



OREGON YOUTH AUTHORITY
Policy Statement
Part I – Administrative Services



Subject:

Use of State Purchase Card (SPOTS Card) and State Corporate Travel Card

Section – Policy Number:

B: Financial Management – 2.1

Supersedes:

- I-B-2.1 (2/15)
- I-B-2.1 (6/13)
- I-B-2.1 (3/11)
- I-B-2.1 (6/09)

Effective Date:

01/30/2020

Date of Last

Review/Revision:
None

Related Standards and References:

- [ORS Chapter 279A](#) (Public Contracting – General Provisions)
- [ORS Chapter 279B](#) (Public Contracting – Procurement)
- [ORS Chapter 279C](#) (Public Contracting – Public Improvements and Related Contracts)
- [OAR Chapter 125 Division 55](#) (State Purchasing)
- [OAR Chapter 125 Division 246](#) (General Provisions for Public Contracting)
- [OAR Chapter 125 Division 247](#) (Public Procurement of Supplies and Services)
- Department of Administrative Services (DAS), Oregon Accounting Manual (OAM): 55.30.00 PO ([SPOTS Purchase Card Program](#))
 40.20.00 PO ([Travel Advances and Corporate Travel Card](#))
- OYA policy: [I-B-2.0](#) (Delegation for Expenditures & Payment Obligation Approval)
- DAS forms: [75.40.03.FO](#) (Corporate Travel Card Agreement)
[75.55.02.FO](#) (Small Purchase Order Transaction System (SPOTS) Purchase Card Application and Agreement)

Related Procedures:

- None

Policy Owner:

Chief Financial Officer

Approved:

 Joseph O'Leary, Director

I. PURPOSE:

This policy provides general standards for OYA staff when obtaining and using state purchase (SPOTS cards) or travel cards.

II. POLICY DEFINITIONS:

Activity Log: List of credit card transaction information generated from a bank's Online System.

Application: OYA's State P-Card of Oregon Transaction System (SPOTS) Card Application and Agreement.

Approving officer: Agency staff member appointed by the agency head or person with delegated authority to act as administrator of the agency SPOTS program, and authorize SPOTS card issuance and usage.

Card custodian: The OYA staff member responsible for administering, controlling, and safeguarding an assigned department card.

Cardholder: OYA staff to whom a SPOTS card is issued in their name.

Card user: A global term for those staff who make purchases with a SPOTS card.

Department card: A SPOTS card issued to a program, department, or other segment, and assigned to a card custodian.

Designated card user: An individual OYA staff member authorized to use a department card.

Online system: A bank's web-based system to manage credit card accounts.

SPOTS (State P-Card of Oregon Transaction System) card: A state-sponsored credit card that agencies may use to procure goods and services.

SPOTS coordinator: Agency staff member appointed by the Approving Officer to update cardholder information on the bank's Web-based system, change cardholders' spending limits, and monitor card activities delegated to them by the Approving Officer.

III. POLICY:

OYA maximizes flexibility for agency small purchases, minimizes administrative costs, and expedites payments to OYA suppliers. Staff must follow the general standards listed in this policy when obtaining and using state purchase (SPOTS card) or travel cards.

IV. GENERAL STANDARDS:

A. SPOTS Card and Travel Card Purpose

1. Staff may obtain a SPOTS card for all purchases of goods and trade services less than \$10,000.
 - a) Purchase cards acquired through the state's contract must be the preferred method for making small purchases.

Use of purchase orders and other methods for small purchases must be minimized.

- b) Higher purchase limits may be given to selected staff who have demonstrated a business need upon management's request and the OYA approving officer's approval.
2. Staff may obtain a state corporate travel card for state-related travel costs (except for lodging) if the staff travels frequently. Staff may obtain a travel card rather than a cash advance from the state. Refer to Department of Administrative Services (DAS) statewide policy OAM 40.20.00 (Travel Advances and Corporate Travel Card).

B. Program Administration

1. To reduce the potential for duplicate payments, a single established method of payment is preferred.

- a) All lodging must be paid with a SPOTS card.
- b) Purchase orders and personal reimbursement for lodging will be processed on an exception basis.

2. Card limits

Monthly and per purchase credit limits may be established based on anticipated business need.

- a) Changes to limits may be approved either temporarily or permanently by the cardholder's supervisor and approving officer based on justified need.
 - (1) Increases above \$50,000 require DAS approval.
 - (2) The SPOTS coordinator or designee will conduct periodic reviews of credit limits to determine if adjustments are necessary based on actual spending.
- b) All cards must have certain Merchant Category Codes (MCCs) blocked according to DAS OAM policy to prevent purchases from high risk vendors.

Exceptions must be approved by DAS Financial Business Services (FBS).

