



Virginia Department of Corrections

Financial Management and Procurement

Operating Procedure 260.3

Small Purchase Charge Card Program

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Directive 260, *Procurement and Surplus Property*

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REVIEW

The Content Owner will review this operating procedure annually and re-write it no later than three years after the effective date.

The content owner reviewed this operating procedure in April 2024 and necessary changes are being drafted.

COMPLIANCE

This operating procedure applies to all units operated by the Virginia Department of Corrections (DOC). Practices and procedures must comply with applicable State and Federal laws and regulations, American Correctional Association (ACA) standards, Prison Rape Elimination Act (PREA) standards, and DOC directives and operating procedures.

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DEFINITIONS

Backup Program Administrator - Agencies should designate a Backup Program Administrator (BPA) who is also familiar with procurement regulations. The BPA will have the same permissions, authority, and responsibilities as the Primary Program Administrator. Each agency or institution participating in the SPCC program will have no more than two Program Administrators. DOA will consider written requests for additional Program Administrators at the agency level on a case-by-case basis.

Charge Card Administration Team - Department of Accounts - These individuals are responsible for monitoring and reporting on statewide program activities for all charge card programs. The Charge Card Administration Team receives, and processes Program Administrator forms received from agencies, provides statewide training, and resolves programmatic issues with Bank of America on behalf of the Commonwealth's agencies and institutions, and reviews written agency requests for exceptions to these accounting policies and procedures.

Organizational Unit - A DOC unit, such as a correctional facility, Regional Office, Probation and Parole Office, Virginia Correctional Enterprises, Academy for Staff Development, Infrastructure and Environmental Management Unit, Agribusiness Unit, and individual headquarters units, e.g., Human Resources, Offender Management, Internal Audit.

PCardholder - A full or part-time, but not a contracted individual vested with the authority to procure goods and services on behalf of the Department of Corrections using the Small Purchase Charge Card

PCard Supervisor - The immediate supervisor of any DOC employee who has been assigned a PCard

Program Administrator - The person designated to oversee unit adherence to the Small Purchase Charge Card Program terms and conditions.

Purchasing Card (PCard) - A charge card issued by a contract vendor to be used for the Small Purchase Charge Card Program.

Small Purchase Charge Card Program (SPCC) – The purchasing card program administered by the Virginia Department of Accounts in accordance with CAPP Manual Topic No. 20355, *Purchasing Charge Card*.



PURPOSE

This operating procedure provides guidance for the Small Purchase Charge Card (PCard) program for Department of Corrections (DOC) purchases.

PROCEDURE

- I. Small Purchase Charge Card Program
 - A. The Small Purchase Charge Card (SPCC, PCard) is the required method of payment when procuring small dollar (up to \$10,000) purchases from those vendors that accept the SPCC as a payment method.
 - B. The program allows end users to purchase directly from vendors and the consolidated monthly bill reduces both the number of accounts payable transactions and the number of checks issued previously associated with petty cash funds. (5-ACI-1B-03; 4-ACRS-7D-17, 4-APPFS-3D-23, 2-CO-1B-05, 1-CTA-1B-02)
 - C. The purchasing card should be always viewed as an efficient means of payment, not a substitute for proper procurement procedures.
 - D. The PCard is not to be used for personal items or cash advances or for business travel expenses except for rail and bus tickets or with an approved exception for central motel reservations.
 1. Travel cards are issued under a separate program for business travel expenses.
 2. The purchase of airline tickets must be coordinated through the regional office or the appropriate Air Travel Cardholder for Headquarters employees.
 - E. With the exception of airline tickets, mass transit tickets, and under certain conditions, car rentals on the State Rental Car Contract, and accommodations approved in advance by the Department of Accounts' (DOA) Charge Card Administration Team, travel related charges should be on the Travel Card or paid for with the employee's personal funds; see CAPP Manual Topic No. 20355, *Purchasing Charge Card* and Operating Procedure 240.1, *Travel*.
- II. Responsibilities
 - A. The Headquarters Procurement Unit is responsible for program implementation and ongoing management of the SPCC Program for the DOC. Questions on the use of PCards and program administration should be directed to SPCC@vadoc.virginia.gov.
 - B. A Program Administrator and Backup Program Administrator must be designated for each organizational unit to oversee adherence to the SPCC Program terms and conditions.
 1. The Program Administrator at Headquarters serve all locations except institutions, Academy for Staff Development, Agribusiness, Infrastructure and Environmental Management Unit, and Virginia Correctional Enterprises. Each of these locations has their own Program Administrator.
 2. For DOC Headquarters the Procurement Director or a designee within the procurement office will act as the primary Program Administrator. It is required that the Program Administrator for the organizational units be familiar with procurement policies and procedures.
 3. All Program Administrators and all Backup Program Administrator must adhere to the PCard program requirements detailed in CAPP Manual Topic 20355, *Purchasing Charge Card*.
 4. The Program Administrators and Backup Program Administrator responsibilities are provided in the CAPP Manual Topic 20355, they include but are not limited to:
 - a. Applying for PCards and ensuring that if a PCard ordered is not received in seven business days, it is canceled and a new one is requested.
 - b. Entering in cardholder data and reviewing/ensuring accuracy.
 - c. Setting appropriate transaction and credit limits on each card based on the cardholder's buying needs.



