

OREGON MILITARY DEPARTMENT	NUMBER: AGC-248.001
FINANCIAL ADMINISTRATION DIVISION	EFFECTIVE DATE: 1 Nov 16
SUBJECT: Use of State Purchase Card of Oregon Transaction System (SPOTS) Card	

APPLICABILITY:

These policies/procedures apply to all Oregon Military Department (Agency) employees and individuals issued a SPOTS card.

AUTHORITY/REFERENCE: Oregon Department of Administrative Services,
 Controller's Division, Oregon Accounting Manual (OAM)
 OAM 55.30.00 PO (Policy)
 OAM 55.30.00 PR (Procedures)
 OAM 40.10.00 PO
 ORS 279B.065

ATTACHMENTS:

PURPOSE:

To provide policies/procedures for use of the State P-Card of Oregon Transaction System (SPOTS) card.

POLICY:

All Agency SPOTS card purchases/transactions will comply with Oregon Department of Administrative Services, Chief Financial Office SPOTS Purchase Card Program policies and procedures and this policy.

The Oregon Military Department State Financial Administration Division (AGC) is responsible for oversight of the Agency SPOTS card program and will issue SPOTS cards, provide necessary training, oversee and control policy compliance, maintain required documentation, complete necessary reporting, and serve as liaison with the Oregon Department of Administrative Services, Chief Financial Office.

- a. SPOTS cards will only be issued when both the manager and Approving Officer have signed and approved the SPOTS card application and agreement, and the applicant has completed all required training.

- b. All Cardholders, Custodians, Designated Users, and managers are required to fulfill all SPOTS training prior to use, then every other year thereafter unless the OAM has been updated, in which, all employees directly involved with SPOTS must receive updated training within a year of the revision.
- c. The Cardholder, Custodian, Designated User, manager, SPOTS Accountant, SPOTS Coordinator, and Approving Officer must safeguard the SPOTS card(s) at all times. The full account number, expiration date, PIN, and three-digit security code are not authorized to be sent via email. As provided this information may be sent via a secure fax and/or telephone line as well as a secure webpage. Refer to OAM 55.30.00 SPOTS card Security 128.
- d. The Cardholder's manager is responsible for monitoring the use of the SPOTS card. Whenever abuse is detected or suspected, the manager must initiate appropriate action, including notifying the Approving Officer. If the Approving Officer suspects abuse of card privileges or disregard for the SPOTS card agreement guidelines, the SPOTS card may be forfeited and canceled. The Approving Officer will notify the manager and discuss action to be taken.
- e. If a Cardholder and/or Custodian terminates State service, is on a job rotation, or is dismissed, their SPOTS Individual card and/or SPOTS Department card shall be immediately forfeited, returned to the Coordinator, and cancelled with the issuing bank. If a Cardholder and/or Custodian will be on leave of absence for more than two weeks, the Coordinator must be notified.

FAILURE TO COMPLY:

Failure to follow the SPOTS card policies and procedures may result in disciplinary action up to and including dismissal. Willful, fraudulent use of a SPOTS card may be cause for immediate dismissal. In addition to any disciplinary action taken, the employee will reimburse the State for any inappropriate SPOTS card purchases. The State reserves the right to refer instances of abuse to the appropriate law enforcement Agency. These referrals may include criminal prosecution for theft, abuse of public office, and violations of the Oregon Ethics in Government Act.

ROLES AND RESPONSIBILITIES:

SPOTS Approving Officer (Approving Officer):

Responsible for the Agency's SPOTS card program. The Approving Officer is the Director of Financial Administration.

- a. Authorizes and may select employees to use the SPOTS card for purchases of goods and services;
- b. Authorizes the SPOTS Department card Custodian and, if appropriate, an alternate;
- c. The Approving Officer is not authorized to be a Cardholder, Custodian, or Designated User; and

- d. Appoints a Coordinator and, if appropriate, an alternate.
- e. To change an Agency's Coordinator, the Approving Officer must send a memo or email to the Financial Business Systems (FBS) manager. Include the name of the outgoing person; the name, telephone number, email address of the new Coordinator; and the effective date.
- f. The Approving Officer grants restricted system access to Access Online. Only the Coordinator can open accounts and change credit limits. Agencies may grant users "view only" access or "transaction management" access.

