



State of Georgia

# Statewide Purchasing Card Policy



Department of Administrative Service  
State Purchasing Division  
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# Contact Information

## STATE PURCHASING DIVISION CONTACT INFORMATION

### State Purchasing Card Program Manager

#### Becky Alexander

[Becky.alexander@doas.ga.gov](mailto:Becky.alexander@doas.ga.gov)

404.463.9142

### P-Card Program Questions, Temporary Special Approval Requests, or General Information

[cardprograms@doas.ga.gov](mailto:cardprograms@doas.ga.gov)

## BANK OF AMERICA CONTACT INFORMATION

### TECHNICAL HELP DESK

Phone: 888-715-1000 Option 2,4

Email: [CardDigitalServices@bofa.com](mailto:CardDigitalServices@bofa.com)

Hours: 9:00 AM – 5:00 PM EST

### COMPANY LEVEL SUPPORT TEAM

#### North America Card Account Specialist (CAS):

##### Jessenia Payan

Phone: 888.715.1000 ext. 22118

Email: [dedicated\\_card\\_east@bankofamerica.com](mailto:dedicated_card_east@bankofamerica.com)

Hours: 9:00 AM – 5:00 PM EST

#### North America Back-Up CAS: Rova Diaz

Phone: 888-715-1000 ext. 22116

Email: [dedicated\\_card\\_east@bankofamerica.com](mailto:dedicated_card_east@bankofamerica.com)

Hours: 8:30 AM – 5:30 PM EST

#### Card Account Manager (CAM): Robert A. Bell

Phone: 912.450.1249

Email: [robert.bell@bofa.com](mailto:robert.bell@bofa.com)

#### Treasury Solutions Analyst (TSA): Connie Cotton

Phone: 404.607.5622

Email: [connie.cotton@bofa.com](mailto:connie.cotton@bofa.com)

#### North America Back-Up CAS: Erin McHale-Smith

Phone: 888-715-1000 ext. 21049

Email: [dedicated\\_card\\_east@bankofamerica.com](mailto:dedicated_card_east@bankofamerica.com)

Hours: 7:00 AM – 3:30 PM EST

#### North America Back-Up CAS: After Hours

Phone: 1-800-822-5985 Option 2

Email: [ccs\\_team\\_servicing@bankofamerica.com](mailto:ccs_team_servicing@bankofamerica.com)

Hours: 7 a.m. to 9 p.m. Eastern

#### Client Manager (CM): Eric Melson

Phone: 770.468.9690

Email: [eric.melson@bofa.com](mailto:eric.melson@bofa.com)

#### Fraud Department

Phone: Fraud is 866-500-8262

# State of Georgia

## Statewide Purchasing Card Policy

### Program Overview

The State of Georgia Purchasing Card Program (the P-Card Program) streamlines payments for goods and services for State business use by eliminating the administrative burdens and costs associated with traditional methods of payment. Per the State Accounting Office, the purchasing card (p-card) may be used as the method of payment for unplanned, non-routine, or urgent point of sale purchases under \$1,000 and for purchases under \$5,000 that are preapproved and go through the requisition process prior to completing the purchase. Point of sale transactions include purchases made at a physical store, in person, online, or over the phone. This policy can be found on the State Accounting Office website at [www.sao.georgia.gov](http://www.sao.georgia.gov).

The P-Card Program is the only charge card program authorized for use by State Agencies as defined in the Official Code of Georgia, Annotated §50-5-83 (O.C.G.A. §50-5-83), units of the University System of Georgia, and technical colleges within the Technical College System of Georgia.

All official forms mentioned in this Policy are on the State Purchasing Division (SPD) website at <http://doas.ga.gov/state-purchasing/statewide-card-programs/purchasing-cards>. The versions on the website will always be the latest versions.

The terms of the contract with the Bank permits State and local governments<sup>1</sup> to use the program. The State Purchasing Division approves all participation in the program. State Entities not defined as “agencies” in O.C.G.A. §50-5-83 are not required to follow the Statewide Purchasing Card Policy; however, this is recommended. Each Entity is responsible for implementing a P-Card policy and ensuring compliance with that policy.

Any questions related to appropriate use of the P-Card, Georgia law governing the use of the P- Card, or this Policy can be sent to [cardprograms@doas.ga.gov](mailto:cardprograms@doas.ga.gov).

## 1 Types of Accounts

Accounts other than those allowed under this Section are not permitted. All accounts must be used only for official State of Georgia business. Cards must be surrendered and/or accounts closed upon termination of employment for any reason or upon demand.

### 1.1 Standard P-Cards

Cardholders are limited to one active P-Card.

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<sup>1</sup> Local governments include, but are not limited to, counties, cities, towns, Boards of Commissioners, and Boards of Education within the State of Georgia.

Administrators, including backups and coordinators, and Approvers must be permanent, part-time, or full-time, State employees. Cardholders must be permanent, part-time, or full-time, State employees whose jobs require the use of a P-Card or other account. State Entities may include additional restrictions if desired. There will be no exceptions to the following:

- 1.1.1 According to O.C.G.A. §50-5-83, neither cards nor accounts will be issued to employees of foundations associated with any State Entity. This includes student employees, temporary workers (e.g., hired from a temporary staffing agency), or contractors (e.g., person hired for a pre-determined period for a specific project). Use of the card by a State Entity employee when foundation funds will be used is prohibited.
- 1.1.2 Cards and other accounts will not be issued in the name of a department or work unit (e.g., Facilities Maintenance) to be shared by multiple employees.
- 1.1.3 Only the employee whose name is shown on the face of the card is authorized to make purchases with the card, either in person, on-line, or telephone. Use by any other person, even if for State business purposes, is considered misuse of the card. This restriction does not apply to requestors in Team Georgia Marketplace™ who are assigned to a cardholder for eProcurement purchases.

