An Approving Officer may request an exception from FBS. See Appendix A for the list of blocked MCCs.

J. 128. SPOTS Card Security
A SPOTS card must be secured at all times. The card, card number, and Personal Identification Number (PIN) must be safeguarded against use by anyone other than the cardholder/custodian or designated card user.

1. Agencies must establish procedures to secure cards.

2. Only fax a SPOTS account number expiration date, and three-digit security code if other purchase methods are not available. If a vendor’s fax security is unknown, consider redacting the account information from the form and contacting the vendor by phone to complete the purchase. Secure fax receipts that contain account information.

3. Do not email a SPOTS card account number, PIN, or three-digit security code.

4. Before entering a SPOTS card account number on a Web page, ensure that the site uses encryption. Signs of encryption include a Web address, with https (“s” stands for secure) and a closed padlock.

5. For security and fraud prevention any card with no usage after 3 months will be inactivated. The cardholder will need to contact the SPOTS Coordinator to reactivate the card. If the card has no usage after 6 months, the card will be deactivated and the cardholder will need to restart the application process and retake the required training before a new card is issued.

K. 130. Authorized Purchases

1. Examples include supplies, services, equipment rentals, training registrations, non-travel business meals per OAM 10.40.10, non-travel meals and refreshments, client services, and other agency-prescribed items.

2. Utility bills can only be paid by the Accounting Unit using a SPOTS card.

3. Agencies may use a SPOTS card for prepayment with the approval of the SPOTS approving officer.

4. Cardholders must obtain prior approval from the DOC SPOTS Card Coordinator to use a SPOTS card to purchase a stored value card. A stored value card refers to a monetary value on a card that allows the purchase of goods or services from a specific vendor. It is the responsibility of DOC to ensure and document the purchases made using a stored value card are for authorized state business.

5. A tracking log must be completed to verify each use of the value card until the balance has been used up. The log must include the user of the card, date, amount, and item purchased. The log must be sent to the DOC SPOTS Card Coordinator when the stored value card reaches a zero balance.

6. Computer hardware, such as wireless keyboards and mice may be purchased with advance written approval from the Information Technology Asset Manager or
designee. Some items may be purchased without authorization from the Information Technology Asset Manager or designee and are listed in the IT SPOTS Exclusion List available on the U-Drive (See attached link), or from the SPOTS Card Coordinator.

U:\General Information\Computer Standards\Nonstandard Ordering\SPOTS

7. Computer software may be purchased with advance written approval from the Information Technology Asset Manager or designee. Items include, but are not limited to: Software that can only be purchased using a credit card or for an emergency.

8. Only approved (approval must come from the SPOTS Approving Officer) cardholders may use their SPOTS cards for out of state travel in accordance with OAM 40.10.00, Statewide Travel Policy. The IRS rules state that an “Accountable Plan’s Timeliness Safe Harbor for Substantiating Expenses” is 60 days after travel expenses are paid or incurred to avoid having the cost added to the W-2 as taxable wages.

9. SPOTS card expenditures may be paid using the Inmate Welfare Fund (IWF). IWF monies may be used to fund a variety of programs, services and activities benefiting the general inmate population and enhancing inmate activities and programs, including capital construction and improvement projects in support of such programs, services and activities. Specific uses of the fund may include but are not limited to operation, support or enhancement of the following programs, services and activities: Refer to the department’s rules on Inmate Welfare Fund (OAR 291-156).

a. Education Programs;

b. Alcohol and drug treatment and education programs;

c. Department of Corrections facility canteens, including copying machine made available for inmate use through the facility canteens;

d. Inmate trust accounting system;

e. Provision of postage-paid envelopes for indigent inmates;

f. Provision of non-prescription, over-the-counter health aids made available for inmate use in inmate housing units in Department of Corrections facilities;

g. Department of Corrections facility libraries designated for inmate use;

h. Department of Corrections facility visiting room equipment, supplies and
services; and

i. Inmate activities programs, including:

1) Equipment for television viewing;
2) Visiting music/entertainment groups;
3) Music equipment and supplies;
4) Activities equipment, supplies and services;
5) Repair of equipment purchased from the Inmate Welfare Fund;
6) Food or supplies for food for special occasions;
7) Inmate awards for the purpose of providing umpires, referees, and maintaining activity equipment and apparel;
8) Inmate tournaments and holiday events;
9) Inmate club activities; and
10) Entertainment equipment, supplies, and services.

L. 131. Unauthorized Purchases

1. Do not use the SPOTS card for personal purchases. Government Ethics for state employees (ORS 244.040) provides that no employee can gain personally from his/her employment.