- d. Making changes to PCards and keeping documentation detailing the changes made.
 - e. Canceling PCards and ensuring cancelled PCards are retrieved and destroyed.
 - f. Suspending PCards when PCardholders are on extended leave or violate procedure.
 - g. Training new PCardholders.
 - h. Monitoring use of PCardholder's activities.
 - i. Ensuring past due invoices are not being paid on the PCard unless approval is received in advance by the DOA's Charge Card Administration Team.
 - j. Ensure that Virginia Sales tax has not been charged on purchases.
 - k. Certifying to the DOA Small Purchase Charge Card Administration (CCA) Unit that all PCards have had the required analysis and appropriate adjustments no later than the DOA prescribed deadline.
 - l. Certifying to the DOA's CCA unit that all PCardholders have taken the mandatory DOA Cardholder Training and that all PCardholder Supervisor/Reviewers have taken the mandatory DOA Supervisor/Reviewer Training no later than by the DOA prescribed deadline.
 - m. Taking the mandatory DOA annual Program Administrator Training and certifying to the DOA's CCA Unit completion of that training no later than the DOA prescribed deadline.
 - n. Performing an Annual Security Review identifying and confirming each Agency users' *Works*, (Bank of America's online program management system), system access is still appropriate and required.
5. The Program Administrator is also responsible for ensuring that current Program Administrator and Backup Program Administrator forms and all responsibilities listed in CAPP Manual Topic 20355, *Purchasing Charge Card*, are on file with DOA no later than by the DOA prescribed deadline.
- C. Upon acceptance of the PCard, the individual PCardholder is vested with the authority to procure goods and services on behalf of the Commonwealth. This authority carries with it the responsibility for adhering to all the requirements of the Virginia Public Procurement Act (VPPA), the regulations of the *Agency Procurement and Surplus Property Manual* (APSPM), and Operating Procedure 260.1, *Procurement of Goods and Services*.
1. The PCardholder is only authorized to make purchases on behalf of DOC.
 2. The PCard is not authorized for personal use.
 3. The Commonwealth of Virginia is responsible for payment of charges on the PCard and the acceptance of the PCard will not impact the employee's personal credit.
 4. Each PCardholder must take the DOA mandatory annual training no later than April 30th of each year so the Program Administrators can review the *LMS Training Log* and certify completion of the training to the DOA no later than by the prescribed DOA deadline.
- D. The PCardholder's Supervisor/Reviewer has oversight responsibility for the actions of the PCardholder.
1. The PCardholder's Supervisor/Reviewer must review each monthly PCardholder Statement and monthly *PCard Transaction Log 260_F11*, certify that all purchases made by the PCardholder are appropriate, and sign the monthly PCardholder's Statement certifying the *Statement* has been reconciled to the *PCardholder's Transaction Log*.
 2. The PCardholder's Supervisor/Reviewer must follow *PCard Supervisor/Reviewer Checklist 260_F21* for each billing cycle reconciliation.
 3. If the PCardholder's employment terminates, it is the responsibility of the PCardholder's Supervisor/Reviewer to immediately notify and return the PCard to the appropriate Program Administrator or provide written notice of PCard destruction to include the date, time, and name of witness to the Program Administrator.

4. If a PCardholder is on leave beyond two weeks, the Supervisor/Reviewer must notify the appropriate Program Administrator who will suspend the PCard during the extended period.
5. Each Supervisor/Reviewer must take the DOA mandatory annual training no later than April 30th of each year so the Program Administrator can review the *LMS Training Log* and certify the completion of the training to DOA no later than by the prescribed DOA deadline.

