


# LaCarte Procurement Card Policy

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	<b>Louisiana Department of Health (LDH)</b>	
	<b>Policy Number</b>	58.2
	<b>Content</b>	LDH Policy for LaCarte Procurement Card Issuance and Use
	<b>Effective Date</b>	September 29, 2016
	<b>Inquiries to</b>	Division of Planning and Budget PO Box 4094 Baton Rouge, LA 70821-4094 (225) 342-7626

## I. PURPOSE AND POLICY STATEMENT

- A. It is the policy of the Louisiana Department of Health (LDH) to establish and administer the LaCarte Procurement Card Program and to set the requirement standards for possession and use in accordance with the LaCarte Purchasing Card Policy issued by the Division of Administration. LaCarte is a Visa card issued by Bank of America for the State of Louisiana. This card will enable employees to purchase approved items with the convenience of a credit card, while maintaining control over the purchases. The use of the card will improve efficiency and effectiveness by reducing costs associated with processing purchases and payments and will allow receipt of goods on a timely basis.
  
- B. The use of LaCarte will be limited to low-dollar orders (\$5000 or less). Program limits will be changed by Purchasing Card Policy Amendments issued by the Office of State Travel or if special approval is received to increase limits beyond \$5000. Multiple purchases may be made with the LaCarte purchasing card for contract purchases, each day, up to but not exceeding \$5,000.

- C. This policy and/or procedures are not intended to replace current Purchasing Policies, Rules and Regulations, Louisiana Statutes, or Executive Orders. Current Purchasing Policies, Rules and Regulations, Louisiana Statutes, and/or Executive Orders must always be followed during the use of the LaCarte Purchasing Card and this policy.
- D. All program participants, i.e. program administrators, cardholders, CBA Administrators and cardholder approvers are required to complete an online certification class, annually, receiving a passing grade of at least 90 in order to receive a new p-card, a renewal p-card, maintain an existing p-card or remain as a cardholder approver or CBA Administrator.
- E. Procurement cards issued under the P-card program within LDH will not be used for travel related expenses. Any exceptions must be approved through the program administrator.
- F. Small Purchase Executive Order, Section 6, reads “In the absence of a good faith business basis, no purchase or procurement shall be artificially divided within a cost center or its equivalent, to avoid the competitive process or the solicitation of competitive sealed bids.”

Also, purchases should never be artificially divided to avoid the LaCarte policy limits and individual cardholder limits.

## **II. APPLICABILITY**

This policy applies to all LDH offices that report to the LaCarte Program Administrator within the Division of Planning and Budget as related to this program.

## **III. EFFECTIVE DATE**

The effective date of this policy is September 29, 2016.

## **IV. DEFINITIONS, RESPONSIBILITIES AND PROCEDURES**

### **A. DEFINITIONS**

For the purpose of this policy the following words or phrases shall have the following meanings:

1. **Account Holder/Cardholder**: State of Louisiana, Louisiana Department of Health employee whose name appears on the card and who is accountable for all charges made with the card.
2. **Accountant**: The individual responsible in Workflow for assuring that all cardholder transactions have been allocated to proper account coding and are completed so that the export file can be created by the Bank of America. This individual, depending on the corporate account they are assigned to and the Workflow procedures for that corporate account, may have the ability to upload receipts and perform transaction allocations.
3. **Agreement Form (Attachments A, B & C)**: A form signed by a program administrator, cardholder and cardholder approver, annually, that acknowledges they have received required training from the agency, completed the state's certification requirement and received a passing score of at least 90, understands the P-Card Policies, both state and agency and accepts responsibility for compliance with all policies and procedures.
4. **Cardholder Enrollment Form (Attachment D)**: This form contains cardholder information necessary for statement and mailing purposes, contact information, daily/monthly spending limits and budgetary controls. This form must be submitted to the Agency LaCarte Program Administrator after approval is obtained from the Unit/Budget Head.
5. **Cardholder Approver**: Individual within the agency who is responsible for verifying that all charges against the cardholder's account are authorized and supported by adequate documentation. In the majority of cases, this will be the same person authorized to approve purchases in the LaGOV Automated Purchasing System. The assigned approver must be at least one level higher than the cardholder.
6. **Cycle**: the period of time between billings. For example, the State of Louisiana P-Card closing period ends at midnight the 5<sup>th</sup> of each month. Synonymous with "billing cycle".
7. **Default Account**: The account code assigned to an individual cardholder's card (AFS Organization Number). All charges made by the cardholder will default to object code 3185 until reallocated by Fiscal Services personnel into an appropriate line item account.
8. **Disputed Item**: Any transaction that was double charged; charged an

inaccurate amount, or charged without corresponding goods or services by the individual cardholder.

9. **Electronic Funds Transfer (EFT)**: an electronic exchange or transfer of money from one account to another, either within the same financial institution or across multiple institutions.

10. **Electronic Signature**: An electronic sound, symbol or process attached to or logically associated with a record or executed or adopted by a person with the intent to sign the record.

11. **Electronic Vendor Payment (EVP)**: an electronic exchange or transfer of money from one account to another, either within the same financial institution or across multiple institutions.

12. **Fraud**: Any transaction, intentionally made that was not authorized by the cardholder or not for Official State Business.

13. **INTELLILINK**: Visa's web-based auditing tool which is used to assist with monitoring and managing the agency's card program usage to ensure that card use conforms to all policies and procedures.

14. **Memo Statement of Account**: A listing of all transactions charged to the cardholder's account through the end of the monthly billing cycle. The statement is sent directly to the cardholder by the bank on a monthly basis for reconciliation purposes. This is not a bill. The cardholder must reconcile and submit with required attachments to the Purchasing Card Program Administrator by the last day of the month following statement close.

15. **Merchant Category Code (MCC)**: A standard code the credit card industry uses to categorize merchants based on the type goods or services provided by the merchant. A merchant is assigned an MCC code by the acquiring bank.