At a minimum, an employee's supervisor, the Entity's Card Program Administrator and the Entity's Chief Financial Officer must approve a cardholder's application for a P-Card or other account as well as renewals of existing accounts. The appropriate P-Card application form is the Purchasing Card Profile, Form SPD-PC002, found on the SPD website at [doas.ga.gov](http://doas.ga.gov).

The Chief Financial Officer, Card Approvers, and potential cardholders must meet all training requirements as described in this Policy. Approver and cardholder training must be completed prior to receiving the P-Card or obtaining access to an account number.

## 1.2 Specific Use Accounts

Specific use accounts are used for an entity to consolidate purchases to a single supplier or for a specific purpose under one account, which will aid in reconciliation, oversight, and controls. Specific use accounts must be approved by SPD and are limited to:

- 1.2.1 Those designated to pay expenses related to charges made for employee travel through the online Travel and Expense Management System used in conjunction with Travel Inc., the TeamWorks Travel and Expense designated travel agency.
- 1.2.2 Others approved by the State Purchasing Division P-Card Program.

Any approvals will be given in writing and will include requirements related to documentation, MCC restrictions, setup in Works and other systems, and other usage, controls, and reconciliation requirements.

## 2 Legal Issues

All procurement laws in the O.C.G.A., and administrative rules found in the Georgia Procurement Manual apply to the use of the P-Card. Cardholders, program users, CFOs or supervisors/approving officials who knowingly, or through willful neglect, fail to comply with the following may be subject to suspension or termination of account privileges or other disciplinary action, up to and including termination of employment and criminal prosecution to the fullest extent of the law.

- O.C.G.A. sections related to governmental purchasing.
- Applicable requirements of the Georgia Procurement Manual (GPM)
- Statewide Purchasing Card Policy
- State Entity policies and procedures governing procurement and the Purchasing Card Program.

The State Purchasing Division reserves the right to withdraw any authority or delegated approval due to non-compliance with applicable laws, rules, regulations, policies, and procedures, or the terms of any conditional approval.

## 2.1 Personal Purchases Prohibited

Cardholders and other program personnel are prohibited from using the P-Card for the purchase of any goods or services not directly or indirectly related to official State of Georgia business. Intentional use of or approval for the use of the card for personal purchases will result in disciplinary action, up to and including termination from State employment and criminal prosecution.

- 2.1.1 O.C.G.A. §50-5-80 states that any person who knowingly uses state funds for personal purchases under \$500 is guilty of a misdemeanor.
- 2.1.2 A person who knowingly uses state funds for personal purchases of \$500 or more is guilty of a felony punishable by one to 20 years in prison.
- 2.1.3 Supervisors or other approving officials who knowingly, or through willful neglect, approve personal or fraudulent purchases are subject to the same disciplinary actions as those making the purchases.

## 2.2 Cardholder Background Checks

O.C.G.A. §50-5-83 requires criminal background checks on all employees hired for positions that are eligible for P-Cards. Although State Entities are not required to run background checks on cardholders at the time of card renewal, this practice is highly recommended.

## 2.3 Cardholder Credit Checks

In addition to background checks for all cardholders, O.C.G.A. §50-5-83 requires credit checks on all employees issued a purchasing card. Credit checks must be conducted through existing Statewide contract suppliers and procedures, including standardized reports that indicate acceptance or denial of the employee's request for a card based on predefined criteria. Each entity must establish an escalation path for denials to provide potential cardholders an opportunity to dispute inaccurate data found on the credit report. Additionally, credit checks must be run at the time of account renewal.

## 2.4 Split Purchases Prohibited

O.C.G.A. §50-5-69 requires competitive bidding for all open-market purchases anticipated to be \$25,000 or more. However, policy requires the Single Transaction Limit (STL) for unplanned, non-routine, or urgent point of sale P-Card transactions be set at \$1,000 and purchases that are preapproved and go through the requisitions process prior to completing the purchase be set at under \$5,000 (i.e., \$4,999.99 or less). Point of sale transactions include purchases made at a physical store, in person, or over the phone.

- 2.4.1 Cardholders are prohibited from splitting a transaction between two or more transactions on a single account, two or more transactions on multiple accounts, or two or more transactions using the P-Card and a purchase order to circumvent competitive solicitation requirements. Refer to the GPM at <http://doas.ga.gov/state-purchasing/law-administrative-rules-and-policies/gpm> for complete information on bid requirements and procedures.
- 2.4.2 Cardholders are prohibited from splitting a transaction between two or more transactions on a single card number, two or more transactions on multiple card numbers, or two or more transactions using the P-Card and a purchase order in order to circumvent the Single Transaction Limit or Cycle Limit (CL) imposed on the card regardless of the amount of the STL or CL.

## 2.5 Payment of Sales and Use Tax

O.C.G.A. § 48-8-3 exempts purchases made by Agencies, Universities, Colleges, and Technical Colleges from State Sales and Use Tax when payment is made with appropriated funds. Cardholders must present the Department of Revenue Sales and Use Tax Exemption, Form ST-5, to suppliers upon request. This form is available on the Department of Revenue website at <http://dor.ga.gov> by searching for ST-5.

The requirement for out-of-state suppliers to charge Sales and Use Tax on shipments to purchasers in the State of Georgia does not apply to tax-exempt State Entities. To avoid confusion, the cardholder must provide out-of-state suppliers with a copy of the ST-5 prior to placing an order to be shipped into the State of Georgia. If the supplier refuses to remove taxes, the cardholder must make the purchase from a different supplier whenever possible. If a supplier refuses to remove taxes and no other suppliers are available to make the purchase, the taxed amount must be itemized on the invoice in currency, not percentages.