III. Restrictions and Limits

- A. The PCard will only be used to purchase low dollar goods and services. These purchases must be considered essential to the operation of the DOC and in support of the agency's mission to justify the use of State funds.
 1. Use of the PCard for personal items, cash advances and business travel is prohibited except for rail and bus tickets or other exceptions granted by DOA.
 2. CAPP Manual Topic 20355, *Purchasing Charge Card* requires that the Program Administrator and/or Backup Program Administrator s, maintain written documentation indicating changes to PCardholder profiles and justification for the change.
 3. Program Administrator and/or Backup Program Administrators are required by DOA to review PCardholder profiles monthly to ensure that the appropriate industry restrictions are in place.
- B. The *Department of Accounts* determines the maximum spending limits, single transaction limit (STL), and Cycle Limit (CL) authorized for the PCard.
 1. These limits mirror the limits for small purchases as defined by the *Department of General Services, Division of Purchases and Supply* (DGS/DPS).
 2. The maximum Single Transaction allowed is currently \$10,000 per transaction. DOC management may establish more restrictive spending limits on individual PCards.
 3. The maximum Cycle Limit, known as monthly limit, is currently \$100,000. DOC management may establish more restrictive limits on individual PCards.
 4. A Program Administrator is responsible for setting the limits on each PCard to appropriate levels based on the cardholder's buying needs.
 5. Splitting orders to avoid the spending limits on the PCard or splitting invoices to stay under the PCard limit is strictly prohibited and will result in suspension of the PCard for a minimum of three months.
 6. If a single transaction spend limit or monthly spend limit needs to be increased, the Supervisor/Reviewer must submit the *PCard Change Request 260_F14* to the Program Administrator detailing the justification for the requested increase(s). The request should be identified as a temporary request if for a one-time purchase or a permanent request if it is found that the spend limits are not sufficient for the PCardholder.
 7. If a PCardholder has a per transaction limit of less than \$10,000 and has an occasion to make a purchase exceeding the per transaction limit on their PCard, the PCardholder's Supervisor/Reviewer should request the per transaction limit be raised up to \$10,000 to allow full utilization of the PCard and avoid unnecessary underutilization fees assessed by DOA.
 8. A Program Administrator may not increase a cardholder's per transaction limit above \$10,000, or its monthly limit above \$100,000, without express written authorization by the *Department of Accounts*.
 9. A cardholder may not, under any circumstances, authorize any charge in excess of the transaction limit set by their Program Administrator.
- C. Administrative Restrictions
 1. Operating Procedure 260.1, *Procurement of Goods and Services*, outlines restrictions on the purchase of various commodities. PCardholders and their Supervisor/Reviewers are responsible for ensuring that proper approvals are obtained for items under administrative restrictions.



2. All food for work related events must be approved by the Regional Administrator or the appropriate Deputy Director. A justification must be submitted detailing the work event, the number of attendees, the dollar amount to be expended per attendee, and verification that the amount expended is within the DOA per diem.
- D. CAPP Manual Topic 20310, *Cash Disbursements, Accounting* outlines and defines improper expenditures that may be questioned by DOA. Written documentation of approval of these purchases must be filed with the *PCard Transaction Log 260_F11* and transaction documentation.
- E. All PCards should have all five industry restrictions (Travel, Rental, Restaurant, Accommodations, and Gas) on them unless there is written documentation to support the need for removal either on a temporary or permanent basis.
1. Temporary or permanent removal of these restrictions to allow for non-travel related purchases, e.g., meeting rooms or catered business meals, will be considered by the Program Administrator on a case-by-case basis.
 2. Requests to remove any of the restrictions should be submitted on the *PCard Change Request 260_F14*.
 3. All requests to remove restrictions must be made in advance of the intended purchase. Failure to provide advance notice or requesting to make payment after the fact will be denied.
 4. All requests for EZ Pass transponders and transponder replenishment must be placed on the DOC General/Transportation account. An exception is required to be submitted to DOA's Charge Card Administration Team annually for approval.
- F. Agencies and their PCardholders are prohibited from using the PCard (SPCC and GOLD) to pay a vendor invoice that is past due unless prior approval from DOA's Charge Card Administration Team is received in advance of the charge. Past due vendor invoices are typically paid using check or Electronic Data Interchange (EDI). A Prompt Pay violation is still recorded by DOA regardless of the payment method.
- G. The PCard cannot be used to avoid mandatory sources or mandatory state contracts. It should be used for items on state contract if the vendor accepts the PCard and the purchase is within the PCardholder's spend limits.
- H. P&P Offices have a mission requirement to provide certain post-release probationer/parolee supervision services; therefore, an exemption is obtained each fiscal year that allows the use of DOC Community PCards for accommodations, restaurant, and travel purchases for post-release probationer/parolee supervision only; see Operating Procedure 920.1, *Community Case Opening, Supervision, and Transfer*.
- I. PCardholders must receive an exception approval from DOA's Charge Card Administration Team prior to purchasing food gift cards for probationers/parolees.
- J. Third-Party, Mobile and Digital Payment Systems
1. DOA does not prohibit the use of third-party processors such as PayPal, Square, etc., but cardholders are forbidden to store their full 16-digit PCard account number with these processors.
 2. Amazon Pay is strictly forbidden and should not be used.
 3. Mobile wallets are not approved for use with the DOC PCard program. Cardholders are strictly prohibited from adding any Commonwealth cards to any payment application such as Apple Pay, Google Pay, Samsung Pay, etc.
 4. Never store card information in an electronic or mobile device.
- K. Vendor Storing Card Information
- The vendor may be allowed to keep the card number of file under the following, limited, conditions:
1. The cardholder must make initial contact with the vendor to provide the card number.

2. The vendor must keep the card number in a secure file, preferably electronic..
3. The vendor must assign a separate, store account number for use by representatives of the cardholder so that the card number is not shared.
4. The vendor must contact the cardholder for final authorization to process the charge.