16. **Merchant Category Code Group (MCCG)**: a defined group of merchant category codes. MCCGs are used to control whether or not cardholders can make purchases from particular types of merchants.

17. **Merchant**: a business or other organization that may provide goods or services to a customer. Synonymous with "supplier" or "vendor".

18. **Monthly Spending Limit:** A dollar limit assigned to the cardholder to the total of all charges made during the monthly billing cycle.
19. **Non-Approved Purchase:** A purchase made by a State cardholder for which payment by the state is unapproved. A non-approved purchase differs from a fraud purchase in that it is a non-intentional misuse of the procurement card with no intent to deceive that agency for personal gain or for the personal gain of others.
20. **P-Card:** a credit account issued in an employee's name. This account is the direct liability of the State and is paid by the agency. P-Card accounts are the preferred means of payment for purchases of goods and services. Also referred to as the LaCarte card and Purchasing Card.
21. **P-Card/Billing Cycle Purchase Log:** Electronic used in the reconciliation process for purchases/services charged during the billing cycle. The log is used to document cardholder approval of purchases billed by matching the paper billing statement, received from the bank, to the log and the documentation obtained from the vendor(s). Electronic approval of the log by the cardholder and approver is done through electronic signoff (through WORKS Workflow reconciliation).
22. **Single Purchase Limit (SPL):** the maximum spending (dollar) limit a P-Card is authorized to charge in a single transaction. The SPL limit may be up to \$5000; however, this limit should reflect the individual's purchasing patterns. These are preventative controls and, as such, should be used judiciously. Purchases shall not be split with the intent of and for the purpose of evading the P-Card single purchase limit set for cardholders.
23. **Split Purchase:** Intentionally artificially dividing a purchase or procurement to avoid the competitive process or the solicitation of competitive sealed bids or to circumvent the cardholder's assigned purchasing limits.
24. **Transaction/Charge Limit:** The dollar limit assigned to each cardholder for each total charge made to the card. This limit will be set by the Unit/Budget Head and the Agency LaCarte Program Administrator.
25. **Support Documentation:** A merchant-produced document that records the relevant details for each item purchased, including quantities, amounts, description, cost, total charge amount, merchant's name (e.g., detailed sales

receipt, original invoice, packing slip, credit receipt, etc.).

26. **WORKS:** Bank of America's web-based system used for program maintenance, card issuing/suspension/cancellation and reporting.

27. **WORKS Workflow:** Bank of America's online system that includes user profiles and transaction workflow. For ISIS and LaGov interfaced agencies, transactions are coded and interfaced to the ISIS/LaGov systems for payment monthly.

**B. CARDHOLDER ENROLLMENT AND RESPONSIBILITIES**

1. A Cardholder Enrollment Form (Attachment D) must be completed by the cardholder and signed by the assigned Supervisor/Approver for each prospective cardholder. The Supervisor/Approver in collaboration with the Unit/Budget Head is responsible for assigning cardholder's spending limits per transaction and per cycle and limits the number of transactions allowed for the cardholder per cycle. Cardholder can be restricted to particular vendors, commodity categories and/or dollar limits. **Cards can only be issued in the name of State of Louisiana employees. Cards cannot be issued in an office name for pooled use.**

The enrollment form is forwarded to:  
LDH LaCarte Program Administrator  
LDH Division of Budget and Planning  
P.O. Box 4094 (Messenger-Bin #36)  
Baton Rouge, LA 70821-4094  
(225) 342-7626

No P-card shall be issued to any agency program administrators, department head, CBA administrator or auditor or any other roles associated with administering, monitoring or reviewing the activities of the P-Card program. If it is a justifiable hardship for one of the above positions to not be allowed to possess a P-card, a written request must be submitted to the Commissioner of Administration including detailed justification as to why this is not feasible and what precautions will be taken to guarantee the security and validity of purchases. Specific approval from the Commissioner

of Administration must be obtained prior to issuing a card to an individual serving in any of these roles.

The only exception regarding an employee possessing a card with a role in the program is a cardholder approver. However, in order for a cardholder approver to possess a P-card, monthly audit, sign-off in Workflow system, and all other responsibilities listed throughout this policy for a cardholder approver, must too be fulfilled by someone which is at least one level higher than the approver.

2. When the Program Administrator receives the new card from the bank, the cardholder will be contacted for training either by the program administrator or designated training personnel for the cardholder's office. The prospective cardholder **and their assigned supervisor/approver** must attend a training session and sign a Cardholder Agreement Form and Approver Agreement Form (Attachment B and C) before receiving and using the purchasing card. The original Cardholder Agreement must be kept on file by the Program Administrator. ***If the supervisor/approver has attended training with another employee, it is not necessary that they attend again but they must update their approver agreement with the new cardholder.***

3. Purchasing cards are not transferable. Use by anyone other than the cardholder is PROHIBITED. The only person authorized to use the card is the person whose name appears on the face of the card. A transaction can only be signed by the Cardholder. A receipt may be signed by other than the cardholder if it is being used as a delivery receipt for a phone order. In this case, the receipt should be signed "Received By" followed by the employee's name accepting the delivery.

4. The Cardholder is responsible for return of the purchasing card to the Supervisor/Approver upon termination of employment. This card must be cut in half and forwarded to the Program Administrator. The Program Administrator must be notified immediately of the cardholder's termination. Cardholders who transfer to new positions in the same section and require the use of the card as part of their new duties should continue to use the same card. Cardholders who no longer require card for their new positions must cancel their cards. A change must be reported on the Cardholder Enrollment Form and submitted to the Program Administrator indicating "Change" on the form.



