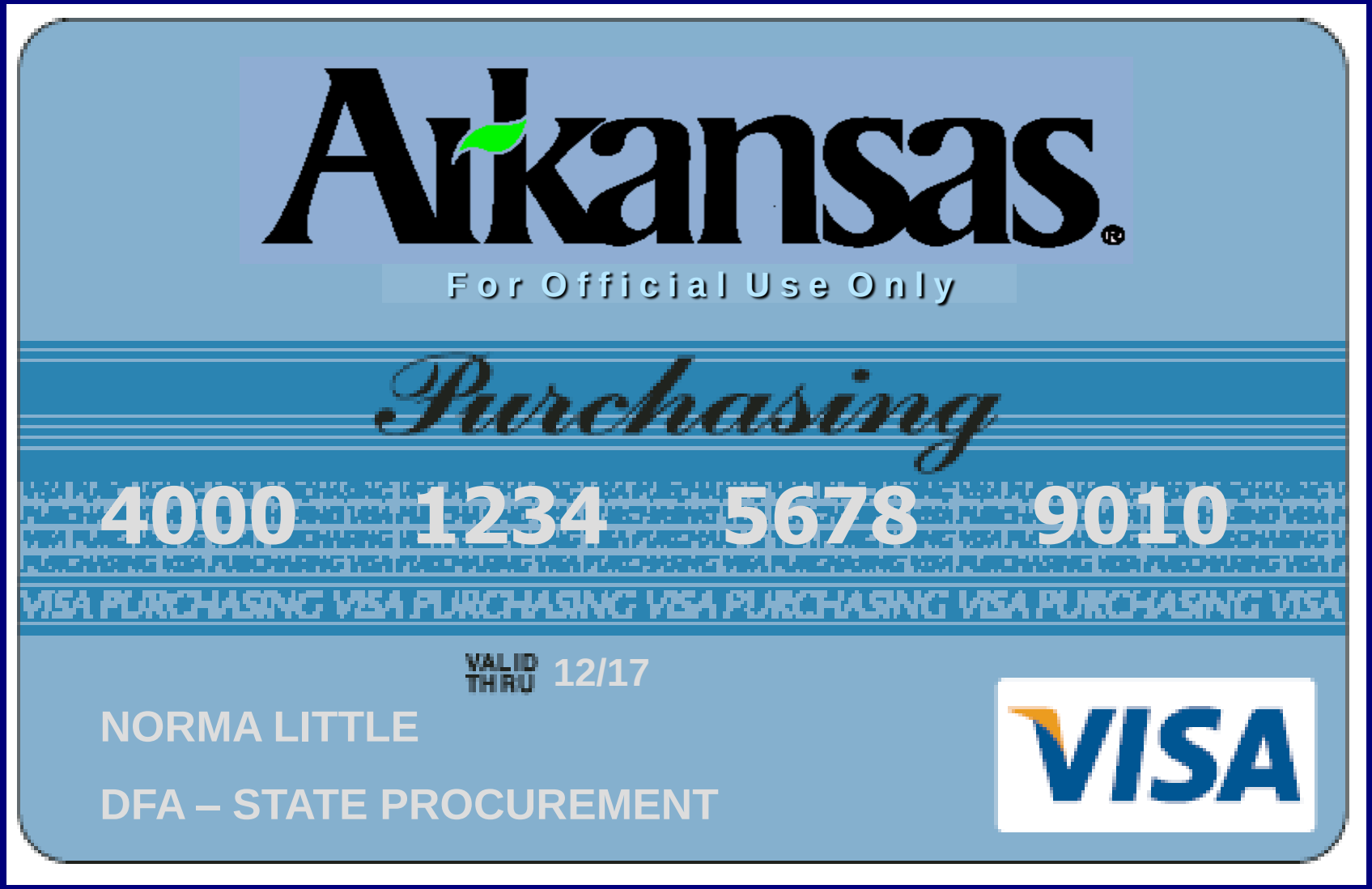


https://access.usbank.com
www.arkansas.gov/dfa/procurement

State Credit Card Contacts

Norma Little, *CPPB*

State Credit Card Coordinator

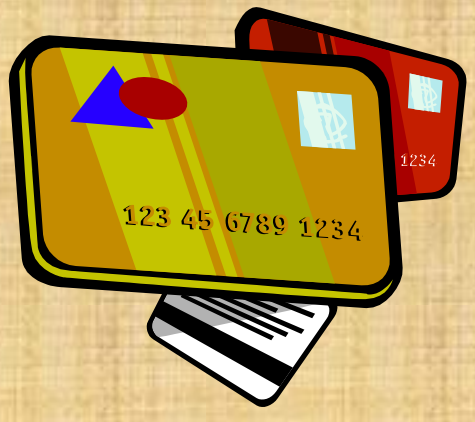
Phone: 501-683-2217

Jeff Spears, CPCP, *CPPB*

State Credit Card Administrator

Phone: 501-371-1405

What is the Purchasing Card?