L. Acceptance of Surcharge and Convenience Fees

1. Each PCardholder must ensure merchants do not assess a surcharge fee greater than 4% of the total order amount before approving the purchase.
2. The surcharge amount must be shown as a separate line item on the receipt. If a cardholder receives a receipt that does not show the surcharge amount as a separate line item, they must immediately contact the vendor to be issued a credit and the vendor will then be paid by either check or Electronic Data Interchange (EDI).
3. If a cardholder determines they are being assessed a fee greater than 4% or has reason to believe the vendor is not lawfully permitted to assess the fee, they can submit the vendor's information to the SPCC@vadoc.virginia.gov mailbox for DOA inquiry.
4. The surcharge amount must not be greater than \$70 (the DOA accepted amount on the cost of issuing a check).
5. The Cardholder will be responsible for maintaining documentation supporting the acceptance and cost benefits of the surcharge fee versus issuing a check.
6. For Over-the Counter or Point-of-Sale (POS) purchases, the vendor must disclose the amount of the surcharge using signs at register or posted in location on Point-of-Sale (POS) only.

M. Internal Control

1. Internal control practices must be in compliance with Operating Procedure 210.1, *Internal Fiscal Controls*, and the Virginia Department of Accounts, *Agency Risk Management, and Internal Control Standards* (ARMICS).
2. Each Program Administrator is charged with providing and documenting PCardholder training.
3. Failure to comply with any of the provisions of PCard procedures may result in the following:
 - a. Notice to the PCardholder outlining the violation.
 - b. Report of violation to:
 - i. Program Administrator
 - ii. PCardholder's Supervisor
 - iii. Organizational Unit Head
 - c. Verification of repeated PCard procedure violations can result in a suspension of the PCard by the Program Administrator.
 - i. Intentional violations of PCard procedure will result in a suspension of the PCard.
 - ii. Repeat PCard procedural violations will result in permanent revocation of the PCard.
 - d. Closing of the account, in which case the Program Administrator can manage the following steps by performing them personally, working in conjunction with the PCardholder's Supervisor or with the agency's Human Resources Department.
 - i. Collect PCard from employee.
 - ii. Destroy the PCard by shredding or cutting into pieces.
 - iii. Obtain their *PCard Transaction Log 260_F11* for all purchases as of that time.
 - iv. If the employee is not available, the Program Administrator can prepare the *PCard Transaction Log* and state "PCardholder unable to sign" and have the PCardholder Supervisor sign the *PCard Transaction Log*.
 - v. PCards may be turned in to the Program Administrator for destruction or destroyed on-site.

Notification must be sent to the Program Administrator noting the date, time, and witness of the destruction if destroyed on-site.

- e. Disciplinary action in accordance with Operating Procedure 135.1, *Standards of Conduct*, and/or criminal prosecution.
4. Accounting must verify that submitted *PCardholder Statements* and *PCard Transaction Logs* have been reconciled by the PCardholder and signed by both the PCardholder and the Supervisor/Reviewer.
5. The DOC Internal Audit Unit reviews the PCard program when Agency audits are processed.

N. Prohibited Purchases

1. Since all State-funded expenditures are subject to public scrutiny, cardholders should consider the appearance of unusual purchases of the agency and on State government in general prior to authorization. Since individual circumstances vary widely, adequate documentation for unusual purchases should always be included with the reconciliation packet.
2. The following lists contain examples of expenditures considered to be improper uses of State funds:
 - a. Employee personal expenses such as:
 - i. Books for classes (unless they remain property of the State)
 - ii. Snacks or refreshments
 - iii. Baby sitting
 - iv. Non-business-related newspapers or magazine subscriptions
 - v. Personal articles that are lost or stolen
 - vi. Clothing (non-uniform) or repairs to clothing damaged in the workplace
 - vii. All expenses related to personal negligence of the employee, such as traffic fines
 - b. Agency-sponsored event expenses incurred which do not clearly support the agency mission such as:
 - i. Holiday decorations
 - ii. Alcoholic beverages
 - iii. Charitable contributions
 - iv. Gifts and flowers
 - c. Cash advances are strictly forbidden
 - d. Sales Tax - SPCC cardholders must not pay sales tax on goods and services. This does not apply to prepared foods (e.g., catering, meals). The cardholder is responsible for informing the suppliers of the tax-exempt status.
 - e. Past due invoices - Agencies and their cardholders are prohibited from using the PCard (SPCC and GOLD) to pay a vendor invoice that is past due unless prior approval from DOA's Charge Card Administration Team is received in advance of the charge. Past due vendor invoices are typically paid using check or EDI. Past due invoices will be recorded against the Agency's prompt pay compliance regardless of payment method.
 - f. Auto-payment of invoices - Establishing recurring Auto Pay with a vendor is not permitted for convenience purposes. Requests for exceptions to this practice may be added to the agency Annual Exception Request form and submitted to CCA for review after DOC has confirmed the vendor complies with DOA policy. Approval will be granted on a case-by-case basis.