5. It is the cardholder's responsibility to safeguard the card and account numbers at all times. Cards must be kept in secure locations and account numbers should not be written where they can easily be seen by others. The full account number should never be put in emails, fax, reports, memos, etc. The cardholder shall never send a copy of the card if requested by a merchant. If this is required for payment, then another form of payment must be used. If cardholder believes someone has been using the card as evidenced by charges appearing on the monthly memo statement that cannot be verified as made by cardholder, the Unit/Budget Head and Program Administrator must be notified immediately.

6. If the card is lost, stolen or damaged, the cardholder must IMMEDIATELY notify Bank of America at 1-888-449-2273 and the Program Administrator at 225-342-8778 after reporting the incident to the bank. If the card is located after reported lost or stolen, it must be destroyed by cutting it in half and both halves of the card must be forwarded to the Program Administrator.

7. Whenever information contained on the Cardholder Enrollment Form changes, the changes must be submitted to the Program Administrator on the form with "Change" checked on the form.

**C. PROCEDURES FOR USING THE PROCUREMENT CARD  
STANDARD PROCUREMENT RULES AND REGULATIONS AND INTERNAL  
PROCUREMENT PROCEDURES WILL REMAIN THE SAME. THE USE OF THE  
PROCUREMENT CARD IS AN ADDITIONAL MECHANISM TO OBTAIN AND  
PAY FOR A REQUIRED ITEM/SERVICE. USE OF THE PROCUREMENT CARD  
DOES NOT EXEMPT ANYONE FROM FOLLOWING ALL ESTABLISHED  
PROCUREMENT LAWS, RULES AND REGULATIONS AND POLICIES OR  
PURCHASING FROM COMPETITIVE STATE CONTRACTS. ALL PURCHASES  
\$5000 AND UNDER ARE TO BE MADE WITH THE PROCUREMENT CARD IF  
THE SELECTED VENDOR ACCEPTS VISA.**

Merchant Category Codes (MCC) (Attachment F) have been developed and encoded into each card. These codes authorize the types of goods and/or services for which individual cards may be used (i.e., office supplies). A list of Merchant Category Codes is furnished herein and to all cardholders. Included in the list are prohibited and restricted codes. Cardholder is prohibited from attempting to purchase from prohibited or restricted



merchants unless an exemption for a restricted code has been approved through the program administrator with the Division of Administration.

1. Obtain necessary approvals to purchase.
2. When making purchases in person, the cardholder must sign the charge receipt and retain the customer copy or proper documentation of the purchase. Cardholder should be certain that the total amount of the purchase (including shipping, handling, postage, freight, etc.) does not exceed the card's single transaction dollar limit.
3. State sales tax should not be charged on card purchases. It is the State's policy not to pay sales tax, however, the agency may exempt cardholders from obtaining a credit from the vendor for tax charges less than \$25. The cardholder should not continually allow sales taxes of \$25 or less to be charged to the card. The agency will monitor sales tax transactions to ensure corrective action is taken against repeat offenders. Each agency should take proper steps to correct this with the vendor-merchant for future purchases. Any credits for sales tax charges must be initiated by the agency; it is not Bank of America's responsibility to issue credits for sales tax. Applicable client purchases that have been approved by the Program Administrator through Division of Administration as taxable purchases are exempt.
4. The "Certificate of Sales/Use Tax Exemption/Exclusion" (Attachment G) which certifies the tax exempt status of purchases made using the card. These forms can be duplicated as necessary and may be presented to vendors when needed to insure that tax is not charged.
5. When making a purchase other than in person (e.g., via telephone, computer, mail order, etc.), cardholder should give merchant the account number and tax exempt number (both of which are embossed on the card) and direct the merchant to include the following on the shipping label or packing slip:
  - a) Cardholder name and telephone number
  - b) Department and Agency name
  - c) Complete delivery address
  - d) "VISA PURCHASE"
6. For items such as subscriptions and registrations, where the vendor does not normally generate a receipt or packing slip, a copy of the ordering document may be used. Acceptable documentation must include a line

description and line item pricing for the purchase. The approved LDH Subscription/Membership approval form and/or other approved written documentation will also be required for any applicable purchases. Registrations should not be charged on the procurement card unless an exemption is received from the Program Administrator. Registrations are considered travel related and should be processed following travel procedures.

7. Cardholder must maintain **records** of all transactions (telephone, computer, mail order, etc.) **or** internal support documentation to facilitate monthly reconciliation.

8. Receiving departments within the Agency are allowed to receive shipments on behalf of the cardholder, but the cardholder is responsible for retaining all documentation (shipping labels, packing slips, etc.) related to the purchase. Therefore receiver must sign and date packing slips and forward to cardholder within one (1) day of receipt.

9. The cardholder is responsible for obtaining purchase documentation from the merchant to support all purchases made with the card and verifying that the documentation complies with the requirements set forth by State Travel and State Accounting guidelines.

10. If it is necessary for a cardholder to set up an online account, such as Amazon, EBay, etc. in order to obtain the required item/services, **the cardholder must first receive approval from the agency program administrator to do so and show evidence that there is no other means to obtain the required item/services.** These types of accounts, if necessary and allowed for use by an employee, must have a standalone business account or registration and must not be combined with an individual's personal account. By doing this, the agency will have access to view the accounts online while verifying that all purchases are being delivered directly to the agency. PayPal accounts cannot be used by LDH cardholders due the terms and conditions of PayPal that we cannot agree to.

11. The Department will maintain a permanent file of all card purchases supporting documentation in accordance with state laws. This documentation is subject to review by the Legislative Auditor and other duly authorized auditors.