2. Do not use the SPOTS card for cash withdrawals, money orders, traveler’s checks, or other monetary instruments.

3. Do not use the SPOTS card to purchase airline tickets for official state business. Airline tickets are purchased through the state’s travel management contractor (TMC) using a CTS account. If the TMC issues a written waiver to purchase airline tickets elsewhere, an agency may use the SPOTS card.

4. Do not use the SPOTS card for travel meals.

5. Do not make fuel purchases for state owned vehicles with a SPOTS card unless the vendor will not accept the Voyager or fleet card. A SPOTS card does not provide fuel tax exemptions. If the SPOTS card is used, agencies must contact DAS Fleet for DAS owned vehicles and provide a copy of the detailed receipt. See DAS Fleet Policy: DAS Fleet and Parking Services Internal Operating Policies for DAS Owned, Rented or Assigned Vehicles.
6. Do not use the SPOTS card for personal vehicle fuel related to employee travel or moving expenses.

7. Do not use the SPOTS card to purchase firearms, cell phone accessories, gift cards, and coffee pots.

8. Do not use the SPOTS card to purchase clothing/Uniform items for use by DOC employees such as work boots (See the department policy on Dress Code 20.1.6), belts, jackets, work pants, work shirts, hats, coveralls, etc.

9. Do not use the SPOTS card to purchase in-state lodging and other miscellaneous in-state travel expenses for employees or on behalf of another employee (includes car rentals, shuttles, taxis, baggage, tolls, etc.).

10. Do not use the SPOTS card to purchase microwaves, refrigerators, or furniture.

11. Do not use the SPOTS card to purchase retirement gifts such as shadow boxes, plaques, and greeting cards.

12. Do not use the SPOTS card to purchase staff holiday decorations and greeting cards (e.g., Christmas, birthday, retirement, etc.).

**Extenuating Circumstances:**

1. An extenuating circumstance may occur which necessitates the use of a SPOTS card to make an unauthorized purchase. An extenuating circumstance exists when the following conditions are met:

   a. The SPOTS card is the only reasonable means of making the purchase.

   b. The purchase is essential for the operational needs of the Department of Corrections

2. The Functional Unit Manager must seek for and obtain written approval for the purchase from the SPOTS Card Approving Officer or designee from the Division of the Chief Financial Officer before making the purchase.

3. A copy of the written approval will accompany the SPOTS Log when it is sent to the SPOTS Card Coordinator.

**Emergencies:**

1. In the event of an emergency, an unauthorized purchase may be made before
written approval from the SPOTS Card Approving Officer is obtained. An emergency purchase may be made when the following conditions are met:

a. The conditions of an extenuating circumstance are met.

b. The purchase is necessary for the preservation of life or property.

c. The Functional Unit Manager or designee approves the purchase.

d. The nature of the emergency dictates that the purchase must be made before seeking or obtaining approval from the SPOTS Card Approving Officer or designee.

2. As soon as possible after the purchase has been made, the Functional Unit Manager will document the event and send written notification to the SPOTS Card Approving Officer in order to seek approval for the purchase. Copies of these documents and the response received from the SPOTS Card Approving Officer will accompany the SPOTS Log when it is sent to the SPOTS Coordinator.

M. 139. Misuse

1. Misuse in the SPOTS program may be any action that is not in accordance with state and agency policy.

2. Examples of misuse include but are not limited to unauthorized use, personal expenses, prohibited purchases, failure to use existing state price agreements, split transaction, insufficient documentation, incomplete/inaccurate records, and consistently unmet reconciliation deadlines.

3. The Approving Officer or delegate, in consultation with the agency’s Human Resources Office, if applicable, is responsible for taking appropriate action in response to SPOTS program misuse.

4. Actions may include:

   a. Suspension of SPOTS Card for one billing cycle.

   b. Repeating the SPOTS program training.

   c. For repeated misuse (more than two occurrences per quarter), the SPOTS Card Approving Officer may suspend the card for up to three months or, if deemed appropriate, permanently at the discretion of the Approving Officer.
d. For gross negligence or fraud, the agency will immediately terminate the SPOTS card and notify DAS Risk Management, the Secretary of State’s Audits Division, and the Department of Justice.

IV. IMPLEMENTATION

This policy will be adopted immediately without further modification.

Certified: __ signature on file ____________
           Birdie Worley, Rules Coordinator

Approved: __ signature on file ____________
           Brian Belleque, Deputy Director
### Appendix A
### DOC Merchant Category Codes Blocked

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<th>CODE</th>
<th>MERCHANT CATEGORY DESCRIPTION</th>
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<td>TRAVEL AGENCIES</td>
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<td>OTHER TRAVEL/PKG TOUR OPERATIONS GERMANY ONLY</td>
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<td>REMOTE STORED VALUE LOAD - MERCHANT</td>
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