

# SPOTS Card Training

Updated April 2019



# What is the SPOTS Program?

- The State P-Card of Oregon Transaction System.
- Purchase card program that allows state employees to use a credit card to pay for certain purchases.
- Administered by DAS and each participating agency.
- Policy for the program is the Oregon Accounting Manual Chapter 55.30.00.



# When can the SPOTS card be used?

- The SPOTS card is a payment method and may be used for authorized state business.
- The authority to spend public funds has been delegated to you. With this delegation comes a lot of responsibility.
- Only specified employees can use the card or authorize its use.



# SPOTS Cards and Procurement Rules



- The State of Oregon public contracting code must be followed when using the SPOTS card and is available on the DAS Procurement Services website.
- Cardholders cannot fragment or separate purchases to avoid procurement requirements.
- Price agreements must be followed and purchase orders may be required with SPOTS card payments.



# What is a Price Agreement?

- A price agreement is a public contract between the state and a vendor for the procurement of goods or services at a set price.
- Information about price agreements is available in the Oregon Procurement Information Network.
- Contact your ORPIN agency coordinator (OAC), the ORPIN Help Desk at 503-373-1774 or [info.orpin@oregon.gov](mailto:info.orpin@oregon.gov) for more information.



# Who can use the SPOTS card?

- The individual named as a cardholder, or
  - Designated card users of a department card may use a SPOTS card.
-  ➤ In the case of a department card, there must be a card custodian designated to administer and control the card.
- All cardholders, card custodians, designated card users and their supervisors must have appropriate training before using the card and within a year of OAM revision, or every other year.





## SPOTS Card Security

- SPOTS cards must be secured at all times.
- The card, card number and PIN must be safeguarded.
- Ensure the card information is being faxed to a secure location.
- Do not email a card account number, PIN or three digit security code.
- Internet sites must use encryption. Secure sites use https and a closed padlock.



# What is a Merchant Category Code?

- A Merchant Category Code (MCC) is a four-digit number used to classify a business by the type of goods or services it provides.
- U.S. Bank and DAS have identified high-risk and cash-related MCCs that are excluded from all SPOTS cards.
- The bank declines transactions for blocked MCCs.



# Authorized Purchases

- Examples: Supplies, services, equipment rentals, software, training registrations, utility bills, non-travel business meals, client services.
- Recurring charges as long as agency monitors. Account number information stored with a merchant is the responsibility of the agency.
- Prepayments when necessary and deposits as long as procurement rules are followed.
- Stored value cards. Agencies are responsible for documenting purchases made using a stored value card.

# Authorized Travel Purchases

- Travel for official state business except as listed in unauthorized purchases.
- Fuel for state-owned vehicles or fuel powered equipment that do not have a Voyager or fleet card.
-  Beginning 2019, airline tickets purchased from the travel management contractor, except City Pair Airfares.
  - Purchase of airfare from another contractor if the TMC issues a written waiver prior to the purchase or if the airfare is for authorized non-state business.



## Authorized Travel Purchases (cont.)

- Expenses must comply with OAM 40.10.00 – Statewide Travel Policy and be substantiated similar to a travel advance.
- Expenses must have the following documented with receipts: date, time, place, amount and business purpose.
- Procedures must be in place for reconciling SPOTS expenses with individual expense claims so that the state does not make duplicate payments.



# Unauthorized Purchases

UPDATED

- Do not use the SPOTS card for personal purchases. No State of Oregon employee can gain personally from state employment.
  - This includes earning points on personal reward cards from SPOTS card purchases.
- Do not use SPOTS to purchase City Pair Airfares.
- Do not use SPOTS for employee travel meals.
- Do not use SPOTS for employee moving expenses.



## Unauthorized Purchases (cont.)

- Do not make fuel purchases for state owned vehicles unless the vendor will not accept the Voyager or fleet card.
  - Report SPOTS card fuel purchases for DAS owned vehicles to DAS Fleet & Parking Services.
- Do not use to purchase fuel for a personal vehicle related to employee travel expenses.
- Do not fragment purchase to avoid the SPOTS card single transaction or monthly credit limit.