- c) All lodging MCCs must also be blocked from all SPOTS cards.

Exceptions for certain staff required to make travel arrangements as part of their job duties may be approved to have lodging MCCs unblocked upon completion of additional training and approval by the approving officer.

3. Exceptions
 - a) Exceptions to this policy must comply with Oregon Accounting Manual (OAM) 55.30.00 SPOTS Purchase Card Program, have written justification, and prior approval from the cardholder's supervisor or assistant director, and approving officer.
 - b) Exceptions to OAM 55.30.00 SPOTS Purchase Card Program must have written prior approval by DAS Financial Business Services.
4. Cardholders and card custodians will be granted access by the SPOTS coordinator to their individual cardholder accounts in the online system.
5. SPOTS coordinators will be granted access to all cardholder accounts in the online system.
6. Inactive or infrequently used accounts

Accounts must be reviewed quarterly by SPOTS coordinator for lack of use and determined if there is a continued need.
7. Emergency card

Emergency response card(s) may be issued as part of the emergency preparedness plan to the OYA director as deemed appropriate by the agency.

C. Obtaining a SPOTS Card

1. Staff must request a SPOTS card from their supervisor/manager and complete an OYA SPOTS application.
2. An assistant director, the deputy director, or OYA director, and approving officer must review the application and if in agreement with issuance of a SPOTS card, approve by signing the application. The application must be forwarded to the SPOTS coordinator to process.
3. The authorized cardholder will complete applicable DAS-approved OYA SPOTS training on allowable uses and recordkeeping requirements prior to receiving the card.
4. The SPOTS coordinator will review applications for completeness and accuracy and forward the applications to OYA's approving officer for authorization and signature.
5. A cardholder may also be a card custodian, a designated card user, or both.

D. SPOTS Card Use

1. Card users are subject to policies and guidelines described in the SPOTS card application, the corporate charge card acknowledgement form, state purchasing rules, Oregon Accounting Manual (OAM), and related training administered by Financial Services.
2. SPOTS card users may only use SPOTS cards for authorized purchases that further the business of the state.
3. SPOTS card users may not use the SPOTS card for personal purchases or for personal gain.
4. SPOTS card users must use the state's procurement Buy Decision checklist for each purchase.

The priority order Buy Decision listed below must be followed. Only if the below do not yield results, may a purchase be made from the open market.

- a) Surplus property;
 - b) Qualified rehabilitation facility program (QRF);
 - c) Inmate labor; or
 - d) DAS statewide price agreements.
5. Prior to acceptance of online or other terms and conditions, SPOTS card users must contact agency procurement staff.
 6. Authorized card users who have completed required training related to the procurement of lodging may purchase lodging on a SPOTS card. Authorization is granted at the request of the supervisor and approval of the approving officer.
 - a) Card users may not procure meals or other personal lodging expenses.
 - b) Card users may not procure their own travel accommodations.
 - c) Staff may not approve their own travel expenses.
 - d) Lodging expenses must be substantiated within 60 days after the travel expense is paid or incurred to avoid having the costs added to the W-2 as taxable wages.

Substantiation must include a detailed receipt signed by the traveler.

7. Cardholders and card custodians must monitor account activity periodically for appropriateness and accuracy, including recurring charges.

E. Card Custodian Responsibilities

Card custodians must:

1. Manage physical custody and security of the SPOTS card and account number;
2. Maintain records of card checkout and check in by designated card users;
3. Maintain purchase documentation and receipts;
4. Ensure card use complies with agency policies and procedures;
5. Reconcile bank transactions with receipts monthly;
6. Complete coding and comments in online system monthly by due date designated by the SPOTS coordinator; and
7. Submit complete documentation to OYA Accounting monthly by the due date designated by the SPOTS Coordinator.

F. Designated Card User Responsibilities

Designated card users must:

1. Complete the SPOTS training prior to first checkout of a SPOTS card;
2. Check the card in and out from the card custodian;
3. Use the card in compliance with all agency policies and procedures, obtaining pre-approval from applicable managers when appropriate; and
4. Timely submit detailed, signed receipts to the card custodian.