SPOTS Coordinator (Coordinator):

Maintains the SPOTS card accounts, assists with development of Agency-based policies and procedures, provides training, and compliance monitoring. The Coordinator is appointed by the Direction of Financial Administration in AGC.

- a. Use Access Online to open and close accounts, change account spending limits, update account information, and monitor card activities delegated to them by the Approving Officer;
- b. Responsible to review the training documents, schedule training, maintain all documentation for SPOTS Training; and
- c. Should not be a Custodian, a Designated User, or a Cardholder;
- d. Agency will send a memo or email to the FBS manager describing the business need and additional controls the Approving Officer will use to demonstrate a substantial business need for the Coordinator to be a Custodian, Designated User, or Cardholder (e.g., the Agency division is too small to effectively separate the duties). In the event that the Coordinator is approved as a Custodian, Designated User, or Cardholder, the Approving Officer will monitor the Coordinator's card use.

SPOTS Department Card Custodian (Custodian):

Responsible for safeguarding, administering, and controlling the use of the assigned SPOTS Department card. The Custodian must:

- a. Manage physical custody and security of the SPOTS Department card and account number;
- b. Maintain records of SPOTS Department card check out and check in by Designated Users;
- c. Maintain purchase documentation;
- d. Ensure SPOTS Department card use complies with Agency policies and procedures;
- e. Reconcile bank transactions with receipts monthly;
- f. Sign monthly SPOTS card transaction log; and

- g. Email electronic copy of SPOTS card transaction log and shuttle all hard copies to AGC monthly.

SPOTS Department Card User (Designated User):

Authorized to use a SPOTS Department card and must:

- a. Check the SPOTS Department card in and out from the Custodian ;
- b. Use the SPOTS Department card in compliance with Agency policies and procedures; and
- c. Obtain and submit purchase documentation for each purchase made.

Cardholder:

An employee with a SPOTS Individual card in their name. A Cardholder must:

- a. Use the SPOTS Individual card in compliance with Agency policies and procedures;
- b. Obtain purchase documentation;
- c. Reconcile bank transactions with receipts monthly;
- d. Sign monthly reconciliation; and
- e. Email electronic copy of SPOTS card transaction log and shuttle all hard copies to AGC monthly.

PROCEDURES:

A. How to Obtain/Issue a SPOTS Individual card

- a. The applicant's manager must send an email to the Approving Officer and copy the Coordinator indicating:
 - 1. The individual that they are requesting be granted a SPOTS Individual card;
 - 2. Total card limit;
 - 3. Single transaction limit; and
 - 4. The reasoning/justification behind the request.
- b. The Approving Officer will approve/deny the request via email and copy the Coordinator. If the applicant has been approved, the Coordinator will send the applicant the following:
 - 1. SPOTS card application and agreement;
 - 2. Training materials;
 - 3. SPOTS quiz; and
 - 4. SPOTS card transaction log.
- c. The applicant will review and complete the training materials, SPOTS quiz, and SPOTS card application and agreement (including obtaining their manager's signature) then return all originals to the Coordinator.

- d. The Coordinator will review answers on the SPOTS quiz, notate as appropriate, and then shuttle to the Approving Officer for review and signature.
- e. For monthly credit limit requests exceeding \$50,000:
 - 1. FBS must approve requests in addition to Cardholder's manager and Approving Officer.
 - 2. The Approving Officer must submit a written request including the reason for the increase, explain internal controls, receipting and storage methods for the items purchased and explain how the Agency will use and store the card.
 - 3. FBS will submit the request to US Bank and notify the Agency when the increase is complete.
- f. Once appropriately signed, the Coordinator will process the SPOTS card application online through US Bank Online Access. Upon approval, US Bank will provide the applicant with the card. This is usually accomplished within 14 days.
The new Cardholder will notify the Coordinator via email when the card is received and advise of the last 4 numbers on the card.
At no time is the full number of a SPOTS card, expiration date, and/or the three-digit security code to be sent via email.
- g. The Coordinator will reply to the Cardholder's email with the required SPOTS transaction log attached, then print the email from the Cardholder and add it to the SPOTS file along with all related SPOTS information including but not limited to; email request from manager, email approval to proceed from Approving Officer, SPOTS card application and agreement, and the SPOTS quiz with answers and signatures.
- h. The same process, a - g, will hold true for a SPOTS card limit/single transaction limit increase/decrease.