A VISA product issued by US Bank

A Card issued to delegated employees of state entities, colleges and universities.

The Card is ONLY for official business

It is a tool for designated employees to use when making low-dollar purchases from vendors that accept the Visa card.

The same procurement laws that apply to the requisition to purchase order process also apply to the use of the P-Card. If there are specific rules and regulations for your state entity, you must also follow those.

State entities issue one payment to US Bank at the end of the billing cycle

- Simplifies purchasing procedures
- Increases control of expenditures
- Blocks specific categories of merchants via **MCC Numbers**

What is a Merchant Category Code?

A Merchant Category Code (MCC) is a four-digit number used by the bankcard industry to classify suppliers into market segments. There are approximately 600 MCCs that denote various types of business (e.g., 5111 Office Supplies, 7299 Dog Grooming Services, 5722 Household Appliance Stores).

The MCC is assigned by the Acquiring financial institution when a supplier first begins accepting Visa payment cards. The MCC is assigned based on the supplier's primary line of business. For example, if a supplier primarily sells computers, it may be assigned MCC 5732 "Computer Hardware". If a supplier primarily repairs computers, it may be assigned MCC 7379 "Computer Maintenance, Repair, and Services

ARKANSAS PURCHASING CARD PROGRAM BENEFITS

The Purchasing Card enables cardholders, purchasing and accounting staff to perform more effectively and focus on the value-added aspects of your jobs by:

- Convenience
- Reducing purchase orders
- More vendors to choose from
- Reducing the number of checks issued

For Merchant

Prompt pay from bank

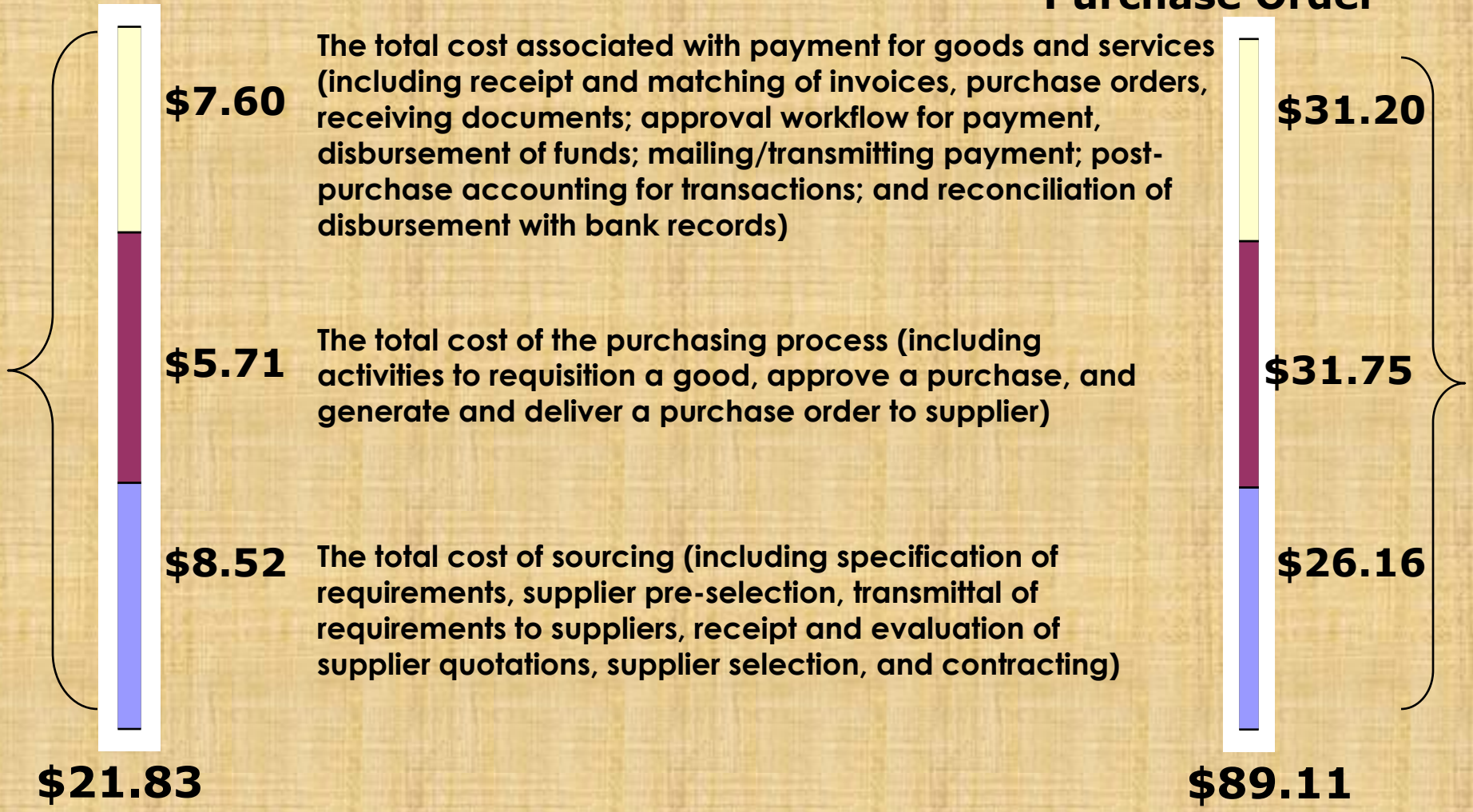
Promotes state and local business relationships