Cardholders are responsible for ensuring that suppliers do not charge tax or provide a credit for inadvertent charges.

- 2.5.1 If taxes are charged, the cardholder must contact the supplier to obtain a credit to the account. Sales tax cannot be disputed with the Bank.
- 2.5.2 Credits cannot be obtained by any other method, including, but not limited to, cash, gift cards, or store credit.
- 2.5.3 Documentation of attempts to obtain credit for any State Sales and Use Tax charged in error must be maintained with the documentation for the transaction where the tax was charged.

State Entities may apply to the Georgia Department of Revenue for a refund of sales taxes paid in error or because a supplier refuses to remove taxes. The form to use for this request is the Department of Revenue's Claim for Sales and Use Tax Refund, Form ST-12. In addition to the ST-12, the State Entity must also submit either (1) a Waiver of Vendor's Rights, Form ST-12A, or (2) a Purchaser's Claim for Sales Tax Refund Affidavit, Form ST-12B. These forms contain instructions for their use and are located at <http://dor.ga.gov>.

## 2.6 Records Retention Requirements

The University System of Georgia maintains the official Records Retention Schedule for the State of Georgia. This information is available at [http://www.georgiaarchives.org/records/retention\\_schedules](http://www.georgiaarchives.org/records/retention_schedules).

- 2.6.1 Documents related to transactions (e.g., receipts) are accounting records and must be maintained according to the requirements of Accounts Payable Files.



2.6.2 Documents related to the issuance of accounts to employees (e.g., profile forms) are accounting records and must be maintained according to the requirements of Credit Card Administration Records.

## 2.7 Internal Revenue Service 1099 Reporting

In 2011, the Internal Revenue Service announced changes to the IRS Revenue Code, Section 6050W, which shifted the burden of payment reporting requirements from the purchaser to the supplier's merchant bank when the P-Card is used as the method of payment for a reportable transaction. Because of the shift in responsibility, participants in the State's P-Card program are no longer required to report total P-Card transactions more than \$600 with certain suppliers. This change applies only to p-card transactions. Reporting for all other payment methods, including checks, ACH, and other means, will remain the responsibility of the Entity making the payments. Consult the tax specialist at your Entity for further information and details regarding these changes.

## 2.8 E-Verify

The Georgia Security and Immigration and Compliance Act, O.C.G.A. § 13-10-91, requires suppliers to file an affidavit that the supplier and its subcontractors have registered and participate in the federal work authorization program known as E-Verify. This program is intended to ensure that only lawful citizens or lawful immigrants are employed by the supplier or subcontractor. All State

All State entities are required to obtain this signed and notarized affidavit from suppliers prior to entering into any service contract \$2,500 or greater involving the supplier's physical performance of services within the State of Georgia. The State of Georgia Attorney General's Office has interpreted this to include one-time P-Card transactions for services.

For P-Card transactions that meet this definition, the cardholder or another person within the State Entity is responsible for ensuring receipt of this affidavit. A copy of this affidavit must be included with all transaction documentation, including uploading a PDF version to Team Georgia Marketplace™, if applicable.

# 3 State Purchasing Division Responsibilities

## 3.1 Statewide Purchasing Card Policy

The DOAS State Purchasing Division administers the contract on a statewide level. SPD personnel serve as resources for all program users in the areas of policy development and implementation, day-to-day administration of the Program, audit, and training for card program personnel.

The Statewide Purchasing Card Policy governs all State Entity programs and establishes minimum standards for use of the P-Card to ensure compliance with all applicable State procurement laws and the GPM. The version of this Policy posted on the SPD website will always be the official Policy. The effective date of the Policy will be in the footer of the document. SPD maintains an archive of previous versions of this Policy that will be available upon request.

The State Purchasing Division conducts periodic reviews of State Entities under SPD authority to determine the level of compliance with State procurement laws and policies and adequacy of internal controls.

- 3.1.1 The State Purchasing Division issues written assessments of the Program, makes recommendations for improvement when warranted, and works with Program personnel to implement corrective actions when warranted.
- 3.1.2 In cases where internal controls, policies or the p-card program are not adequately managed, SPD has the authority to require improvements and/or to impose other restrictions on a State Entity's card program until adequate controls and policies are implemented.
- 3.1.3 SPD will direct the entity to complete a corrective action plan. Restrictions may include a probationary period that could place an entity in a formal review status, increased policy restrictions and training, procedure modifications and any other restrictions warranted by SPD.
- 3.1.4 SPD serves as the central point of contact on all Policy and procedure issues.
  - 1. Communicates all Program and Policy changes to Program users.
  - 2. Reviews and approves all amendments to entity Purchasing Card Plans.
  - 3. Process all requests for Policy exceptions.
- 3.1.5 Reviews the Statewide Purchasing Card Policy at least annually to ensure that it reflects current State procurement laws and regulations and incorporates best practices in the P-Card industry.
- 3.1.6 Develops and maintains statewide program forms and P-Card specific training
- 3.1.7 Develops and maintain statewide training materials and manuals.

## 3.2 Professional Development

- 3.2.1 SPD develops and delivers statewide training on the P-Card Program. The bank is responsible for the implementation and initial training on the Works® Payment Manager system. SPD provides additional training in the system as needed.
- 3.2.2 SPD develops and implements training for Team Georgia Marketplace™ users.
- 3.2.3 SPD develops training materials for administrators, supervisors, approvers, cardholders, CFOs, and auditors.

## 4 State Entity Program Roles and Responsibilities

State Entities must designate a Purchasing Card Administrator. The designated Card Program Administrator serves as the official liaison between the Entity and State Purchasing Division personnel for all matters related to the Entity's program. Any or all of the following administrative responsibilities may be delegated to one or more designated Card Program Backups or Coordinators, depending on the size and complexity of the Entity's program. These backups or coordinators must be designated with SPD, have received the appropriate training, and not be cardholders.