B. How to Obtain SPOTS Department card(s):

- a. Managers and/or the Approving Officer can initiate a request for a SPOTS Department card.
- b. A manager must email the Approving Officer, copying the Coordinator, with their request for a SPOTS Department card and their reasoning.
- c. Upon an email approval from the Approving Officer, the Coordinator will provide SPOTS training and SPOTS quiz to the nominated Custodian, Designated Users, and/or manager then document and record as necessary to comply with SPOTS card policies and procedures. A SPOTS Department card will not be available for use until the Custodian, Designated User(s) and manager have fulfilled SPOTS Training.
- d. The SPOTS Custodian and all Designated Users will need to complete a SPOTS card application and agreement. The Coordinator will complete the SPOTS card application and agreement for the physical SPOTS Department card then provide to associated manager and Approving Officer for review and signature.

- e. The Coordinator will process approved applications and setup a SPOTS Department card through US Bank Online Access. The MCC's will need to be limited to 9399 and 7523 (parking only).
- f. Upon approval, US Bank will provide the Custodian with the SPOTS Department card. This is usually accomplished within 14 days.
- g. The Custodian will notify the Coordinator via email when the SPOTS Department card is received and advise of the last 4 numbers on the card. At no time is the full number of a SPOTS card, expiration date, and/or the three-digit security code authorized to be sent via email.
- h. The Coordinator will reply to the Custodian's email with the required SPOTS transaction log and SPOTS Department card check in/out form attached, then print the email from the Custodian and add it to the SPOTS file along with all related SPOTS card information including but not limited to; email request from manager, email approval to proceed from Approving Officer, SPOTS card application and agreement, and all related and complete SPOTS quizzes.
- i. In the event there is a change in assigned Designated User(s), the manager will email the Coordinator indicating the change. If a new Designated User is requested, steps a-d apply.

C. Department Card Use:

Agency SPOTS Department cards are for the sole use of parking. All SPOTS card policies apply to SPOTS Department cards. NO EXCEPTIONS.

It is permitted to have more than one SPOTS Department card per division with the approval of the Approving Officer. Each SPOTS Department card must have a Custodian and Designated Users. No one other than the Designated Users are authorized to use the SPOTS Department card. It is not encouraged by the Agency, but allowable to have a current Cardholder of an SPOTS Individual card participate as a Custodian of a SPOTS Department card.

- a. Agency division's must develop safeguarding practices for when a SPOTS Department card is not being used, of which at minimum, must be stored in a locked location including; locking drawer, filing cabinet, or safe.

The safeguarding practice must be established and communicated with the Coordinator via email as well as approved by the Approving Officer before a SPOTS Department card will be issued.

If practices are changed in any way, the Coordinator must be updated and the Approving Officer must authorize the change. Upon approval, the Coordinator must update the records within the SPOTS file.

- b. When a Designated User needs to use a SPOTS Department card they must sign out the SPOTS Department card from the Custodian using a SPOTS Department card

check in/out form. All of the information on the form must be completed appropriately.

- c. Upon returning the SPOTS Department card, the Designated User must provide all original receipts and the physical SPOTS Department card to the Custodian as well as complete and initial the SPOTS Department card check in/out form. The Custodian will initial that the Designated User has returned the SPOTS Department card and provided all receipts. These receipts must tie to what was charged to the card. In the event that an original receipt is missing, please refer to section 8.F.f. below.
- d. The SPOTS Department card is not to be kept overnight, unless prior written approval has been granted by the manager of that SPOTS Department card. This approval must be attached to the SPOTS Department card check in/out form and turned into AGC with all documentation for payment at the end of the corresponding billing cycle.
- e. The Custodian is responsible for maintaining the SPOTS Department card check in/out log, the safeguarding of the SPOTS Department card, receiving and reconciling the monthly statement by completing the SPOTS transaction log. All original receipts (attached to a letter sized piece of paper (8 ½ x 11)), the corresponding month's SPOTS Department card check in/out form and any written approvals are to be attached to the SPOTS transaction log then shuttled to AGC for payment within 5 days of receipt of the monthly statement.

