



## Small Purchase Charge Card Program Policy & Procedure

EFFECTIVE DATE: 07/01/16, v9

- PURPOSE:** To document the Virginia Information Technologies Agency's (VITA's) implementation of and internal controls for the Small Purchase Charge Card (SPCC) Program.
- SCOPE:** All VITA Employees
- ACRONYM:**
- APSPM: Agency Procurement and Surplus Property Manual
  - CIO: Chief Information Officer of the Commonwealth
  - CAPP: Commonwealth Accounting Policies and Procedures
  - DSBSD: Department of Small Business and Supplier Diversity
  - DGS: Department of General Services
  - DHRM: Department of Human Resource Management
  - DOA: Department of Accounts
  - DPS: Division of Purchase & Supply of DGS
  - eVA: Virginia's Electronic Procurement Solution
  - ATA: Agency-to-Agency Transfer
  - SCM: Supply Chain Management
  - SPCC: Small Purchase Charge Card
  - VITA: Virginia Information Technologies Agency
  - VPPA: Virginia Public Procurement Act

### STATEMENT OF POLICY:

The Small Purchase Charge Card (SPCC) Program is intended to streamline the procedure for procuring and paying for small dollar goods and services. The program reduces the volume of accounts payable transactions and the associated administrative costs by consolidating multiple vendor payments into one monthly payment to the SPCC vendor. Maximum use of the SPCC program in conjunction with other electronic commerce initiatives is a best practice essential to the statewide effort to reduce the costs associated with paying for goods and services for the Commonwealth. Agencies, as defined by [§2.2-2006](#) of the *Code of Virginia* and legislative, judicial and independent agencies of the Commonwealth, that are not maximizing charge card use and the associated cost savings are identified quarterly in the Comptroller's Report on Statewide Financial Management and Compliance.

The Department of Accounts (DOA) is responsible for the overall management of the SPCC Program for the Commonwealth and its policy, as outlined in the [DOA CAPP Manual, Section 20355 - Small Purchase Charge Card](#).

VITA is ultimately responsible for its cardholders' use of the SPCC and requires cardholders to comply with [DOA CAPP Manual, Section 20355 - Small Purchase Charge Card](#) policy as well as the policies listed below.

1. SPCC may be issued to full, part time, or hourly employees only. Contract workers shall not be issued a card.
2. The SPCC shall be used to purchase goods and services for VITA operations with a \$5,000 limit per transaction. Not all cardholders will have the \$5,000 maximum transaction limit, and each cardholder's total monthly limit is set by

his/her Supervisor, not to exceed \$100,000. VITA employees are strongly encouraged to use their SPCC when placing orders through eVA and to make concerted efforts to utilize vendors who will accept the SPCC.

3. Cardholders should be looking for small business suppliers, including those owned by women, minorities, service-disabled veterans and micro businesses that are certified by DSBSD when making procurement decisions. Per Executive Order (EO) 20 (2014), micro businesses are those businesses with no more than 25 employees and no more than \$3 million total annual revenue within three years prior to certification. All purchases up to \$10,000 are to be set aside for DSBSD-certified micro businesses when the price quoted is fair and reasonable. All purchases up to \$100,000 are to be set aside for DSBSD-certified small businesses when the price quoted is fair and reasonable. Agency heads, senior managers with procurement responsibility, procurement personnel, and end users with purchasing charge cards shall be evaluated on small business purchasing goals as part of their employee evaluations.

4. Use of the SPCC for personal items, cash advances or business travel is prohibited, with the exception of airline tickets, mass transit tickets and car rental on the State Rental Car Contract. Any travel requiring use of the SPCC must be submitted and paid for by the Departments' designated cardholder.

5. Each card will have Travel, Car Rental, Gas/Oil, Restaurants, Accommodations and Fraud restrictions in effect unless there is written documentation to support the need for removal either on a temporary or permanent basis. The [Request to Lift Restrictions](#) form must be completed and sent to the SPCC Program Administrator by the cardholder's Supervisor requesting that the restriction be lifted.

6. The SPCC shall not be used to circumvent any procurement policies or guidelines such as DGS' [Agency Procurement and Surplus Property Manual \(APSPM\)](#) ; [VITA's IT Buy Manual](#) or VITA's procurement policies. All purchases shall be made in accordance with the [Virginia Public Procurement Act \(VPPA\)](#).