### 4.1 P-Card Plan

Each State Entity participating in the Card Program is required to have an approved P-Card Plan. Items required in the Card Plan must include but are not limited to the following:

- 4.1.1 Justification of need for each cardholder or job class.
- 4.1.2 Justification of need for point-of-sale purchases based on job requirements.
- 4.1.3 A scenario of card distribution that meets the statutory requirement of a maximum of 100 cards.

- 4.1.4 Establish time limits for determining when to cut off or cancel dormant cards based on job requirements.
- 4.1.5 Establish spending limits (with appropriate waiver requests) based on job requirements and business model.
- 4.1.6 An overview of Internal Controls surrounding card use.
- 4.1.7 Establish approval chain for each cardholder.

Amendments must be submitted for approval as business needs change. All P-Card Plans and subsequent amendments must be reviewed and approved by the Agency Head or College and University President and submitted to DOAS for approval. Compliance audits will be conducted against the plan.

## 4.2 Agency Head, College, and University Presidents

Each Agency Head or College and University President of a State Entity participating in the Card Program is responsible for reviewing and approving the Entity's P-Card Plan and all amendments prior to submission to SPD.

Agency Heads and College and University Presidents cannot be issued a P-Card.

## 4.3 Chief Financial Officer

The Chief Financial Officer of State Entities participating in the card program is responsible for overseeing the card program. Duties of the Chief Financial Officer include:

- 4.3.1 Successful completion of the CFO Card Program Training module
- 4.3.2 Submission of the completed CFO Card Program Acknowledgement form
- 4.3.3 The appointment of an Entity Card Program Administrator
- 4.3.4 Approval of qualified cardholders and approvers
- 4.3.5 Review and approval of the Annual Self-assessment of the Entity's Card Program
- 4.3.6 Review and approve policies in conjunction with the APO, CUPO and Card Administrator annually
- 4.3.7 Review and approval of the Entity P-Card Plan and all amendments
- 4.3.8 Submission of the Plan to the Entity's Agency Head or College and University President

## 4.4 Card Program Administrator

The Card Program Administrator serves as the main point-of-contact for all card program personnel and serves as a liaison between State Entity management, State Entity CFO, the State Purchasing Division, and other card program personnel. In some cases, responsibilities may be shared and/or delegated to a Card Program Coordinator.

The State Entity must provide a Designation of Card Program Administrator, Form SPD-CC001, and the Card Program Administrator Acknowledgement form to the State Purchasing Division within 30 days of any changes in Administrators or Coordinators if the coordinator serves as a point of contact with the State Purchasing Division. Information on all official Program forms and how they are to be used can be found on the SPD website:

<http://doas.ga.gov/state-purchasing/statewide-card-programs/purchasing-cards>

The Card Program Administrators/Coordinators fulfill responsibilities in the following areas:

- 4.4.1 Card Management

1. Develops and maintains the State Entity's internal P-Card policy to address policy areas unique to the State Entity or that are not covered by the Statewide Purchasing Card Policy.
2. Cannot be a P-Card holder.
3. Works with management, including the Entity's CFO, to identify job titles or positions that require a P-Card or would be good candidates for use of the card and/or other accounts.
4. Develops internal procedures for requesting new cards and/or changes to existing cards (e.g., change in spending limits).
5. Works with management and the Entity CFO to determine appropriate cardholder spending limits based on budget restrictions, job requirements, historical spending patterns, and overall procurement practices.
6. Evaluates cardholder spending limits against actual usage at least annually and terminates cards that show consistently low usage.
7. Identifies cards with little or no usage to determine if cards are needed.

#### 4.4.2 Reconciliation Procedures

The Card Program Administrator is responsible for developing the following internal procedures:

1. Reconciliation process that ensures timely payment and/or allocation of transactions to the General Ledger at least monthly.
2. Documentation, including use of Works® Payment Manager or Team Georgia Marketplace™, as appropriate, for reconciliation of transactions.
3. Disputing a transaction with the Bank.

#### 4.4.3 Compliance with Laws and Policies

1. Establishes written internal procedures to ensure compliance with State procurement laws, the Georgia Procurement Manual, the Statewide Purchasing Card Policy, and the internal P-Card policy.
2. Develops written internal procedures for requesting exceptions to either State or internal policy requirements using the Special Approval Request, Form SPD-PC003.
3. Develops internal procedures for requesting exceptions to both State and internal policies, if allowed.
4. Submits all P-Card Plan amendments and requests for exceptions to the Statewide Purchasing Card Policy to the Entity's CFO for submission to [cardprograms@doas.ga.gov](mailto:cardprograms@doas.ga.gov) for approval by SPD.

#### 4.4.4 Internal Controls

1. Develops the State Entity's internal P-Card procedures in compliance with the principles of sound internal controls.
2. Ensures that the State Entity has sufficiently documented internal controls and other measures (e.g., audits) to prevent and/or detect misuse or abuse of the P-Card and other accounts.
3. Develops written procedures for ordering cards and canceling cards when lost or stolen or when a cardholder leaves employment.
4. Develops written procedures for reporting and documenting actual and/or potential cardholder abuse or misuse.
5. Ensures that transactions are audited at least annually during the required self-assessment process outlined in Section 6 Internal Controls.

#### 4.4.5 Card Program Training

1. Program Administrators, including primary, backups, and coordinators, must complete the relevant DOAS P-Card training to become a Georgia Certified Purchasing Card Administrator (GCPCA).
2. Develops State Entity specific training for all cardholders, supervisors, and other approving officials.
3. Develops appropriate refresher training to be delivered at least annually.
4. Ensures that all card program personnel receive notification of changes in State and internal policies, including Official Announcements from the State Purchasing Division.