IV. PCard Issuance Process

A. Card Issuance

1. PCards will be issued to employees who have been delegated the responsibility for processing small purchases within their Organizational Unit.
2. PCards will be issued in the name of the designated employee with the DOC's name embossed on the front of the PCard.



3. To request a PCard, the Organizational Unit Head must complete and submit the following to the Program Administrator at: SPCC@vadoc.virginia.gov
 - a. A spending analysis as outlined in CAPP Manual Topic 20355 - Purchasing Charge Card; see *Small Purchase Charge Card (P Card) Yearly Analysis 260_F17*
 - b. *PCard Commonwealth of Virginia Purchasing Card Request 260_F12* including a proposed spending limit at or below the statewide cap of \$10,000 per transaction and \$100,000 monthly, based on the *Small Purchase Charge Card (P Card) Yearly Analysis* signed by the supervisor.
 - c. *PCard Commonwealth of Virginia Purchasing Card Employee Agreement 260_F13* signed by the employee (PCardholder) and their supervisor. DOA requires the Program Administrator have each cardholder and supervisor complete the *Purchasing Card Employee Agreement* form each time a renewal card is received for a cardholder.
 - d. A copy of the current year's DOA SPCC Cardholder Training Certificate.
 4. The employee (PCardholder) must take all required training prior to activating the PCard. New supervisors must take the Supervisor/Reviewer Training prior to assuming the role.
 5. The Program Administrator must maintain documentation of all submitted PCard requests, including PCardholder profile changes and justification, and may adjust PCard profiles based on historical data.
- B. Cancellations and Changes
1. Upon request of the Program Administrator or upon termination of employment, the PCardholder will return the PCard to their Supervisor/Reviewer or the Program Administrator.
 2. PCards may be turned in to the Program Administrator for destruction or destroyed on-site.
 3. Notification must be sent to the Program Administrator noting the date, time, and name of witness of the destruction if destroyed on-site.
- C. When any changes to existing PCards need to be made, the PCardholder must submit a *PCard Change Request 260_F14* to the Program Administrator, giving the specifics of the requested change.
1. Supervisor approval is required for changes to spending limits and all restriction removals. The agency Program Administrator must verify that appropriate restriction removals are being set based on business need and card usage. It is up to the agency Program Administrator to maintain proper documentation to justify the reason for the temporary or permanent restriction removal.
 2. Temporary Restriction Removals, up to 2 weeks, may be lifted by the Program Administrator without DOA approval.
 3. Prior to May 31st of each year, permanent restriction removal(s) may be requested by your agency Program Administrator by submitting your agency *Annual Exception Request Form* to cca@doa.virginia.gov. Once CCA has reviewed, approved, and returned the exception to the agency Program Administrator, the Program Administrator may remove the requested restrictions. After May 31st of each year, all requests for permanent restriction removal should be added to the annual exception template. The Program Administrator should send the request to cca@doa.virginia.gov.
 4. Urgent requests (e.g., inmate/probationer/parolee travel, emergency housing, etc.) may be submitted by email or phone. The completed *PCard Change Request* must be submitted no later than one business day after the initial request to the Program Administrator.
- D. Card Termination
1. PCards that have not been activated within seven days of receipt or are inactive for six months or more may be a security risk. The Program Administrator will confirm with PCardholders that the account should remain active.
 2. The Program Administrator will cancel all inactive PCards for which a response has not been received from the PCardholder. In addition, the Program Administrator will close any PCard account that has not been used for a period of 12 months.