7. The SPCC may not be used to pay for goods or services provided by another agency if payment can be made by Agency-to-Agency Transfer (ATA).

8. Each Supervisor will designate one or more individuals as holders of the SPCC for his/her area. These individuals will be allowed to make small purchases, depending on the limit established by their Supervisor in accordance with this policy.

9. Online purchases are prohibited unless referenced in 14.9 b of the APSPM. For items that are required to be procured online (i.e. software maintenance renewals that are required to be processed online) document the reason the purchase was made online and add a confirming order within eVA and retain all documentation. When the supplier delivers the order, documentation of the purchase (such as a sales receipt, packing slip, or invoice) should be included with the order. This documentation must be kept in the file for reconciliation to the monthly charge statement.

10. Cardholders will NOT use their SPCC card 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. Invoices should be paid in accordance with the Prompt Payment Act which states payment is due 30 days from receipt of the

invoice, the date the goods or services were received, or the invoice date. The due date is then set thirty days from the latter of the three. If there is a question as to if the invoice is a late pay, please contact Accounts Payable at [AP@vita.virginia.gov](mailto:AP@vita.virginia.gov)

11. The SPCC shall be used only by the cardholder to whom it was issued.

#### STATEMENT OF

PROCEDURE: The Program Administrator's responsibilities are outlined in the [DOA CAPP Manual, Section 20355 - Small Purchase Charge Card](#). VITA will designate a SPCC Program Administrator and back-up. A completed [Program Administrator Authorization Form](#) will then be forwarded to the Department of Accounts for their records.

To ensure successful implementation of VITA's SPCC program, the following procedures below will be followed:

A. Card Issuance, Cancellation, and Changes:

An SPCC will be issued to each individual who has been designated by his or her Supervisor. Supervisors shall submit the [Bank of America Corporate Charge Card Application Form](#) to the SPCC Program Administrator. The Supervisor shall provide documentation to the Program Administrator supporting the justification for issuing the SPCC, including an analysis of the type and level of activity per transaction and per month to establish proper limits. The maximum limits are \$5,000 per transaction and \$100,000 total expenditures per month **but the cardholder limits should be established at the lowest necessary level.**

The SPCC will be issued in the name of the designated individual. The cardholder must sign a [Purchasing Card Employee Agreement Form](#) agreeing to comply with the terms and conditions associated with the use of the SPCC and submit it to the Program Administrator. Upon receipt of the signed [Purchasing Card Employee Agreement Form](#) the Program Administrator will apply for the card on the SPCC provider's on-line tool. The employee should receive the card within 7 to 14 business days from the Program Administrator. The cardholder will need to sign and submit the [Purchasing Card Employee Agreement Form](#) every two years in order to renew the SPCC card.

Card cancellations may occur upon request by the Program Administrator or the cardholder's Supervisor. Upon card cancellation, the cardholder or cardholder's Supervisor must cut up the card and return it to the Program Administrator. It is the Supervisor's responsibility to ensure that each cancelled card is returned to the SPCC Program Administrator. The Program Administrator will immediately cancel the card using the SPCC provider's on-line tool upon receipt from an authorized requester.

Additionally, when any changes to an existing SPCC are necessary, such as phone, mailing address or e-mail address, contact the Program Administrator in writing via e-mail. Name changes will need to be validated against a Social Security Card with the new name or documentation must be on file with DHRM prior to making the change. When a new SPCC is required, the cardholder should receive the replacement card within 7 to 14 business days from the Program Administrator.

B. Security:

The SPCC shall be kept in an accessible but secure location. The account number on the SPCC shall not be posted, e-mailed, copied, faxed or left in a conspicuous place.

If a cardholder's SPCC is lost or stolen, the cardholder must immediately notify his/her Supervisor, the Program Administrator and the SPCC provider.

C. General Requirements For Card Usage:

Each cardholder must maintain a [Credit Card Reconciliation Report and Log](#) of all purchases made with the SPCC. Each transaction is to be recorded on the log at the time of purchase. A new [Credit Card Reconciliation Report and Log](#) shall be created for each billing cycle in which there is purchasing activity.