## 4.5 Supervisors and Approving Officials

Supervisors or other persons responsible for reviewing transactions must have a thorough knowledge of the cardholders' job responsibilities to determine if purchases are job-related or otherwise authorized. All approving officials are required to complete the Approver Card Program Acknowledgement form.

### 4.5.1 Monthly Reconciliation

1. Before approving the P-Card transactions, either by signing a transaction log or statement or signing off on transactions electronically, the supervisor or approving official must carefully review all documentation to ensure that all documentation meets the minimum requirements as explained in Section 7.1 Documentation.
2. Ensure that passwords are not shared or delegated for others to use to review and approve transactions.
3. Sign off on all transactions in Works® Payment Manager or Team Georgia Marketplace™, as appropriate, within the timeframe established by the Card Program Administrator.
4. Ensure all documentation is submitted according to internal procedures and State requirements. See Section VII of the Statewide Purchasing Card Policy.

### 4.5.2 Other Responsibilities

1. Maintain knowledge of State and internal procurement policies and procedures related to use of the P-Card.
2. Coordinate the following with the Card Program Administrator:
  - a. Ordering and canceling cards for employees
  - b. Establishing reasonable spending limits

## 4.6 Cardholders and Related Account Users

All cardholders are de facto purchasing agents for the State of Georgia and their individual State Entities. All card program personnel must have a minimum understanding of State procurement laws and the requirements of the Georgia Procurement Manual.

### 4.6.1 Card Usage

1. Ensure that no other persons have access to any card information (i.e., card account number, expiration date, security code).
2. Ensure that all purchases comply with State and internal policies.

### 4.6.2 Monthly Reconciliation

1. Ensure that all invoices and receipts meet minimum requirements for adequate documentation of transactions.

2. Sign off on all transactions in Works® Payment Manager or Team Georgia Marketplace™, as appropriate, within the timeframe established by the Entity's Card Program Administrator.
3. Ensure all documentation is submitted according to internal procedures and State requirements. See Section 7 Documentation, Reconciliation and Accounting.

#### 4.6.3 Other Responsibilities

1. Maintain knowledge of State and internal procurement policies and procedures related to use of the P-Card.

## 5 Card Program Personnel Training

### 5.1 State Entity Training

- 5.1.1 Each State Entity's Card Program Administrator is responsible for developing and implementing training for cardholders and supervisors or other approving officials specific to that State Entity's needs. Training must include relevant portions of the following:
  1. Georgia Procurement Manual
  2. Statewide Purchasing Card Policy
  3. Internal procurement and P-Card policies
- 5.1.2 The State Entity's Card Program Administrator is responsible for developing and implementing refresher training to be conducted at least annually for all cardholders, supervisors, and approving officials.
- 5.1.3 All cardholders must sign a cardholder agreement that contains the terms and conditions for use of the P-Card and any other account. The mandatory cardholder agreement is available at <http://doas.ga.gov/state-purchasing/statewide-card-programs/purchasing-cards>.

### 5.2 Statewide Training

The State Purchasing Division provides additional training for cardholders, supervisors, approving officials, CFOs, and Card Program Administrators. For specific training requirements to access Team Georgia Marketplace™, contact [georgia.learning@doas.ga.gov](mailto:georgia.learning@doas.ga.gov).

All training courses are updated periodically and are available in the SPD Learning Management System (LMS) at <https://doas.exceedlms.com/>. The LMS provides information on the course delivery method, including whether it is web-based and self-paced, instructor-led, or one-on-one training. To gain access to the LMS, send an email to [georgia.learning@doas.ga.gov](mailto:georgia.learning@doas.ga.gov).

- 5.2.1 Introduction to P-Card Principles provides the information necessary to understand the purpose of the P-Card, its benefits, and the procurement regulations that apply to using the P-Card. This course is required as initial training and may be used for annual refresher training for Card Program Administrators, cardholders, and supervisors/approving officials for those State Entities that do not provide training.
- 5.2.2 TGM Procurement Card Reconciliation and Approval teaches users how to reconcile and approve transactions in Team Georgia Marketplace™. This course is required for all Card Program Administrators, cardholders, and supervisors/ approving officials at Entities and Technical Colleges using the State Accounting Office PeopleSoft financial system. This course must be completed prior to using the P-Card or approving transactions in the financial system.

- 5.2.3 P-Card Program Management provides guidance to Agency/University Procurement Officers, Card Program Administrators, and auditors on areas such as P-Card policy, internal controls and reviewing transactions and cardholder limits
- 5.2.4 Team Georgia Marketplace™ P-Card Administrator Hands-On Training is required training for all Team Georgia Marketplace™ Card Program Administrators on how to maintain cards and cardholders in the system. This is a hands-on training which requires contacting SPD to schedule. Please refer to the current SPD Training Reference Guide for more information.
- 5.2.5 Chief Financial Officers Card Program Training Module provides an overview of the card program and the CFO's roles and responsibilities related to the program.

### 5.3 Works® Payment Manager

Bank of America is responsible for delivering training on Works® Payment Manager when the system is initially implemented. The State Entity Card Program Administrator is responsible for training new cardholders or other users. Personnel from SPD are also available.

## 6 Internal Controls

A strong system of internal controls is essential for detection and deterrence of fraud, cardholder misuse, or cardholder abuse of the P-Card. Internal controls include policies, procedures, and training in addition to spending limits and Merchant Category Code restrictions.