D. Procurement/Purchasing Requirements:

- a. The SPOTS Individual card will only be used for authorized purchases, including price agreements, from incorporated businesses. Questions as to whether or not a business is incorporated will be referred to the Controller in AGC. No purchase shall exceed \$10,000. Purchases must not be split to avoid purchasing rules and controls.
- b. Pursuant to ORS 279B.065(2), an agency may not artificially divide or fragment a procurement so as to constitute a small procurement. Fragmenting is purposely splitting purchases at the point of sale to avoid procurement requirements or established transaction limits.
- c. Any and all payments with a SPOTS Individual card for goods and services must follow the Public Contracting Code. For a procurement with a value of \$10,000 or more, ORS 200.035 requires a state agency to provide timely notice and information to the Governor's Policy Advisor for Economic and Business Equity. Personnel are to contact designated procurement specialist for more direction. SPOTS Individual cards may be used 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.
 - 1. Note that the terms and conditions of the price agreement take priority.

2. Use of the SPOTS Individual card must not replace a purchase order where one is required.
 3. Products purchased with the SPOTS Individual 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 Individual cards, the modified contract terms will prevail.
 4. Use of a SPOTS Individual card to avoid the requirement to use a State price agreement is not authorized.
- d. Only the Cardholder/Designated User may sign the charge slip. In no event is anyone other than the Cardholder or Designated User authorized to sign a charge slip of a SPOTS card transaction.
 - e. An Agency employee other than the Cardholder must receive purchased goods made with a SPOTS Individual card and sign/acknowledge that the ordered items were received in total. A Cardholder is not authorized to purchase and receive items as there must be a segregation of duties.
 - f. All orders must be date stamped received.
 - g. Back orders cannot be charged to a SPOTS Individual card until goods are received, unless otherwise stated via contract and/or the Approving Officer.
 - h. Employees may not accept cash refunds for purchases made with a SPOTS card. Refunds must be credited to the SPOTS card account that was originally charged. In the event that a vendor is not able to credit the purchase to the SPOTS card, the Cardholder must contact the Coordinator via email for further assistance.
 - i. Use of the SPOTS Individual card on the Internet must meet the following criteria:
 1. The vendor's return of goods policy must be verified. If the vendor does not have a return of goods policy, they should not be used. Because online terms & conditions are subject to change at any time, it is best practice to print the policies, terms & conditions that are in place at the time of purchase.
 2. Before entering a SPOTS Individual 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.
 3. A receipt/purchase confirmation online must be available with the vendor's name, item purchased, quantity, price per unit, date of purchase, and approximate delivery date. This must be printed and added to the monthly statement and SPOTS transaction log.
 4. The receipt/purchase confirmation and packing slip (signed by someone other than the Cardholder) must be attached to the SPOTS transaction log for all purchases of goods.
 - j. Recurring charges are authorized but not recommended and must not take place without prior approval from their manager and the Approving Officer. It is not

advised to allow a merchant to store the full SPOTS card information as it increases the chances for fraud. Before setting up recurring charges the Cardholder needs written approval from management and will need to contact the Coordinator via email who will consult with the Approving Officer then advise the Cardholder via email if/when they are authorized to proceed.

- k. PayPal is an authorized online payment service that may be utilized given the following:
 - 1. All SPOTS Policies apply, thus are followed.
 - 2. Login and password information is not shared with anyone. (This is very important as sharing this information is equivalent to sharing your full card information or physical card).
- l. Do not use SPOTS cards to pay for stored value cards. For exceptions contact the Coordinator.

E. Travel:

SPOTS cards may be used to pay travel expenses for official State business unless otherwise stated as an unauthorized expense within this policy, OAM 55.30.00, OAM 40.10.00 and/or any other governing policy/law. The expenses must comply with OAM 40.10.00, Statewide Travel Policy. All expenses must have the following documented with receipts: date, time, vendor, amount and business purpose.

If/When the SPOTS Individual card is used for approved travel-related expenses, the AGC Travel Coordinator must be notified via email or phone at 503-584-3593 indicating the amount, vendor, date(s) and the business purpose to ensure that no duplicate expenditures or employee reimbursements are made.