When using the card, the cardholder must:

1. Attempt to purchase the good or service through eVA. (For eVA questions, please contact VITA Supply Chain Management at [eVAorders@vita.virginia.gov](mailto:eVAorders@vita.virginia.gov).) If the product is only available through the supplier's on-line website, the product/service will need to be ordered on the supplier's website and a confirmation order placed in eVA. A cardholder can make a "Point of Sale" (Over-the-Counter) purchase for urgent or emergency purchases only. A "Point of Sale" (Over-the-Counter) purchase involves going to the supplier's place of business and purchasing the product/service. "Point of Sale" (Over-the-Counter) purchases can also be made for employee recognition gift card/certificate purchases. Notify the supplier of the State's non-taxable status. The supplier will verify the account number with the SPCC vendor and the spending limit will be checked electronically for compliance with applicable limits.

2. Gift cards/certificates for employee recognition must be obtained through the Administration and Finance Division. Administration and Finance will purchase gift cards in accordance with VITA employee recognition guidelines and DHRM Policy Number 1.20. A separate spreadsheet must be attached to the [Credit Card Reconciliation Report and Log](#) and forwarded to Accounts Payable as well as provided to Payroll for inclusion of the value in the employee's taxable income. Gift card/certificate purchases are allowed for employee recognition only as stated in Department of Human Resources ([DHRM\) Policy Number 1.20 - Employee Recognition Programs](#). Rewards are considered income for the employee and may be subject to tax. The spreadsheet must consist of at least the following information:

- Gift Card/Certificate Unique number
- Gift Card/Certificate Value (i.e. \$10.00, \$25.00, etc.)
- Employee's name who will receive the Gift Card/Certificate

NOTE: If the Cardholder is unaware of the name of the employee who will be receiving the gift card, then the purchaser is to pass this spreadsheet to the appropriate personnel who can complete the employee's name and then return the completed spreadsheet to be attached to the [Credit Card Reconciliation Report and Log](#).

3. Ensure that on-line purchases, outside of eVA, are only made when the vendor does not participate in eVA AND the product is available ONLY through

an online order process utilizing a charge card. Also verify that a confirmation order has been issued in eVA.

4. Ensure that any software purchases have written approval from SCM in advance. Electronic approvals through eVA are acceptable for this written approval.

5. Retain all documentation pertaining to the purchase including email advice or online confirmation. For purchases not made in eVA, document the reason the purchase could not be made within eVA and retain all documentation. When the supplier delivers the order, documentation of the purchase (such as a sales receipt, packing slip, or invoice) should be included with the order. This documentation must be kept in the file for reconciliation to the monthly charge statement.

6. Upon receipt of the goods, complete an eVA receiver to show that goods or services were received as ordered for those purchases made through eVA.

7. Complete a [Credit Card Reconciliation Report and Log](#) that must be forwarded to Accounts Payable along with the supporting documentation by the 22nd of each month. For those months when there is no activity, cardholders must email the SPCC Admin and Accounts Payable noting "no activity" in the email.

D. Returns, Credits, and Disputed Items:

In most cases, disputes can be resolved directly between the cardholder and the supplier of the goods or services. The cardholder must use the following guidelines when returning an item:

1. If an item needs to be returned for any reason, the cardholder should send the item back to the supplier in the manner agreed upon.
2. The supplier should issue a credit for items that are returned. This credit will appear on a subsequent SPCC statement.
3. Documentation of the return (such as a credit receipt) should be issued by the supplier and all documentation pertaining to the return must be kept on file for reconciliation to the monthly SPCC statement. Items purchased at a supplier's location cannot be returned for cash or an in-store credit. Returns must be credited against the card.
4. The return should be entered in the [Credit Card Reconciliation Report and Log](#) and followed up on monthly until the credit has been received.
5. If the cardholder and the supplier cannot resolve an issue within 60 days, the cardholder should contact the SPCC provider utilizing his/her on-line system. The SPCC provider will investigate the dispute on the cardholder's behalf and assist in the resolution.