# Vendor Surcharges

- What are they? A fee that a merchant may add to the cost of a purchase for using a credit card.
- What do you need to know?
  - Merchants are required to notify customers at the business entrance and point of sale before customers make the purchase.
  - Online merchants must notify customers on the first page that references credit card brands.
  - Merchants must disclose fees on every receipt
  - A surcharge cannot exceed 4%.





## Can the SPOTS card be attached to PayPal?

- It is permissible to use a SPOTS card with secured online payment services.
- No sharing of login and password.
- Procurement Services or the Department of Justice have not reviewed the terms and conditions for online payment services. Agencies are responsible to assure these are acceptable.



## Other SPOTS card use requirements

- The vendor should not charge the SPOTS card for back orders until the goods have shipped.
- Disputes regarding charges, products or services must be resolved with the merchant or bank as appropriate.
- Do not accept a cash refund for a returned purchase charged to a SPOTS card.
  - After multiple unsuccessful attempts to credit the SPOTS card, a vendor may provide a cash, store credit or check refund.



## What if your card has been compromised?

- It is the cardholder's responsibility to contact the bank immediately to report fraud at 800-344-5696.
- Follow the instructions provided by bank to ensure credit for fraudulent transactions.
- The bank will issue a new card with a new account number.
- Report any fraudulent charges to the SPOTS Coordinator.



# What if you do not follow all of the rules?



- The employee and supervisor will be trained on the rule or rules in question for simple errors.
- Negligence is the failure to act reasonably and the employee may incur disciplinary action.
- Gross negligence or fraud requires the removal of the SPOTS card and may include personal liability and disciplinary action up to and including dismissal of the employee.



# Supporting documentation

- Supporting documentation is required on all purchases.
  - Standard purchases require an itemized receipt.
  - Document internet purchases with screen prints or order confirmation.
  - Use original receipts when at all possible.
  - Receipts that do not itemize are inadequate.
  - The bank statement is reconciled to the receipts.
- Agencies may use a purchase card log to organize and reconcile SPOTS card transactions.



## Oh no! What if your documentation is lost?

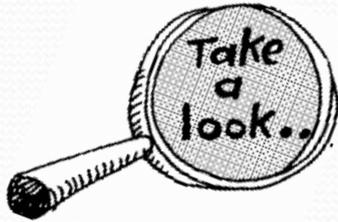
- Agencies need to develop exception processes for the infrequent case when a receipt is not available from the vendor.
- Alternate documentation must include the minimum information listed in the OAM.
- Consistent pattern of missing documentation is a serious concern and may lead to disciplinary action.



## Segregation of duties

- The purchase of the goods or services must be acknowledged by another employee, which could be the approver. A cost benefit analysis needs to be taken into consideration.
- SPOTS cardholders need to know if a separate signature is required as acknowledgement of the goods and services or if the approver takes responsibility for the purchase.





# Monitoring

- The bank provides various management reports to monitor account activity.
- Agencies are required to monitor transactions for reasonableness and appropriateness.
- DAS monitors transactions statewide for reasonableness and compliance.



# Questions?

It's quiz time

# Quiz

1. Let's start with some trivia: What does the acronym SPOTS stand for?
2. Are state price agreements an important piece of information for a SPOTS cardholder? Why or why not?
3. How do you learn if a price agreement is in place for a planned SPOTS purchase?
4. When can someone other than the cardholder use the cardholder's SPOTS card?



# Quiz – page 2

5. Who can use a department card?
6. What card information can you send by email?
7. What does it mean if your SPOTS card is rejected because of a Merchant Category Code restriction?
8. Name some authorized purchases on the SPOTS card.



# Quiz – page 3

9. Can the SPOTS card be used for prepaid items?
10. Are there any restrictions regarding stored value cards?
11. Can the SPOTS card be used for travel?
12. How about airline tickets? Meals?
13. The receipt must contain: date, time, place, amount and \_\_\_\_\_ .



# Quiz – page 4

14. What is the maximum % of a merchant surcharge?
15. What will you do if your SPOTS card has been compromised?
16. What happens if you do not follow all of the rules?



# Quiz – page 5

17. Which purchases do not require any supporting documentation?
18. What is your agency's requirement regarding the independent verification of the purchase of goods and services?
19. Who is responsible for monitoring credit card purchases?



# The End