### 6.1 General Requirements

Each State Entity must establish an internal control structure that ensures compliance with State procurement laws, the Georgia Procurement Manual, the Statewide Purchasing Card Policy, sound accounting practices, and internal policy. Minimum requirements include:

- 6.1.1 Separation of duties between ordering cards (program administrators), making transactions (cardholders), and review or approval of transactions for payment (supervisors/approving officials).
- 6.1.2 A minimum of two approvers required before a purchase is made (usually Program Administrator, supervisor, APO/CUPO, or fiscal representative).
- 6.1.3 Reconcilers are limited to one per card and cannot be a subordinate of the cardholder. The cardholder role can be given to either the cardholder or assigned to a proxy to reconcile on the cardholder's behalf. Each card must have only one reconciler; however, one reconciler can be the sole reconciler on multiple cards.
- 6.1.4 The Card Program Administrator, Card Program Backup or Coordinator, or anyone with administrator-level access cannot be a cardholder.
- 6.1.5 Limits on the number of cardholders assigned to a supervisor or approving official to ensure adequate review of business need and documentation for each purchase.
- 6.1.6 Cardholders cannot approve their own transactions but may reconcile their own transactions.
- 6.1.7 Approvers cannot be subordinates of cardholders for whom they are responsible.
- 6.1.8 Sharing of login information or passwords is strictly forbidden.

- 6.1.9 Delegation of the approver duties is unallowable. Should an approver be on leave or otherwise unavailable to approve a purchase or transaction, another trained approver already assigned approver responsibility may assume those duties temporarily.
- 6.1.10 Provision for annual self-assessment of the P-Card program by the Card Program Administrator or Internal Audit unit must be submitted annually to SPD no later than December 1st. Guidelines for the annual self-assessment can be found at <http://doas.ga.gov/state-purchasing/statewide-card-programs/purchasing-cards>. Self-assessments must include adequacy of:
- internal policies and procedures
  - cardholder spending limits
  - monthly reconciliation procedures
  - documentation for transactions

## 6.2 State Entity Internal Purchasing Card Policy

The Statewide Purchasing Card Policy serves as the Policy for the P-Card Program on a statewide level and is not designed to be specific to an individual State Entity in all areas. Each State Entity must develop its own internal policy to address areas that the Statewide Purchasing Card Policy cannot and does not address. The Card Program Administrator in conjunction with the Entity CFO must evaluate the internal policy at least annually.

## 6.3 Card Management and Reconciliation Systems

All transaction reconciliation is to be done electronically, either in Works® Payment Manager or Team Georgia Marketplace™ depending on the State Entity's accounting system. Transactions must be reconciled and allocated to the General Ledger within 30 days of the statement billing date.

- 6.3.1 All State Entities are required to use the Works® Payment Manager system provided by the Bank for card administration and account maintenance.
- 6.3.2 State Entities that use the State Accounting Office PeopleSoft system and have implemented Team Georgia Marketplace™ must reconcile all transactions in the P-Card module of PeopleSoft.
- 6.3.3 All other State Entities under State Purchasing Division authority must use Works® Payment Manager for cardholder sign-off and supervisory approval of transactions.

## 6.4 Merchant Category Code Authorizations

Merchant Category Codes (MCCs) are codes assigned by a supplier's merchant bank based on the types of goods and/or services provided. By allowing or blocking certain codes, the State has some protection against unauthorized or prohibited purchases. The Bank creates MCC groups upon request by the State Purchasing Division.

- 6.4.1 The State Purchasing Division establishes the State authorized MCC groups that contain codes associated with suppliers that provide goods and/or services specifically authorized by this Policy.
- 6.4.2 Program Administrators must limit MCCs to State of Georgia approved MCCs and ensure State of Georgia MCC Groups or SPD approved MCC Groups are assigned to profiles in Bank of America Works.



- 6.4.3 MCCs associated with suppliers that provide prohibited goods or services are excluded from these groups. Transactions at unauthorized MCCs should be blocked at the point-of-sale but occasionally are forced by the supplier. These transactions are subject to audit.
- 6.4.4 The State Purchasing Division will conduct periodic evaluations of authorized codes and MCC groups to determine if the codes and the groups meet the needs of State Entities.
- 6.4.5 The State Purchasing Division will work with State Entities to determine if changes are needed.
- 6.4.6 State Entities can request activation of additional MCCs for inclusion in a State authorized group and/or approval to create an MCC group to meet specific needs. Program Administrators can make these requests using the Special Approval Request, Form SPD- PC003.
- 6.4.7 Card Program Administrators should ensure that cardholder profiles permit only those MCC groups that contain the MCCs a cardholder needs to meet job requirements.

## 6.5 Cardholder Spending Limits and Utilization

Imposing spending limits enables management to provide cardholders with the purchasing power to accomplish the needs of the job without exposing the State or the State Entity to unnecessary risk. Spending limits should be based on job responsibilities. Cardholder spending limits must be reviewed at least annually to determine if actual usage is consistent with spending limits and increases with SPD approval or decreases made as needed.

Cardholders are prohibited from splitting a single purchase between one or more cards or a card transaction and a purchase order to circumvent the card's Single Transaction Limit and/or bid requirements. If needed, the State Entity's Card Program Administrator may use the Special Approval Request, Form SPD-PC003, to request prior, written approval.

### 6.5.1 Available Spending Limits

1. Cycle (Credit) Limit – Mandatory spending limit that restricts the total value of purchases a cardholder can make in one billing cycle. The cycle limit cannot be \$25,000 or more without prior, written approval from SPD.
2. Single Transaction Limit (STL) – Mandatory spending limit that restricts the amount of a single purchase regardless of the Cycle Limit on the card.
3. Number of Transactions per Day – Optional spending limit that restricts the total number of transactions a cardholder can have in one 24-hour period.