- a. Airfare:
Do not use a SPOTS card for airlines tickets. Airline tickets are purchased through the State's travel management contractor (TMC) using a corporate travel management (CTM) account. If the TMC issues a written waiver to purchase airline tickets elsewhere, a SPOTS Individual card may be used.
- b. Lodging:
SPOTS Individual cards may be used to pay for room and tax only. Note to verify that the facility is incorporated, as lodging is 1099 reportable, if not please contact AGC Controller before proceeding.
- c. Rental Car:
SPOTS Individual cards may be used to pay for a rental car in the event that there is no availability through one of the statewide Price Agreements.
- d. Fuel Expense:
 - 1. Do not make fuel purchases for State owned vehicles with a SPOTS Individual card unless the vendor will not accept the Voyager or fleet card. A SPOTS card does not provide fuel tax exemptions. If the SPOTS Individual card is used,

Cardholder's must contact the Coordinator immediately and provide a copy of the detailed receipt. AGC will then 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.

2. Do not use a SPOTS card for personal vehicle fuel related to employee travel or moving expenses.

e. Meals:

1. Do not use a SPOTS card for meals while in "travel status." See OAM 40.10.00, Statewide Travel Policy.
2. Official State business meeting meals may be purchased with a SPOTS Individual card. Such meetings would include conferences, training, workshops, testing, seminars, and other gatherings to conduct official State business. See OAM 10.40.10 Non-Travel Meal Policy.

NOTE: It is required to provide the following documentation with each transaction:

1. Agenda of the Meeting
2. Roster of all attendees of the Meeting. See OAM 10.40.10 for exceptions.

- f. Personnel are not allowed to receive travel expense reimbursement directly from outside sources for travel that occurs while on official state travel status. Payment must be made to Agency.
- g. Expenditures for cash advances, personal purposes, and meal travel related expenses are not authorized to be charged to a SPOTS card. Travel credit card purchases are governed by other Agency policies

F. Required Documentation and Reporting:

- a. Each SPOTS card will be used in conjunction with the SPOTS transaction log. All Cardholders and/or Custodian's must use the latest version of the log, no other versions will be accepted. Agency divisions may create their own form for internal use, however, only the latest version, provided by the Coordinator, will be accepted by AGC.
- b. All fields must be completed on the SPOTS transaction log for each purchase.
- c. All original receipts, charge slips (when available) as well as packing slips will be kept with that month's SPOTS transaction log.
- d. A description and business purpose must be recorded on each receipt and/or charge slip.
- e. All SPOTS transaction logs must be signed by the Cardholder and the Cardholder's manager approving the transactions.
- f. Missing documentation: If the Cardholder or Designated User does not have documentation for an authorized charge, alternative documentation can be used in

unusual circumstances, and must be attached to the corresponding SPOTS transaction log.

1. For instances where the original charge slip is lost or missing, the Cardholder/Designated User will provide a statement identifying what was purchased.
 2. If the supporting cash register receipt, invoice copy, or similar documentation is missing, the Cardholder/Designated User will provide an explanation for the missing documentation signed by the Cardholder/Designated User's manager approving the transaction for payment.
- g. An Excel copy of the SPOTS transaction log will be emailed to the SPOTS accountant in addition to shuttling the hard copy with all original supporting documentation and the monthly statement to the SPOTS accountant for payment within 5 days receipt the monthly statement.

G. US Bank Access Online:

Cardholder's and Custodian's will have the option to have access to their SPOTS card information and transactions online via US Bank access online. A view only account will be setup upon request to the Coordinator.

H. Processing Monthly Statement Payments:

- a. ACG will receive the monthly Agency statement, collect all SPOTS card statements, SPOTS transaction logs with all original supporting documentation and pay the balance due within 14 days of the statement date.
- b. The Cardholder/Custodian will receive their monthly statement in the mail
- c. The Cardholder/Custodian will complete, sign and date the SPOTS transaction log, obtain manager signature approving all purchases, and will attached all supporting documentation including but not limited to receipts, charge slips (when available) and packing slips to the monthly statement and SPOTS transaction log. The Cardholder/Custodian will then send both the electronic copy of the SPOTS transaction log as well as the hard copy of the signed and approved SPOTS transaction log that has all supporting documentation attached to AGC within 5 days of receipt of the monthly statement. If there are any incorrect charges or credits, the Cardholder/Custodian will resolve and attached explanatory documentation. All balances are to be paid in full each month.
- d. Failure to provide the required documentation within 5 days of receipt of the memo statement and/or a pattern of missing documentation will result in the loss of SPOTS card privileges.