12. LaCarte Purchasing Card shall not be used:
- a) For personal use.
  - b) For Gift Cards and/or Gift Certificates, as they are considered cash and taxable, without prior approval of the Department Procurement Card Administrator and the Division of Administration, Office of State Travel.
  - c) To avoid appropriate procurement or payment procedures.
  - d) To access cash.
  - e) For travel or entertainment services unless written permission has been granted by the Office of State Travel.
  - f) For alcohol.
  - g) For fuel and maintenance if agency is part of the Fuel Card and Maintenance Program. However, in the event that the program is not covered in a certain area, then the purchasing card may be used and files must be completely documented.
  - h) For personal use items such as Kleenex, coffee, coffee supplies, coffee pots, doughnuts, pot plants, decorative items, gifts, flowers, birthday cards, sympathy cards or Christmas cards, Christmas trees and other holiday decorations (unless for use at 24 hour client facility), heaters, fans and other related items.

**D. PAYMENTS, RECONCILIATION, POST AUDIT REQUIREMENTS**

The agency will ensure that necessary procedures and controls are in place for prompt payment, reconciliation and cost distribution of charges and credits. Post audits of cardholder transactions will be performed to monitor the number and amount of purchases made, vendors used, as well as detailed transaction information to properly allocate costs.

1. Bank of America will send monthly memo (paper) statements to each cardholder. All transactions will be reflected in the Bank of America WORKS system within 48 hours of the transaction taking place.
2. The paper memo statements from Bank of America will be mailed directly to each cardholder at the address given at the time of issuance within five (5) days of the close of the billing cycle (10<sup>th</sup> of each month). The cardholder must reconcile purchases made during the billing cycle by matching the memo statement to the cardholder's support documentation. The documentation will be reviewed and certified by the cardholder as received or reported as a disputed item. The cardholder shall allocate their transaction with the appropriate accounting distribution information (organization code if different than default, object code, reporting category if

applicable) *in the* Bank of America WORKS Workflow system, upload and attach receipt and other required documentation and sign off completed by both cardholder and approver.

3. Payment will be made electronically to Bank of America by the Office of Statewide Reporting & Accounting Policy (OSRAP) within 25 days of statement billing date.

4. The billing cycle ends on the 5<sup>th</sup> of each month. The Statement Billing File will be used for ISIS Agencies to create a P3 (P-Card Vendor Payment Voucher Form) and interface to AFS. This document will use either the allocated general ledger coding entered or the default/override accounting codes assigned to the transaction at the time of interface between Bank of America (BOA) and ISIS. The interface will automatically create the P3 document each month. No action is required by LDH for payment. LDH will assure that employee(s) are tasked with maintaining the user data, as well as those that will be responsible for maintaining the general ledger coding restrictions within WORKS Workflow.

5. The P3 document will override budget checks and cash checks in AFS to produce an electronic file transfer (EFT) to be sent to Bank of America. The EFT will be processed on the 25<sup>th</sup> of each month. The Bank of America will create the export file on the 15<sup>th</sup> of the month once Workflow has been implemented.

The cardholder must reconcile purchases/services charged during the billing cycle by matching the bank billing statement to his P-Card log/record and/or using the WORKS Workflow online system and the documentation obtained from the vendors. The documentation will be reviewed and certified by the cardholder as received or reported as a disputed item. The cardholder must scan all supporting documentation, receipts, etc., into Workflow and tie each scan to the applicable transaction and allocate their transactions. This must be done by the close of business on the 12<sup>th</sup> of each month. The cardholder then forwards all hard copy statements and supporting documentation to his immediate supervisor/approver. When a cardholder approves a transaction online, his signoff moves the transaction to the queue of their approver.

The immediate supervisor approver, who is to be at least one level higher than cardholder, must review the information and documentation entered and scanned into Workflow, and submitted by the cardholder. The approver, to be determined by each agency who should be an immediate supervisor

and at least one level higher than the cardholder, must verify that acceptable complete documentation exists (both paper and electronic) to support each purchase, service and/or credit, verify that purchases are for official state business, and that purchases/services complies with any current Purchasing Policies, Rules and Regulations, Louisiana Statutes, Executive Orders, State Corporate Liability "LaCarte" Purchasing Card Policy, State Liability Travel Card and CBA Policy and/or PPM49, if applicable, as all must be followed during the use of the LaCarte Purchasing Card and this policy . The immediate supervisor approver must electronically approve, along with the signing of the memo statement certifying his review and approval. While multiple transactions can be signed off at one time by selecting more than one transaction, it is the Approver's responsibility to verify the validity of each transaction. **The cardholder shall never be the final approver of his own monthly P-Card log/online transactions.**

Once all approvals and audits by cardholder approvers have been obtained and forwarded to the program administrator's office, the program administrator and designated staff must review all statements and backup. All documentation must then be housed in the program administrator's secure files. The Division of Fiscal Management will be responsible to correct any necessary coding changes required after the monthly interface.

**6. All supporting documentation, including approval document(s), etc., are to be sent to the Division of Planning and Budget office to be maintained in one central location available to auditors and other affiliated program staff. All documentation must be submitted by the last day of the month following statement close.**

7. If it is determined that personal or other unauthorized charges are occurring on the card, appropriate steps, up to and including dismissal, shall be taken to resolve the misuse/abuse of the card.

8. It is the responsibility of each agency to contact the Bank if a paper statement is not received timely. A cardholder can also run a monthly billing statement in WORKS. Agencies should complete the reconciliation and distribution processes each month by the designated deadlines.to avoid card suspension.

9. The Bank of America will create the export file on the 15<sup>th</sup> of each month.

**E. CARDHOLDER CHARGE DISPUTE RESOLUTION PROCEDURES**

In the event cardholder finds items on the monthly memo statement that do not correlate with retained receipts and supporting documentation, transactions not made by the cardholder, incorrect transaction amounts, or if there is an issue with service or quality, the cardholder's first recourse is to contact the merchant to try to resolve the problem.