Eliminates risk of nonpayment

Cost Breakdown of PO vs. Purchasing Card*

Purchasing Card

Traditional Purchase Order



The total cost associated with payment for goods and services (including receipt and matching of invoices, purchase orders, receiving documents; approval workflow for payment, disbursement of funds; mailing/transmitting payment; post-purchase accounting for transactions; and reconciliation of disbursement with bank records)

The total cost of the purchasing process (including activities to requisition a good, approve a purchase, and generate and deliver a purchase order to supplier)

The total cost of sourcing (including specification of requirements, supplier pre-selection, transmittal of requirements to suppliers, receipt and evaluation of supplier quotations, supplier selection, and contracting)

* 2007 Purchasing Card Benchmark Survey Results – RPMG Research Corporation

Parties Involved

(Refer to P-Card Manual for Descriptions)

Agency

Cardholder

Card Issuer

Agency Head/Fiscal Officer/Designee

Agency Liaison

Agency Reviewer/s

State Credit Card Administrator

State Credit Card Coordinator

Vendor

Requirements for a P-Card

In order to be issued a P-Card you must:

Read P-Card manual

Complete P-Card Application

Attend a training session

Sign the Purchasing Card Agreement Form

Purchasing Card Agreement Form

I, as an authorized and approved Arkansas Purchasing Card Program P-Cardholder, hereby acknowledge receipt of policies and manual(s) and training, fully understand and agree to the following terms and conditions regarding the use and safekeeping of the purchasing card(s) or account number(s) entrusted to me:

1. I accept full personal responsibility for the safekeeping of all P-Cards or account numbers assigned to me and that absolutely no one, other than me, has authority to use the P-Cards or account numbers assigned to me.

2. I will be making financial commitments on behalf of the State of Arkansas and will always endeavor to obtain fair and reasonable prices.

3. I have received training and copies of the P-Card manual(s) associated with the P-Card and agree to follow all of the procedures established for the use of the P-Card account or account number(s).

4. I will not use the P-Card or account number for non-state official business, unauthorized, or personal purchases.

   If such charges occur I may be required to reimburse the State for all incurred charges and any fees related to the collection of those charges and do all such other things to remedy the situation.

5. I will immediately report the theft or loss of the P-Card to US Bank by phone at 1-800-344-5696, AND my Agency Liaison, and the State Credit Card Administrator or State Credit Card Coordinator. Failure to notify the appropriate authority of the theft, loss, or misplacement of the P-card(s) will make me personally responsible for any fraudulent or unauthorized use.

6. I will surrender my P-Card(s) upon

(a) my termination of employment with the State of Arkansas, or

(b) retirement, or

(c) transfer to another agency within the state, or

(d) my supervisor or the OSP State Credit Card Coordinator requests surrender of my card(s).

Further, I understand that my last paycheck will be withheld until the P-Card(s) are properly surrendered as required and all payments and requirements are properly fulfilled.

7. I understand that any purchases made by me, with the P-Card, will be recorded and reviewed in management reports for payments, possible discrepancies and appropriateness of purchase.