3. The Program Administrator must terminate PCardholder accounts for employees that transfer to another agency number within DOC, retire, or otherwise separate from the DOC.
 4. PCards may be transferred along with the PCardholder, when that PCardholder transfers within the same agency number and must, for audit purposes, maintain their PCard documents for five years.
 5. The Program Administrator may also terminate PCardholder accounts for improper use of the PCard, failure of the PCardholder to carry out their responsibilities, failure of the PCardholder to complete the required training, or upon the direction of management.
- E. Use of the Small Purchase Charge Card
1. A monthly *PCard Transaction Log 260_F11* including all relevant information must be used and should be updated by the PCardholder as each purchase is made so spending limits can be monitored and purchasing activity can be reconciled to the monthly charge *PCard Statement*.
 2. Transactions should be logged in the order of purchase.
 3. The PCard Provider cutoff for monthly billing cycle dates is posted on the DOA website, usually on or around the 15th of the month.
 4. A new *PCard Transaction Log* must be started at the beginning of each billing cycle bringing forward from the current *Log* any transactions not completed during the current month's billing cycle.
 5. Submission of an eVA purchase requisition to generate a purchase order is not required when using the PCard for POS transactions only.
 6. POS means the employee whose name appears on the PCard takes the PCard to the vendor, places an order for the goods or services, receives the goods or services, and has the charges placed against the PCard at that point.
 7. DPS views POS as the vendor's counter, not the agency location.
- F. The PCardholder must follow the minimum procedures below for ordering and accounting for goods and services.
1. Identify if goods or services being sought are provided through a mandatory source, a mandatory state contract, DOC contract, or optional use state contract.
 2. Identify a Department of Small Business and Supplier Diversity (DSBSD) Certified Micro Business that accepts the PCard, sells the required goods and/or services, and submit a request to place the order via eVA Purchase Requisition unless listed on the Headquarters Procurement Unit's *Demand Payment List*, or is detailed as being exempt from being entered into eVA as detailed in the DPS, *Agency Procurement and Surplus Property Manual (APSPM)* Section 14.9, *Requisitioning and Ordering - Use of eVA*.
 3. If a Certified Micro Business is unavailable, PCardholder will identify a Small Business and Supplier Diversity (SBSD) certified small vendor that accepts the PCard, sells the required goods and/or services and submit a request to place the order via an eVA Purchase Requisition, unless listed on the Headquarters Procurement Unit's *Demand Payment List*, or is detailed as being exempt from being entered into eVA as detailed in APSPM section 14.9 (b.)(c.), *Requisitioning and Ordering - Use of eVA*.
 4. Items on the *Demand Payment List* and goods/services detailed in APSPM section 14.9, *Requisitioning and Ordering - Use of eVA*, do not require a purchase order unless the vendor requests it or the enduser wished to do so for budget/project tracking purposes; however, Small Women and Minority (SWaM) requirements as defined in Executive Order 35 (2019), *Advancing Equity for Small, Women, Minority, and Service Disabled Veteran-Owned Businesses in State Contracting* do apply.
 5. If no DSBSD Certified Micro Business or SWaM vendor is available, the steps taken to try and locate one must be documented. This documentation must be in the PCard file. This applies to all purchases unless they are from an established contract or mandatory source.

6. Each vendor must be identified on the log as “O” for Micro, “S” for small, “C” if from contract (SWaM does not apply), “DPL” if the commodity is on the *Demand Payment List*, or a reference to where non-SWaM documentation can be found in the PCard file or on the eVA requisition.

G. Returns, Credits, and Disputed Items

1. In most cases, disputes can be resolved directly between the PCardholder and the supplying vendor.
2. The PCardholder must use the following guidelines when returning an item.
3. If an item needs to be returned for any reason, the PCardholder must return the item to the vendor in the manner agreed upon.
4. The vendor should issue a credit for items that are returned.
5. This credit will appear on a subsequent charge PCardholder Statement.
6. A credit may not be applied to the payment of a PCard bill until it appears on the monthly PCardholder Statement.
7. Bills are to be paid in full and all unresolved transactions and any supporting documentation must be brought forward to the next billing cycle’s *PCard Transaction Log*.
8. The vendor should issue documentation of the return such as a credit receipt. All documentation pertaining to returns must be kept on file for reconciliation to the *PCard Transaction Log* and PCardholder Statement.
9. The return must be entered on the PCardholder’s *PCard Transaction Log*.
10. If the PCardholder and the vendor cannot resolve an issue, the PCardholder must contact Bank of America at 1-888-449-2273 to report a disputed charge. The PCard Provider will investigate the dispute on the PCardholder’s behalf and assist in the resolution.

H. Retain all documents pertaining to the purchase.

1. When the vendor delivers the order, documentation of the purchase such as a sales receipt or packing slip should accompany the order.
2. Each receipt or packing slip must be signed and dated by the employee receiving the order to comply with the *Prompt Payment Act*; COV §2.2-4350, *Prompt payment of bills by state agencies*; see Operating Procedure 210.4, *Accounts Payable Administration and Management*.
3. This documentation must be kept on file with the *PCard Transaction Log* for reconciliation to the monthly PCardholder Statement.
4. When making a point-of-sale purchase, the sales slip must be maintained with the *PCard Transaction Log*.
5. Invoices, receipts, packing slips, and point of sale-sales receipts must date stamped and signed by the employee receiving the item.

V. PCard Transaction Log

- A. The purchase information must be entered on the *PCard Transaction Log* at the time the order is placed or upon return if a point-of-sale transaction.

1. For orders that are not point of sale, *Demand Payment List* commodities or APSPM section 14.9.), *Requisitioning and Ordering - Use of eVA*, the eVA PCO number must be entered on the PCard Transaction Log (or EP number if paying by PCard and eVA would not allow checking of the PCard box).
2. To verify the accuracy of the PCardholder Statements received from the PCard Provider, PCardholders must keep an accurate log of purchases placed using the PCard.

- B. The *PCard Transaction Log* may be maintained electronically; but if it is maintained manually, it must



be in ink.