1. If the merchant agrees the error has been made, they will credit the cardholder's account. The credit will appear on the next monthly memo statement. Cardholder should check next statement for credit.
2. If the problem with the vendor is not resolved, the Statement of Disputed Item (Attachment H) should be completed and mailed or faxed with required enclosures within 60 days from the billing close date (5<sup>th</sup> of each month) to:

Bank of America - Commercial Card Services Operation  
P.O. Box 53142  
Phoenix, AZ 85072-3142  
Phone: (800) 352-4027; Fax: (888) 678-1503.  
A dispute can also be filed online in the WORKS system.

A copy of the dispute form should be faxed to the Program Administrator at 225-376-4757.

3. The transaction will be paid; therefore, it is important for cardholder to mark purchasing documentation "DISPUTED". Cardholder should retain a copy of the disputed documentation and follow up on future statements for credits.
4. All disputes must be identified in writing within sixty (60) days of the billing statement. Disputes will then be resolved by Bank of America within one hundred eighty (180) days.

**F. MERCHANDISE RETURNS AND EXCHANGES PROCEDURES**

1. The cardholder is responsible for contacting the merchant when merchandise purchased with the card is not acceptable (incorrect, damaged, defective, etc.) and arranging for the return for credit or exchange.
2. The cardholder will be working with the supplier and should always retain boxes, containers, special packaging, packing slips and other related

information until they are certain the merchandise is acceptable.

3. If the merchandise is to be exchanged, the cardholder is responsible for returning the merchandise to the merchant and obtaining a replacement as soon as possible. Documentation of the resolution of the exchange is to be retained with the support documentation of that purchase.

4. If the merchandise is returned in person, the cardholder is responsible for obtaining a credit receipt from the merchant and retaining the receipt with support documentation. If the merchandise is shipped back to the supplier, the package must be prepared according to supplier instructions and shipping documents must be retained until supplier issues credit or exchanges merchandise.

5. Supplier must issue credit to the cardholders account. Receiving cash or checks to resolve a credit is prohibited.

**G. CARD MISUSE**

1. Fraud Purchase - An employee suspected of having misused the procurement card with the intent to defraud the state will be subjected to an investigation. Should the investigation result in findings which show that the actions of the employee have caused an impairment to the state service, and should those findings be sufficient to support such action, the employee will be subject to disciplinary action. The nature of the disciplinary action will be the prerogative of the appointing authority and will be based on the investigation findings and the record of the employee. Any such investigation and ensuing action shall be reported to the Legislative Auditor, the Director of State Procurement and the LDH LaCarte Program Administrator.

2. Non-Approved Purchase – A non-approved purchase is generally the result of a miscommunication between a supervisor and the cardholder. A non-approved purchase could occur when the cardholder mistakenly uses the procurement card rather than a personal card. When a non-approved purchase occurs, the cardholder should be counseled by the approver to use more care in handling of the procurement card. The counseling should be in writing and maintained in the employees file for no longer than one year unless another incident occurs. The employee should be made to pay for the item purchased inappropriately. Should another incident of a non-approved



purchase occur within a 12 month period, the appointing authority should consider revocation of the procurement card.

3. Recognized or suspected misuse of the P-card program should be immediately reported to the agency program administrator and may be anonymously reported to the State of Louisiana Inspector General's Fraud and Abuse Hotline at 1-866-801-2549 or for additional information one may visit

<http://oig.louisiana.gov/index.cfm?md=pagebuilder&tmp=home&nid=3&pid=0&catid=0>.

#### **H. DORMANT CARDS**

Cards will be constantly monitored. If a card is not utilized in a twelve month period, the cardholder and approver will be contacted by the agency program administrator. If justification is provided for leaving the card active and the justification is approved by the Office of State Travel, the card will be suspended and profile changed to \$1 limit until future need for activation and notification to the agency program administrator. If justification and approval is not received, dormant cards will be canceled and the cardholder and approver notified.

#### **I. EMPLOYEE EXTENDED ABSENCES**

When an employee has a planned extended absence, it is the cardholder and cardholder approvers' responsibility to assure that all required documentation, signatures and approvals are obtained prior to the start date of the absence. This will include the upload of receipts and sign off and allocation of transactions once Workflow has been implemented.

Should a cardholder/cardholder approver have an unscheduled absence, the cardholder and/or the approver is to contact the program administrator to make arrangements for the required processes to be completed during the absence.

While a cardholder is on extended leave, notice is to be given by the cardholder and/or supervisor approver to temporarily suspend the card until the employee returns to active duty.

#### **J. DECLARED EMERGENCY USE**

In the event the Governor declares a state of emergency, the P-Card may be changed to allow higher limits and opening of certain MCC codes for essential employees

who are cardholders that would be active during an emergency situation and not for ALL cardholders. An emergency profile has been created in WORKS which shall not exceed the following limits, without prior approval from Office of State Travel: SPL (single purchase limit) \$25,000, Travel and Rest MCC Groups may be removed if determined to be necessary for group accommodations however, the Cash MCC Group must remain attached to the profile at all times, as the use of cash is never allowed, even during emergency situations.

Higher limits do NOT eliminate the need to follow emergency procurement rules, policies, procedures and/or executive orders.

It is the Agency Program Administrator's responsibility to ensure that all cards are returned to their original profile once the emergency declaration has expired and/or when higher emergency limits are no longer necessary.

**K. CLOSE OUT PROCEDURES**

It will be the responsibility of the cardholder supervisor/approver to conduct an exit review with a cardholder that is terminating service with a particular office to review active transactions, assure that all supporting documentation and receipts , as well as, required signatures and sign off in Workflow when implemented is complete prior to departure. The supervisor/approver is to retrieve the card, notify the agency program administrative to cancel and return the card to the agency program administrator. As a safeguard, the LDH Human Resources office will provide a bi-weekly report showing employee terminations. The program administrator and staff will review this report to assure that no terminated employee has an active card. If this is found to be true, steps will be taken to reprimand the supervisor/approver for not completing their required responsibilities.