E. Reconciliation of the SPCC Statement:

Each cardholder is responsible for maintaining documentation to substantiate each purchase and return with the aid of the [Credit Card Reconciliation Report](#)

[and Log](#) and reconciling each purchase to the monthly SPCC statement. The following guidelines are to be used for monthly reconciliation:

1. Each cardholder shall go to the SPCC provider's system after the 15<sup>th</sup> of each month to obtain their statement or wait to receive their paper statement in the mail. The monthly statement must be compared to the [Credit Card Reconciliation Report and Log](#) to verify that each purchase and return is accurately listed on the statement.
2. All documentation pertaining to purchases and returns must be compared with and matched to detailed transactions listed in the SPCC statement.
3. Discrepancies shall be noted on the [Credit Card Reconciliation Report and Log](#) for subsequent resolution.
4. The SPCC Statement, [Credit Card Reconciliation Report and Log](#) and supporting documentation must be forwarded to Accounts Payable by the 22<sup>nd</sup> of each month. The [Credit Card Reconciliation Report and Log](#) must be signed by the cardholder and approved by the cardholder's supervisor or designee. Only original signatures are valid. There are no exceptions to this deadline as Accounts Payable has a Department of Accounts (DOA) deadline that they must meet.
5. All SPCC records will be kept for five (5) years in accordance with the VITA Records Retention policy.
6. If there is no activity on the card, the cardholder must notify his/her Supervisor and Accounts Payable of that fact, in writing via e-mail, in lieu of a reconciled statement.

F. Audit:

SPCC cardholders' purchasing activity will be subject to annual reviews by their Supervisors and the Program Administrator. VITA will quarterly perform random audits of cardholder activity. VITA audits are based on cardholders adhering to VITA's published internal SPCC policies and procedures as well as chapter 20355 of the CAPP manual. An annual assessment of cardholder activity and spending limits must be performed by Supervisors and certified by the Program Administrator.

Users who exceed their transaction limit, split transactions or allow their card to be used by others, except as allowed by DOA policy or by this policy and procedure, or fail to comply with VITA's policy or the DOA policy will have their charge card suspended for a minimum period of three (3) months. Repeat offenses will result in permanent revocation of card privileges.

ASSOCIATED  
POLICY:

[VITA SCM Policies](#)

AUTHORITY  
REFERENCES:

[DOA CAPP Manual, Section 20355 - Small Purchase Charge Card](#)  
[Agency Procurement and Surplus Property Manual \(APSPM\) - Section 5.2](#)  
[Virginia Public Procurement Act \(VPPA\)](#)  
[Executive Order \(EO\) 20 \(2014\)](#)

OTHER

REFERENCE: [DHRM Policy Number 1.20 - Employee Recognition Programs](#)

FORMS:

[Request to Lift Restrictions](#)

[Program Administrator Authorization Form](#)

[Bank of America Corporate Charge Card Application Form](#)

[Purchasing Card Employee Agreement Form](#)

[Credit Card Reconciliation Report and Log](#)

Version History		
Version	Date	Change Summary
V1	06/15/2004	Original
V2	08/05/2004	Change & addition to E. 4. "...approved by the cardholder's <b>supervisor. SCM staff that are card holders must obtain the approval of the SCM Operations Manager.</b> "
V3	08/12/2004	Page 1 – more stringent guidelines under Statement of Policy for acceptable use of card. Provision for exemption for airline and train ticket accommodation. Change to E. 4. "...approved by the cardholder's <b>cost center manager.</b> "
V3	09/21/2005	Major re-write.
V3.1	09/24/2008	Responding to DOA ARMICS audit finding: Added "link" to online forms (i.e. Attachments A through H) and removed copies of Forms as attachments to the Procedure. Other minor administrative change included update of two (2) name changes.
V4	04/09/2009	Major re-write and, in particular, clarification throughout Policy & Procedure as per VITA's Internal Audit.
V5	03/16/2011	Under Statement of Policy, addition of #10 for clarification of SPCC usage.
V5.1	12/07/2011	Under Statement of Policy, #10 - minor corrective clarifications.
V6	01/03/2012	Under Statement of Procedure, #1 – clarification added regarding "Point of Sale" (Over-the-Counter) purchases.
V7	09/01/2014	Link updates; changes due to Executive Order (EO) 20 (2014)
V8	04/01/2015	Additional changes due to Executive Order (EO) 20 (2014) and VITA's updated policies and procedures.
V9	07/01/2016	Link updates. Adds "agency as defined by <a href="#">§2.2-2006</a> " per legislative updates.