### 6.5.2 Spending Limits Requirements

1. State Policy establishes the maximum STL for unplanned, non-routine, or urgent point of sale P-Card transactions be set at \$1,000 and purchases that are preapproved and go through the requisition process prior to the purchase be set at under \$5,000 (i.e., \$4,999.99 or less). The State Entity Card Program Administrator can establish STLs up to this amount as determined by overall needs.
2. State Entity Card Program Administrators can make adjustments in Works® to individual limits greater than or equal to those established and approved in the Entity's approved P-Card Plan for STLs up to \$4,999.99 and CLs up to \$24,999.99. Entities must establish an internal approval process that has been reviewed and approved by SPD. Any adjusted limits should be returned to the cardholder's original profile within 5 days of the temporary increase to allow for the transaction to post.

3. State Entity Card Program Administrators must obtain prior, written approval from the State Purchasing Division to increase STLs greater than \$4,999.99 or CLs greater than \$24,999.99. The request must include documentation that all bid requirements, if any, have been met if the purchase is greater than or equal to \$25,000. Cardholders should be returned to the original profile within 5 days of the temporary increase to allow for the transaction to post.

#### 6.5.3 Annual Review of Spending Limits

Each State Entity is required to perform a review of spending limits at least annually to determine if each cardholder's spending limits are both adequate and appropriate according to State Policy and the Entity's approved P-Card Plan. The review must include transactions from at least 12 complete, consecutive cycles. To facilitate this review, the State Purchasing Division has provided a Spending Limits Analysis Template in Excel. State Entities should use this spreadsheet and include it in the annual self-assessment.

#### 6.5.4 Dormant Cards

Each State Entity is responsible for defining in its P-Card Plan and internal policy how long a card can remain unused before it is considered inactive. The State Purchasing Division recommends that a State Entity should reduce the cycle limit of any card that has not been used within 12 complete cycles to \$1. The card should also be reviewed to determine if the cardholder still needs the card. Tools utilized during the annual self-assessment should be used to conduct this evaluation and can be located on the SPD website.

## 7 Documentation, Reconciliation and Accounting

### 7.1 Documentation

- 7.1.1 Cardholders must maintain documentation for all transactions, including an invoice or receipt. Invoices/receipts must meet the following minimum requirements<sup>2</sup>:
  1. Complete supplier information (name, location)
  2. Line-item details, including quantity, description, unit price, and total price
  3. Line showing no sales tax
- 7.1.2 If a cardholder loses a receipt and a duplicate cannot be obtained, the cardholder should follow the Entity's internal procedures related to the use of the Lost Receipt Affidavit, Form SPD-PC005. Use of this form more than three times during a fiscal year will result in suspension of card privileges for a period of time determined by the Card Program Administrator.
- 7.1.3 If cardholders perform transaction reconciliation in Works<sup>®</sup> Payment Manager or Team Georgia Marketplace<sup>™</sup>, they must follow internal procedures for handling documentation.
- 7.1.4 Some transactions require additional documentation related to the purchase. If the transaction requires additional documentation to support the purchase, that additional documentation must be kept with the transaction documentation. An example of this includes but is not limited to documentation required by the SAO Group Meal Policy.
- 7.1.5 All documentation must be legible (e.g., not too dark, not too light)

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<sup>2</sup> The State Accounting Office provides additional guidance on required documentation in the Payment Process Policy located at [sao.georgia.gov](http://sao.georgia.gov) in Business Process Policies.

7.1.6 All documentation must contain copies of all pages of invoices or other documents.

## 7.2 Reconciliation

Electronic reconciliation is required for all entities. Reconciliation must be performed before payment is made and must be completed in time to ensure timely monthly payment. See Addendum: Schedule of Cycle End Dates and Payment Due Dates for reference.

The reconciliation process must include:

- Transaction documentation
- Comments made by the cardholder, approving manager, or both
- Disputing charges, if necessary
- Reporting any fraudulent charges
- Signoff of transactions by the cardholder and approver, at minimum

### 7.2.1 Manual Logs

SPD does not require manual logs when reconciliations are performed in Works® Payment Manager or Team Georgia Marketplace™. If the State Entity requires cardholders to submit manual logs to others (e.g. proxy reconciler) for reconciliation in either Team Georgia Marketplace™ or Works® Payment Manager, documentation must meet the following additional requirements:

1. If the standard P-Card Log, Form SPD\_PC004A, is not used, the log used must contain the same information as shown on that form.
2. All transaction logs or monthly billing statements must be signed by the cardholder and supervisor or other approving official. Signature stamps are not permitted.
3. All invoices/receipts must be attached to the log or monthly billing statement and submitted following internal procedures.

### 7.2.2 Team Georgia Marketplace™

1. Use of Team Georgia Marketplace™ for reconciliation eliminates the need for manual signatures on transaction logs since the sign off in that system constitutes an electronic signature.

A copy of signed manual logs or statements must be attached to the first transaction if cardholders and supervisors do not complete their own approvals in Team Georgia Marketplace™.

2. Cardholders, proxy reconcilers, supervisors, or other approving officials MUST enter comments and/or line descriptions for each transaction. This allows program administrators, auditors, and other third parties more oversight of transactions. Comments should include the purpose of the purchase, for whom the purchase was made, and other relevant information to allow outside parties to determine that the expense was business-related.
3. Cardholders, proxy reconcilers, supervisors, or approving officials must upload a copy of the invoice or receipt and any other relevant documentation (e.g., email correspondence) to the transaction, including those for which a purchase order was issued. Attachments must meet the Documentation requirements in this policy or other policies related to the transaction.