**L. RECOUPMENT OF UNAUTHORIZED PURCHASES**

When it has been identified that an employee made an unauthorized and/or personal charge on the state issued P-Card, and it is determined that this was accidental and not an intentional fraudulent purchase, the cardholder will be instructed to submit a check made payable to the Louisiana Department of Health in the amount of the unauthorized charge. With the check, the cardholder is to include the coding that the unauthorized transaction was allocated to so that the check is deposited as return of appropriation to the

proper account coding. Repeated purchases will warrant cancellation of account.

If a cardholder makes a unauthorized and/or personal charge and does not voluntarily refund the purchase to the Department, the Department will take disciplinary action, up to and including termination of employment and legal actions, as allowed by the fullest extent of the law to recoup the funds.

**M. EXCEPTIONS**

Any requested exceptions must be submitted to the program administrator on the DOA PCARD Exception Request Form (Attachment J) who will review for completion, sign and submit to obtain the necessary approvals.

Purchases for excluded items are not to be made until an exception has been approved.

**N. Electronic Verification Program (EVP) PAYMENTS**

Vendors who choose the option to enroll with the EVP program are flagged on the ISIS vendor tables to receive their payments through the EVP program of the State with Bank of America (BOA). Agencies will process their payments to vendors for goods and services purchased as usual. The mechanism by which vendors get paid will be determined by a flag on the vendor table as currently done. If a vendor is flagged as an EVP vendor, payments to the vendor will be made through the EVP process without the agency directing this means of payment. The EVP program allows vendors to be paid through the vendor's virtual account with BOA. An electronic mail is generated and sent to the vendor to notify them of the availability of payments and the availability of funds placed in their account for withdrawal. State agencies will notice movement of cash from Cash Account 6000 (ISIS Disbursement Cash Account) to cash account 6PCD (Cash P-Card Tier II). The cash account 6PCD will be reduced when vendors draw down their funds from their virtual accounts with BOA for the invoices they have paid, and when the BOA bill is paid. Agencies do not need to approve any of the transactions in the system after approving the payment voucher they always prepare to make payments.

For internal control purposes, LDH Fiscal must monitor their cash position, monitor their outstanding payments, and vendor drawdowns through WORKS. For ISIS agencies, a 1G64 report will be generated that will provide

detail of the EVP transactions daily. OSRAP will also be responsible for reconciling the cash account 6PCD with transactions from the BOA paid/billing file. BOA has also created standard reports in WORKS that will allow each agency to see their EVP payments. These reports will help agencies reconcile outstanding EVP to their 6PCD cash account and also to see what payments are still outstanding (much like the outstanding checks report). Control Agencies like Office of Statewide Reporting and Accounting Policy (OSRAP) and the State Treasurer's Office (STO) will have access to reports in WORKS that will allow them to see EVP activity by all state agencies.

**O. ANNUAL PROGRAM REQUIREMENTS**

- A. All program administrators, cardholders and cardholder approvals must submit new agreement forms annually.
- B. All program administrators, cardholders and cardholder approvers must take the DOA and Agency program certification courses in LEO and provide verification to the program administrator.
- C. A review of issued cards and card limits is to be performed on an annual basis by agency heads.
- D. An audit is to be performed by the Department Internal Audit Section to assure compliance with program policies.

**V. RESPONSIBILITIES**

**A. Agency LaCarte Purchasing Card Program Administrator - Assigned to Division of Planning and Budget staff person** (referred to after this as Program Administrator) (These responsibilities also roll down to the Secondary Program Administrator and to **"Scoped" Administrators** for a particular corporate account within the agency)

- 1. Obtain annual Program Administrator certification through the State's online certification training program in which a passing grade of at least 90 must be obtained.
- 2. Obtain agency program training and sign a Program Administrator Agreement Form (Attachment A), annually, with originals given to the Office of State Travel and maintaining a copy for agency file.
- 3. Responsible for keeping well informed of program updates, as they are sent as email updates, along with dissemination of this information to the Department Head, cardholders, cardholder approver and any other agency personnel as deemed appropriate.

4. Determine and/or assist in determining appropriate cardholders and setting individual cardholder limits for single transactions, daily and/or cycle transaction limits.
5. Monitor for cardholder accounts which are not active and adjusting SPL's and/or monthly cycle limits accordingly based on possible change in needs and cancellation of card, when not utilized in a twelve month period. See Section X.
6. Determines allowable merchant category codes based on individual needs and the State's allowances.
7. Maintain budgetary controls.
8. Educate program participants on state and agency policy requirements, procedures and allowances. Trains trainers and/or cardholders.
9. Maintains file with original" agreement forms and proof of training completion" as well as maintain current list of active cardholders.
10. Enters on-line requests for cards in WORKS and performs any maintenance necessary for agency cardholders. Issues secure User ID's for each cardholder, approver, accountant, and agency program administrators and scoped administrators in all WORKS applications when the online system is implemented.
11. Cancels cards on terminated employees.
12. Monitors the issuance of cards, ensuring prompt reconciliation of periodic statements.
13. Monitors purchases for adherence to proper procurement procedures including monitoring contract purchases to ensure that the items identified are valid line items on the associated contract.
14. Receives statement billing file (electronically), downloads for use with LDH Allocation System and prepares reports as necessary. This will be eliminated once WORKS Workflow is implemented.
15. Annually have Department Heads review agency cardholders, cardholder limits and ensure appropriate utilization.
16. Generate the required monthly audit reports, and assure that necessary findings have been investigated, documented and handled appropriately. Provide monthly certification that the procedures of the audit section of the Division of Administration LaCarte Policy has been conducted to the Office of State Travel.
17. Assure that the cardholder's business email address matches the cardholder's name. Another cardholder's email address may not be used without prior approval from the Commission of Administration.
18. Audits transactions and supporting documentation.