C. Reconciliation of the PCard Statement

1. Each PCardholder is responsible for retaining documentation of all purchases, returns and credits.
2. On a monthly billing cycle basis, the *PCard Transaction Log 260_F11* and PCardholder Statement must be reconciled.
3. The following guidelines are to be used for monthly reconciliation:
 - a. Each PCardholder will receive a monthly PCardholder Statement that must be compared to the *PCard Transaction Log* to verify that purchases and returns are accurately listed on the statement.
 - b. For purchases listed on the *PCard Transaction Log* but not on the PCardholder Statement:
 - i. Identify item on *PCard Transaction Log* and note it is being moved to the next billing cycle log.
 - ii. Enter the transaction and forward any associated documentation to the next billing cycle's *PCard Transaction Log*.
 - c. For purchases on the PCardholder Statement, but missing on the *PCard Transaction Log*:
 - i. Pay total PCardholder Statement but note missing items on the *PCard Transaction Log* and bring them forward to the new billing cycle log.
 - ii. Reconcile differences with vendor.
 - iii. For returns, the PCard Provider will issue credits on a later billing.
 - d. All documentation pertaining to purchases and returns must be matched with the PCardholder Statement. It is required to print and include the eVA purchase order with the *PCard Transaction Log*.
 - e. All discrepancies must be noted on the *PCard Transaction Log* and brought forward to the new billing cycle *PCard Transaction Log* for subsequent resolution. All items requiring further reconciliation or resolution and copies of any documentation must be forwarded to the next billing cycle *PCard Transaction Log* until the issue is resolved.
4. The PCardholder must forward the signed and dated monthly PCardholder Statement along with the signed and dated *PCard Transaction Log* and any documentation to their Supervisor/Reviewer for review and signature.
5. The PCardholder's Supervisor/Reviewer must sign and date the *PCard Transaction Log* and sign and date the PCardholder Statement and return the statement and the *PCard Transaction Log* to the PCardholder. The PCardholder will forward the duly signed original PCardholder Statement and a copy of the duly signed *PCard Transaction Log* to Accounts Payable for payment processing.
6. If the PCardholder had no charges for the month, they should notify their Supervisor/Reviewer and the appropriate accounting office of that fact, in writing, in lieu of a reconciled statement.
7. A copy of the *PCard Transaction Log* signed by both the PCardholder and Supervisor/Reviewer and a copy of the PCardholder Statement signed by both the PCardholder and the Supervisor/Reviewer must be maintained in the PCardholder's PCard file with all other documentation.

D. Payment of the PCard Statement

1. The monthly PCardholder Statement received by each PCardholder is not the invoice from which the bill is paid.
 - a. Consolidated invoices (roll-up) for agencies 701, 756, 757, 766, and 767 are submitted by the PCard Provider to Headquarters Accounts Payable Unit for payment.
 - b. Roll-up bills for other DOC agencies are submitted by the PCard Provider to the appropriate accounting office for each location.
2. Prompt processing and submission of required documentation by each PCardholder is critical because the Commonwealth is contractually bound to meet the payment deadline set forth by DOA.
 - a. The full amount on the PCard roll-up statement must be paid by the seventh of each month.



- b. Disputed items must be identified and credits for these items will be received when the problems are resolved.
- 3. The following guidelines must be observed when processing payments
 - a. Billing and Payment Cycle Timetable
 - i. Billing cutoff is the 15th of the month unless it falls on a weekend and then it is the preceding Friday.
 - ii. PCardholders should go online to *Works* and print their PCardholder Statements after 12:00 p.m., the day after the billing cycle cutoff.
 - iii. The PCard Provider will also send a statement by mail, which should be received by approximately the 21st of each month.
 - iv. For agencies 701, 756, 757, 766, and 767 the PCardholder Statement (electronic or paper version) certified by both the PCardholder and PCardholder’s Supervisor/Reviewer must be submitted to Headquarters Accounts Payable Unit to be received no later than by the 21st of the month.
 - (a) The *PCard Transaction Log* should be emailed to the General Accounting Unit at CardinalGeneralAccounting@vadoc.virginia.gov and will be assigned to the appropriate employee for processing.
 - (b) Email subject line should include (*your agency number/VISA, current date, your first initial and last name*)
 - (c) If the original is not available, use the *Works* print out, certify, redact the account number, and email it to CardinalGeneralAccounting@vadoc.virginia.gov. Certify, redact any PCard numbers, and mail the original and a copy of the *PCard Transaction Log 260_F11* to Accounts Payable when it is received.
 - v. DOC agencies other than 701, 756, 757, 766, and 767 should abide by the deadlines and directions provided by their Program Administrator.
 - vi. The PCardholder must maintain a copy of the fully certified *PCardholder Statement* along with the signed *PCard Transaction Log* and supporting documentation.
 - vii. Payment is due to the PCard Provider by the seventh of the month.
 - viii. Air Travel Charge card (ATC) cardholders are to submit to General Accounting the reconciled and certified original *PCardholder Statement*, the *Cardinal Distribution Continuation Sheet 210_F8*, appropriate fully authorized *Travel Request Form(s)*, supporting airline ticket documentation/itinerary and reconciled and certified *PCard Transaction Log*. The cardholder is to retain a copy of this documentation in their files.
 - b. Each PCardholder must submit the following documentation to reach Accounts Payable by the 21st of the month:
 - i. The *Cardinal Distribution Continuation Sheet 210_F8* and *PCard Transaction Log* submitted with the PCardholder Statement must distribute the charges to the appropriate expenditure codes as defined in the CAPP Manual Topic 20355, *Purchasing Charge Card*.
 - ii. The original monthly PCardholder Statement containing the following statement verifying reconciliation to the *PCard Transaction Log* and supporting documentation. The PCardholder Statement and *PCard Transaction Log* will be signed and dated in ink by the PCardholder and the Supervisor/Reviewer.