I. Lost or Stolen SPOTS card:

If a SPOTS card is lost or stolen, the Cardholder or Custodian must immediately call US Bank at 1-800-344-5696. US Bank will issue a new card with a new account number. The

Coordinator must be contacted via email immediately after resolution with US Bank to be updated with the situation and resolution.

J. External Fraud on a SPOTS card:

- a. In the event of external fraud on a SPOTS card, the Cardholder or Custodian must immediately call US Bank at 1-800-344-5696, notify their manager, as well as the Coordinator. The Coordinator is authorized to contact US Bank in the event that the Cardholder/Custodian is unable to.
- b. US Bank may require additional information to be completed. The Cardholder/Custodian/Designated User will need to complete all documentation required by US Bank and notify the Coordinator of the status on their documents/communication with US Bank. The Cardholder/Custodian will need to keep a copy of any documentation sent to US Bank and email a copy to the Coordinator to add to the SPOTS file.
- c. The Coordinator must document the SPOTS file in full regarding all fraud on an account including; the affected card, notation of fraud, the date, vendor, and amount of the fraudulent transaction(s), and the lead individual (who is communicating with US Bank).
- d. It is the responsibility of the Cardholder/Custodian to follow up with US Bank regarding crediting fraudulent charges and notify the Coordinator of when the credits will be complete.
- e. If the charge and credit are recorded on different billing cycles, the Cardholder/Custodian will need to contact their manager and possibly the Coordinator to discuss what Program Cost Account (PCA) and Agency Object (AOBJ) that will be used to pay the charge as we are required to pay all SPOTS statements in full. The credit will need to be applied to the same PCA and AOBJ as the fraudulent charge.
- f. US Bank will issue a new card with a new account number. The Cardholder/Custodian must notify the Coordinator via email when the new card is received and provide the last 4 numbers of the card.
- g. The Coordinator will print the email from the Cardholder/Custodian and add it to the SPOTS file.

K. Emergency SPOTS cards:

Emergency SPOTS cards are not authorized for use as Agency does not currently have a need. Agency has current SPOTS Cardholder's with sufficient credit limits that would suffice in the event of an "emergency."

L. Review of SPOTS Program:

The Approving Officer, or delegated individual, will complete an annual review of the Agency's SPOTS card program to ensure that the program is operating within guidelines and specific Agency operating policies to include the following:

- a. Review SPOTS card credit limits to ensure that they are appropriate based on need and prior spending patterns. Any SPOTS cards that are not needed will be cancelled.
- b. Review SPOTS file to ensure that it documented that all Cardholders, Custodians, Designated Users, and managers have signed the appropriate agreement and fulfilled all required training.
- c. Analyze Agency SPOTS card volume and the number of SPOTS cards in use to determine if savings could be achieved by increasing use and/or reducing the number of cards.
- d. Verify only authorized employees are using the SPOTS card(s).
- e. The Coordinator or designated individual will do a 100% review of all SPOTS statements, transaction logs, and backup documentation to ensure accuracy and proper approval of all documentation. In the event that information is missing, the Coordinator will contact the responsible individual to obtain the missing documentation and further investigate any suspected SPOTS card abuse or misuse and initiate appropriate corrective action with Approving Officer.

If it is not feasible to obtain the missing documentation, the SPOTS Cardholder, Custodian, Designated User, and/or manager must record with the Coordinator a corrective action as to avoid a duplicate event. The Coordinator must add this documentation to the SPOTS file.

History:

- a. March 01, 2004; Policy established
- b. November 1, 2016; Updated to coincide with OAM 55.30.00 and address new SPOTS elements

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SEAN M. MCCORMICK
Director of Financial Administration
Oregon Military Department