**B. Fiscal Office/Accountant**

1. Sets up default account information either in the WORKS Workflow system.
2. Reviews electronic allocations in WORKS Workflow to assure completion prior to the monthly interface to distribute costs from the default accounting codes to the proper accounting codes.
3. Reviews/audits reconciliation and documentation of statements.
4. Clears charges and credits from purchasing card clearing organization code if it is determined that an incorrect code was assigned to a card.
5. Prepares reports as necessary.
6. Reviews receipts and program journal vouchers to correct any necessary changes.

**C. Unit/Budget Head/Appointing Authority**

1. Makes determination of who will be authorized to request a procurement card and determine cardholder approver that meets program requirements.
2. Authorizes/approves individual request for card and determines cardholder approver.
3. Sets card limits and assigns approved merchant category codes with the assistance of the Program Administrator and the Cardholder approver.
4. Assure that the cardholder's business email address matches the cardholder's name. Another cardholder's email address may not be used without prior approval from the Commission of Administration.

**D. LDH Internal Audit Section**

The LDH Internal Audit Section shall conduct an annual review of the agency's procurement card program to assure compliance with the Division of Administration LaCarte Procurement Card Policy and this internal LDH policy. A report shall be issued and presented to LDH Executive Staff and the Program Administrator.

**E. Cardholder Approver**

1. Obtain annual approver certification through the State's online certification training program in which a passing grade of at least 90 must be obtained.
2. Obtain agency program training and sign an Approver Agreement Form (Attachment C), annually, with originals given to agency program administrator along with the approver maintaining a copy for their file.

3. Obtain, review and understand the state and agency policies and all applicable rules, regulations, policies, procedures, guidelines, statutes, and executive orders.
4. Keep well informed of program updates as sent from agency program administrator or anyone associated with the State Liability P-Card Program.
5. Review all documentation attached to a transaction in the WORKS to assure that it meets the documentation requirements of the purchasing card program. Each receipt must have description of item purchased, item cost and invoice total much match transaction amount. If proper documentation is not attached, the transaction must be flagged back to the cardholder for correction.
6. Always submit approvals with all necessary documentation including complete line item descriptions where generic description is on receipts such as "general merchandise" (both paper and electronic) in a timely manner.
7. Ensure that supporting documentation, including the approved electronic log and signed statement, by both approver and the cardholder, along with any findings and justifications are sent to the Division of Planning and Budget for review, where the documentation will be maintained in one central location, in accordance with the state's requirements and the agency's policy.
8. Immediately report any fraud or misuse, whether actual, suspected or personal charges to the agency program administrator, as well as, agency head and other personnel/agencies as required. An approver will participate in any disciplinary actions which may be deemed appropriate, if necessary.
9. Notify an agency program administrator, immediately, upon separation, change in department/section or during extended leave for any cardholders in which you are the approver.
10. Notify an agency program administrator, immediately, if you will be leaving so that you can be removed as the cardholder approver and to insure that a replacement approver is designated and has satisfied all of the requirements for this function. All cards of cardholders will be temporarily suspended until a new approver meeting program requirements is assigned.
11. Notify the Program Administrator if a cardholder will be on extended leave so that the card limits can be reduced to \$1 during the extended absence and/or until the cardholder returns. This will be done to protect the cardholder and the agency during the absence.
12. Complete an exit review with the cardholder, of the cardholder's



- transactions, supporting documentation and receipts, as well as, obtaining necessary signatures prior to departure.
13. Ensure that the P-Card is obtained from the employee upon separation or change in department/section and return card to agency program administrator. Notify the Program Administrator to cancel the card before it is placed in the mail. Ensure that agency program administrator makes necessary changes to cancel the card and to remove approver as the employee's approver and/or employee from the list of cardholders for which approver is responsible.
  14. Assure that the cardholder's business email address matches the cardholder's name. Another cardholder's email address may not be used without prior approval from the Commission of Administration.
  15. Ensure that either approver of the cardholder notifies the agency program administrator if card is lost, stolen or has fraudulent charges. Ensure the cardholder immediately notifies the bank as well.
  16. Review, at a minimum annually, all cardholders which approver is designated as an approver along with profile limits to ensure appropriate utilization of the card and program intent. This will ensure that all cardholders limits, MCC Codes, etc., are working properly for the cardholder. If limits or codes are not allowing the cardholder to perform his duties, then approver should contact the agency program administrator to make necessary adjustments.
  17. Ensure that cardholder is never a final approver of his own monthly transactions.
  18. Ensure each transaction, to the best of approver's knowledge:
    - a. Has an appropriate business purpose, fits the cardholder's business needs, and is audited including a review of all supporting documentation.
    - b. Is in compliance with all current purchasing rules and regulations, statutes, executive orders, and policies.
    - c. Does not include state tax, as this program is state tax exempt. See Section V: C.
    - d. Includes all required and complete documentation, including a detailed receipt supporting the transaction and all documentation is scanned into Workflow and tied to the appropriate transactions.
    - e. Has been verified to ensure that each transaction has a receipt and the receipt's date, supporting documentation and documentation dates, along with the log dates, correspond with known business needs and dates, along with program cycle dates (which begin the 6<sup>th</sup> of one month and ends the 5<sup>th</sup>

- of the following month.).
- f. Has been coded properly for payments as outlined in this policy and procedures and as required in Workflow.
19. Secure all assigned WORKS application User IDs and passwords. Never share User ID and passwords and/or leave the work area while logged into the system or leave log-in information lying in an unsecure area.
  20. Understand that failure to properly fulfill responsibilities as a P-card approver could result, at a minimum, in the following:
    - a. Written counseling which would be placed in employee file for a minimum of 12 months.
    - b. Consultation with agency program administrators, and possibly head of agency and internal audit section.
    - c. Disciplinary actions, up to and including termination of employment.
    - d. Legal actions, as allowed by the fullest extent of the law.