8. I understand that I am personally responsible for obtaining all original receipts and submitting them in accordance with the Arkansas Purchasing Card Program's P-Card policies and procedures.

9. I understand that failure to follow any of the above listed terms and conditions or if found to have misused the P-Card in any manner may result in

(a) revocations of the privilege to use the card,

(b) disciplinary action,

(c) termination of employment, and/or criminal charges being filed with the appropriate authority.

I understand that the use of the P-Card after privileges are withdrawn is strictly prohibited.

I hereby accept the above terms and conditions.

Personal Liability and Your Credit Rating

The use of the Purchasing Card results is an agency liability, NOT a personal liability for the cardholder.

Your credit rating will not be affected in any way.

Non-Allowable Charges

Employee Travel related charges

Alcoholic Beverages

Vehicle Rentals

Printing – Amendment 54

Cash Advances

Gift Cards

Personal Purchases

Items on State Contract without vendor approval

SPLIT PURCHASES – (A "split purchase" occurs when the total cost of a single purchase is broken up into multiple transactions with the express purpose of circumventing state bid requirements, monthly bid limits, or any other agency restriction.)

Any Purchase without Agency approval

Making A Purchase

Purchasing In Person

Phone Orders

Internet Orders (Do not forget to print the confirmation page)

Sales and Use Tax

AR State Government and political subdivisions are not tax exempt. Taxes must be collected. On internet and telephone purchases Use Tax must be paid to the state if sales tax is not charged.

For additional information call Taxpayer Services Unit at (501) 682-7104.

Use Tax Basics

Not all suppliers collect sales tax on all transactions. One reason may be that the items purchased are tax-exempt. Another reason may be that a supplier is located in a different state from the purchaser (an out-of-state supplier) and may not be authorized to collect tax in the destination state or state where the purchaser is located. When sales tax is not collected by the supplier, it becomes the obligation of the purchaser to determine whether use tax is owed on the purchase. The use tax, referred to as a compensating use tax in some states, supplements and complements the sales tax. It is owed to a state when a taxable item, on which tax has not been paid, is brought into the state to be used.

Circumstances for A Card to be Declined

Exceeding the transaction limit

Exceeding monthly limit

Blocked MCC You attempt to use the card for a blocked merchant category

Not activating the card

Monthly Transaction Cycle

Begins on the 16th of each month and ends on the 15th of the next month unless the 15th falls on a weekend

MISUSE OF P-CARD

The card is a privilege granted to you by the State of Arkansas, and it is expected that you will use it responsibly. The State will seek restitution for any inappropriate charges made to the card. Fraudulent or intentional misuse of the card will result in revocation of the card and/or possible criminal charges, including termination.

How Will My P-Card Be Audited?

Not only will P-Cards be audited by Legislative and system auditors, but they will also be audited by the DFA/Office of State Procurement Credit Card Section for compliance of the following :

- **Detailed receipts for charges and/or credits.**
- **Have the charges and credits been approved?**
- **Are items being purchased that are not allowed due to Procurement regulations and/or laws?**
- **Is the charge being split in order to avoid the transaction limit on card?**

##FRAUD##

Fraud involves unauthorized use of the card by someone other than the individual to whom it was issued.

Fraud can be defined as any practice that involves deceit or other dishonest means by which a benefit is obtained from the state

Merchant fraud is another example of unauthorized activities

TYPES OF DISCIPLINARY ACTION

Any violation of Arkansas Purchasing Card Program policies is considered an "**occurrence**" which may result in disciplinary action. Types of disciplinary actions taken against a cardholder include, but are not limited to, the following:

Written warning

Suspend the usage of the P-Card for 90 days

Revoke P-Card Privileges

Employment suspension/termination

Criminal charges filed with state and/or local authorities

Additional Limitations

Rebates and Refunds - Any rebates or refunds shall be credited back to P-Card account and receipts reflecting this shall be attached to the P-Card Transaction Log.

No cash refunds are allow for returns

Promotional - Any promotional items received as the result of a P-Card transaction shall become the property of the agency and shall be utilized by the agency.

REMEMBER TO ACTIVATE YOUR CARD!

Check your Account Weekly

Check your account. It is your responsibility even if you have not used it.

If you suspect you have Fraudulent charges on your account, please notify your liaison immediately, (by phone / e-mail) .

Need Help?

Contact your Agency Liaison for help:

US Bank Web address

https://access.usbank.com