G. Cardholder Responsibilities

Card holders must:

1. Sufficiently document each purchase;
2. Submit a detailed receipt or invoice that includes:
 - a) Name of vendor;

- b) Date of purchase;
 - c) Item description;
 - d) Cost of each item purchased; and
 - e) Reason for purchase.
3. Ensure timely and accurate coding for each purchase is entered in Online System by the due date established by the SPOTS coordinator;
 4. Obtain the cardholder's supervisor's approval on the Activity Log indicating review of purchase and documentation. If the supervisor does not have expenditure authority for the purchase, the manager with the expenditure authority must approve a detailed invoice or other purchase documentation;
 5. Document lodging purchases within 60 days of the travel. Documentation must consist of a detailed receipt from the hotel documenting the stay and signed by the traveler attesting to the receipt of services;
 6. Obtain independent verification by OYA employee that the product or service was received by the agency. Exceptions may be approved by the accounting manager in certain circumstances where receipt of service is automatic or implied;
 7. Have a manager who has the delegated authority for coding used according to their YA 2201 approve each invoice or receipt;
 8. Reconcile the activity log to the statement and other supporting documentation ensuring all transactions are valid and documenting any discrepancies;
 9. Submit the activity log, statement, and supporting documents to the SPOTS coordinator by the due date established by the SPOTS coordinator;
 10. Ensure all cards, card-related PINs, and account passwords are secured and controlled by the cardholder at all times, including after hours, while unattended, or not in the cardholder's possession;
 11. Participate in training administered by the SPOTS coordinator at least every other year after obtaining a SPOTS card, or as requested by the cardholder's supervisor/manager or the approving officer;
 12. Obtain written approval from a requesting manager that has been delegated purchasing authority prior to purchasing outside the

cardholder's scope of authority;

13. Immediately notify the bank and SPOTS coordinator if a SPOTS card is lost or stolen;
14. Immediately notify the SPOTS coordinator when the cardholder is out on extended leave from current position (e.g., job rotation, military leave);
15. Properly destroy or return the card to SPOTS coordinator at position termination or if cancelling the card. The cardholder must include the date of last transaction and submit final documentation to the SPOTS coordinator as described above; and
16. Forfeit the SPOTS card upon termination from OYA employment. The cardholder must also submit documentation to the SPOTS coordinator of final purchases as described above.

H. Supervisor Responsibilities

The cardholder or card custodian's supervisor must:

1. Complete related training administered by the SPOTS coordinator prior to approving SPOTS card transactions and at least every other year thereafter.
2. Review the cardholder or card custodian's transactions as follows:
 - a) Review each transaction for appropriateness, accuracy, completeness, and fraud, and follow up as appropriate; and
 - b) Sign the Activity Log which confirms each purchase of goods or services has been received by OYA, is reasonable, and furthers OYA's mission.
3. Assign work in a way to ensure the following roles and responsibilities are not performed by the same staff member:
 - a) Purchaser - performed by the cardholder;
 - b) Receiver – independently reviews and verifies the purchased items or services were received; and
 - c) Management approval.
 - d) Exceptions may be allowed by the accounting manager under certain circumstances on a case-by-case basis.
4. Upon first knowledge of cardholder termination from OYA:

- a) Notify the SPOTS coordinator of the cardholder's termination; and
 - b) Ensure the cardholder properly destroys or returns the card to SPOTS coordinator and submits the final documentation as described above (section IV.G.15).
5. Immediately report all cases of actual or suspected fraud, abuse, or misuse to the approving officer.
- I. Monthly Payment and Reconciliation
 1. Financial Services staff will make weekly payments for transactions posted by the bank during the previous week. The payments will be coded to a clearing account until they are transferred monthly to a proper accounting code as indicated in the online system.
 2. Financial Services staff will reconcile monthly memo statements with weekly payments and monthly transfers.
- J. Inappropriate SPOTS Card Use
 1. Inappropriate SPOTS card actions, as defined in OAM policy 10.40.00, may result in disciplinary action including dismissal, forfeiture of the card, and personal liability.
 2. Inappropriate use includes, but is not limited to:
 - a) Any intentional personal use or a pattern of unintentional use. Personal use is defined in the application;
 - b) Disregard for SPOTS card agreement guidelines, purchasing rules, or cardholder responsibilities as described in section IV.G. above;
 - c) Fragmentation - When a purchase is artificially divided or fragmented so as to qualify as a small procurement or eligible for purchase through a SPOTS card;
 - d) Unauthorized use as described in the card application and agreement;
 - e) A pattern of missing or late submittal of documentation; or
 - f) A pattern of incorrect coding or insufficient documentation.
 3. Cardholders must reimburse the state for inappropriate purchases. Financial Services will initiate collection of reimbursement from staff and the staff's supervisor or assistant director will initiate appropriate personnel actions.

K. SPOTS Card Compliance Review

1. Financial Services staff will perform periodic reviews of supporting documentation for accuracy, completeness, and compliance with related policies and procedures. Financial Services staff will notify the cardholder and cardholder's supervisor of non-compliance issues.
2. Financial Services staff, in collaboration with the cardholder's supervisor, will develop a corrective action plan or follow-up action plan, as needed.

The cardholder's failure to meet the objectives of a corrective action plan or follow-up action plan may result in suspension or forfeiture of the SPOTS card.

V. **LOCAL OPERATING PROTOCOL REQUIRED: NO**