I hereby certify that I have reconciled the SPCC monthly Cardholder statement to the monthly *PCard Transaction Log* and supporting documentation.

PCardholder Signature: _____ Date: _____

(If for some reason the PCardholder cannot sign, the Supervisor/Reviewer must sign for the PCardholder and indicate why.)

I certify that the statement has been properly reconciled and that all purchases appear appropriate.



Supervisor/Reviewer

Signature: _____

Date: _____

4. Submission of documentation for Agencies 701, 756, 757, 766, and 767: The documentation prepared by PCardholders for supporting payments must be submitted to accounts payable.

Virginia Department of Corrections
Attn: General Accounting
P.O. Box 26963
Richmond, Virginia 23261-6963
FAX: 804-674-3357

5. For all other DOC agencies, the documentation prepared by PCardholders for supporting payments must be submitted to Accounts Payable for their unit.

VI. Security

- A. If a PCard is not received in seven business days after it is ordered, the Program Administrator is responsible for ensuring that the PCard is cancelled for security reasons and requesting a new one to protect against possible mail fraud.
- B. Authorized use of the PCard is limited to the person in whose name the PCard is issued.
- C. The purchasing card or its number must not be shared with another person who is not a vendor with whom they are conducting business.
- D. Cardholder data, including account numbers (in whole or part) or the cardholder's name should not be provided to anyone unless it is required for them to complete their official duties as related to the Small Purchase Card Program. This data should not be shared with anyone other than authorized agency staff, authorized vendors whom you are doing business with, CCA, and Bank of America.
- E. The full 16-digit account number must not be mailed, emailed (including attachments), faxed or submitted in written form under any circumstances. If a PCardholder needs to e-mail their PCard number to the PCard Provider, DOA, or their Program Administrator, only the last four digits may be emailed.
- F. The PCard must be kept in an accessible but secure location.
 1. The account number on the PCard must not be posted or left in a conspicuous place.
 2. All *PCardholder Statements* must be secured.
- G. Under no circumstance should the card be photocopied
- H. If a PCardholder's PCard is lost or stolen, the PCardholder must immediately notify the PCard Provider (currently Bank of America: 1-800-822-5985, Option 2 on weekends and after hours: 1-888-449-2273), the Supervisor/Reviewer, and the appropriate Program Administrator.

VII. Record Retention

- A. Records should be maintained in accordance with CAPP – Cardinal Topic No. 20310, *Expenditures*. For further guidance, see CAPP - Cardinal Topic No. 21005, *Records and Retention*.
- B. The following records must be maintained by the PCardholder for a minimum of five years.
 1. A copy of the monthly *PCard Transaction Log*.
 2. Any shipping documents provided by the vendor.
 3. A copy of any credit memos provided by the vendor.
 4. A copy of the monthly PCardholder statement.
 5. A copy of any written correspondence that addresses returns, credits, or disputed items.



6. Communication from the Program Administrator indicating profile adjustments.

REFERENCES

Executive Order 35 (2019), *Advancing Equity for Small, Women, Minority, and Services Disabled Veteran-Owned Businesses in State Contracting*

CAPP Manual Topic 20310, *Cash Disbursements, Accounting*

CAPP Manual Topic 20355, *Purchasing Charge Card*

COV §2.2-4350, *Prompt payment of bills by state agencies*

CAPP Manual Topic 20315, *Prompt Payment*

CAPP Manual Topic 21005 *Records & Retention*

Department of General Services, Division of Purchase and Supply, *Agency Procurement and Surplus Property Manual (APSPM)*

Operating Procedure 135.1, *Standards of Conduct*

Operating Procedure 210.1, *Internal Fiscal Controls*

Operating Procedure 210.4, *Accounts Payable Administration and Management*

Operating Procedure 240.1, *Travel*

Operating Procedure 260.1, *Procurement of Goods and Services*

Operating Procedure 920.1, *Community Case Opening, Supervision, and Transfer*

Virginia Department of Accounts, *Agency Risk Management, and Internal Control Standards (ARMICS)*

ATTACHMENTS

None

FORM CITATIONS

Cardinal Distribution Continuation Sheet 210_F8

PCard Transaction Log 260_F11

PCard Commonwealth of Virginia Purchasing Card Request 260_F12

PCard Commonwealth of Virginia Purchasing Card Employee Agreement 260_F13

PCard Change Request 260_F14

Small Purchase Charge Card (PCard) Yearly Analysis 260_F17

PCard Supervisor/Reviewer Checklist 260_F21