**F. Cardholder**

1. Completes application for LaCarte P-Card and obtains necessary approvals and forward card application to Program Administrator or designee for processing along with certification identified in item 2 below as well as approver's certification
2. Obtain annual cardholder certification through the State's online certification training program receiving a passing grade of at least 90 prior to possessing or continuing to possess a State of Louisiana P-Card.
3. Attend required agency training and sign a State Corporate Liability Cardholder Agreement Form (Attachment B), annually, acknowledging cardholder's responsibilities prior to receiving the card.
4. Use P-Card for official state business only. No personal use. P-Card is limited to the person whose name is embossed on the card. The P-Card shall not be used to pay for another or loaned to another person to pay for official or non-official business expenses.
5. Keeps card secure and under control at all times.
6. Assure that the cardholder's business email address matches the cardholder's name. Another cardholder's email address may not be used without prior approval from the Commission of Administration.
7. Never include the full P-Card account number in emails, fax, reports, memos, etc. If an account number is necessary, only the use of the last four or eight digits of the account number is allowed.

8. Secure assigned WORKS application User IDs. Never share User ID and password and/or leave work area while logged into the system or leave log-in information lying in an unsecure area.
9. Recognize that the P-Card is the property of the State of Louisiana and the cardholder is responsible for the physical security and control of the P-Card and its appropriate use. The Cardholder is also responsible for maintaining the security of card data such as the account number, the expiration date, and the card verification value (CVV), the 3-digit security code located on the back of the card.
10. Never send a copy of the P-Card if requested by a merchant. If this is required for payment, then the cardholder must use another form of payment other than the State Liability P-Card.
11. Never use an individual P-Card for personal, non-business expenses for any reason.
12. Never pay taxes on purchases with this card, since it is a state liability. See Section V (C).
13. Never, under any circumstances, use the P-Card to access or attempt to access cash.
14. Never accept cash in lieu of a credit to the P-Card account.
15. Never use P-Card for gift cards/gift certificates, without prior approval from the Office of State Travel through the Program Administrator, as they are considered cash and taxable.
16. Never use P-Cards to avoid procurement or payment procedures.
17. Never use the P-Card for the purchase of alcohol, food, travel expenses or entertainment services without obtaining prior written approval through your program administrator.
18. Never use P-Card for fuel or vehicle maintenance if agency is part of the Fuel Card and Maintenance Program. However, in the event that the fuel program is not covered in certain geographic areas, then the P-Card may be used, and documentation of the transaction should be maintained indicating the reasons why a fuel card could not be used.
19. Submit all required transaction documentation, special approvals, etc., timely and in accordance with deadlines set in this policy. Remember, every transaction must have a receipt with a full description, not a generic description such as "general merchandise" or item should be fully documented/described elsewhere. Failure to do so will result in cancellation of P-Card. All paper supporting documentation, along with any findings and justifications is to be scanned into Workflow and tied to each applicable transaction. All mentioned above, will be sent to the supervisor/approver for required audit and signatures, and forwarded to the Division of Planning and Budget for review and

- file maintenance.
20. NEVER MAKE A PAYMENT DIRECTLY TO THE BANK in the event that an unauthorized charge is placed on the individual's state corporate liability P-Card. Making a payment directly to the bank will cause the monthly statement billing file to be out of balance, and the agency will have to determine the cause. Ultimately, it will be determined that a personal payment was made. In order to avoid this situation, report any unauthorized charges to the agency's program administrator immediately. You will be instructed to submit a check made payable to the Louisiana Department of Health in the amount of the unauthorized charge. With the check, you are to include the coding that the unauthorized transaction was allocated to so that the check is deposited as return of appropriation to the proper account coding.
  21. Notify the agency's program administrator if fraudulent charges are noticed, as the card may need to be cancelled and another card issued.
  22. Notify the agency's program administrator if use of a card has changed and lower or higher limits are necessary. A Cardholder Limit Change form (Attachment I) must be completed and approved and submitted to the agency's program administrator for processing.
  23. Notify the program administrator, immediately, if you know that your designated approver will be leaving to insure that a replacement approver is designated and has satisfied all of the requirements for this function. Your card will be temporarily suspended until a new approver meeting all program requirements has been assigned.
  24. Notify the program administrator, immediately, upon planned separation so that close out procedures can be completed prior to departure.
  25. Immediately report a lost or stolen card by calling Bank of America at 1-888-449-2273.

## **VI. DISCIPLINARY ACTIONS**

Any employee who violates this policy may be subject to disciplinary action up to and including dismissal from employment.

## **VII. REFERENCES and NON-COMPLIANCE**

This policy was developed as required by the Division of Administration LaCarte Card Policy. In the event LDH fails to comply with the requirements for participation in the P-Card Program, the result of noncompliance may be removal from the P-Card Program.

## VIII. WAIVER

The Director of State Travel, or designee, may waive in writing any provisions of these regulations when the best interest of the State will be served. Any requests for a waiver must be submitted through the LDH Program Administrator.

## IX. POLICY ATTACHMENTS

- A. Program Administrator Agreement
- B. Cardholder Agreement
- C. Approver Agreement
- D. Cardholder Enrollment Form
- E. Monthly Log Sheet
- F. MCC Code
- G. Tax Exempt Form
- H. Statement of Disputed Item
- I. Card Limit Change Form
- J. DOA P-Card Exception Request Form

## X. REVISION HISTORY

<b>Date</b>	<b>Revision</b>
04/04/2002	Policy created
02/27/2006	Policy revised
01/29/2007	Policy revised
12/22/2008	Policy revised
08/30/2010	Policy revised
01/01/2012	Policy revised
02/03/2014	Policy revised
08/04/2014	Policy revised
09/29/2016	Policy revised
	Policy revised