### 7.2.3 Bank of America Works®

1. Use of Works® Payment Manager for reconciliation eliminates the need for manual signatures on transaction logs since the sign off in that system constitutes an electronic signature.
2. Cardholders, proxy reconcilers, supervisors, or other approving officials MUST enter comments and/or line descriptions for each transaction. This allows program administrators, auditors, and other third parties more oversight of transactions. Comments should include the purpose of the purchase, for whom the purchase was made, and other relevant information to allow outside parties to determine that the expense was business-related.
3. State Entities using Works® Payment Manager for reconciliation must maintain documentation for all transactions. All documentation must be maintained by the administrator, either through hard copy, shared drive, or other electronic means and made available to SPD upon request and meet the documentation requirements contained in this policy or other policies related to the transaction.

### 7.3 Allocation to the General Ledger

Timely allocation of charges to the General Ledger is essential to ensure compliance with State accounting and budgetary policies. The State Entity must ensure that all transactions are allocated to the General Ledger within 30 days of the statement billing date.

## 8 Use of the Card and Other Accounts

All purchases made through the program must be for official State business. Internal policies governing use of the accounts can be more, but not less, restrictive than the Statewide Purchasing Card Policy. Use of the card or the transactions made on the card cannot violate other laws or policies.

Only the employee whose name appears on the face of the card is authorized to initiate transactions with the card. Use of card by any other person, even if the purchase is for legitimate State business, is considered misuse of the card.

### 8.1 State Entity Internal Policy Definition for Use of the Card

Each State Entity must define allowable and prohibited purchases in the internal purchasing card policy.

- 8.1.1 If the State Entity wants to adopt the Statewide Purchasing Card Policy list of allowed and prohibited purchases as defined below and with no changes, then a reference to the Statewide Purchasing Policy is all that is required.
- 8.1.2 If a State Entity wishes to impose additional restrictions or prohibitions, then the State Entity must define these additional restrictions in the State Entity's policy.
- 8.1.3 Whenever a State Entity's policy is more restrictive than the Statewide Purchasing Card Policy, then the State Entity policy takes precedence.
- 8.1.4 The State Entity cannot allow purchases that are prohibited by the Statewide Purchasing Card Policy.

### 8.2 Allowable, Restricted, and Prohibited Purchases

#### 8.2.1 Allowable Purchases

The P-Card and other accounts can be used for official purchases of supplies, materials, equipment, or services where not otherwise prohibited or restricted. All purchases must be within assigned spending limits unless prior written approval is received to exceed those limits. Allowable purchases include:

1. Goods and services used in the furtherance of a State Entity’s mission. For more information on services, refer to Section 2.8 E-Verify.
2. Purchases of goods or services intended for official State of Georgia work-related use that are not otherwise excluded by Section 8.1.3 Prohibited Purchases.

#### 8.2.2 Allowable Purchases – Restrictions Apply

##### 1. Travel-Related Expenses – State Employees

State employees traveling on official State business as defined in the State Travel Regulations published by the State Accounting Office and the Office of Planning and Budget may use the p-card for:

- a. Transportation (except for airline tickets for TTE agencies)
  - i. When the mode of transportation is a vehicle rental, the rental must be from one of the Mandatory Statewide Contracts unless approved using the Waiver from Statewide Contract process defined in Section 1.3.1.1 of the Georgia Procurement Manual.

##### b. Parking

##### 2. Travel-Related Expenses – Non-State Employees

- a. Cardholders may use the p-card for students travelling on official school business, clients of a State Entity, and the general public when participating in an official State program or other activity for:
  - i. All types of transportation when this transportation is needed in the fulfillment of the State Entity’s mission.
- b. Lodging and meals for students and for clients of a State Entity when needed in the fulfillment of the State Entity’s mission.

##### 3. Equipment

- a. Use of the P-Card for equipment is governed by the State Accounting Office policies on Capital Assets. State Entity policy may impose additional restrictions.
  - i. For State Agencies, Commissions, and Boards that use the State Accounting Office version of PeopleSoft – Single units under \$5,000 per unit, including freight, and comply with STL as outlined by State Policy.
  - ii. For colleges under the authority of the Technical College System of Georgia – Single units under \$1,000 per unit, including freight.
  - iii. For colleges and universities under the authority of the Board of Regents – Single units under \$3,000 per unit, including freight, and comply with STL as outlined by State Policy.

##### 4. Vehicle-Related Transactions

- a. Car washes are permitted provided a State Entity allows this type of purchase in the internal policy.

##### 5. Software, Data Plans, and Apps

- a. Software, unless prohibited by State Entity internal policy, can be purchased with the following restrictions:

- i. Data plans, software, or applications (apps) for State-issued computers, smart phones, and tablets only (e.g., iPhone, Android, iPad).
    - ii. Purchases cannot be made for personal devices even if used for business purposes.
  - b. For colleges and universities, eBooks for use in a classroom may be purchased. Documentation must include an invoice or receipt in accordance with Section 7.1 Documentation and include a roster of class participants and class syllabus.
6. Food or Meals
- a. Food provided for consumption at events or services provided to the public, state benefit recipients and/or state program participants, or purchased for resale in gift shops, bookstores, or similar venues, and other non-employee meal related use.
  - b. Non-travel related meals for State employees that meet the State Accounting Office definition of group meals. For complete information, search for Statewide Travel Policy on the State Accounting Office website.
  - c. Meals only when the cost of the meal is included in the total cost (e.g., a conference fee of \$1,500 that includes three meals).
  - d. Food and lodging for student activities, but not for faculty, staff, coaches, or other school employees, when on official school business (e.g., athletic team travel). Documentation for the purchase must include:
    - i. Itemized receipt showing all meals purchased
    - ii. Roster of participants showing student name and signature
    - iii. Copy of team schedule or other documentation showing that the meal was for an authorized student activity.
  - e. Food for official research, laboratory animals, or instructional/classroom use.
  - f. Food for school-sponsored childcare (e.g., day care center at a school).
  - g. Alcoholic beverages, such as cooking wine, for instructional or classroom use only. The following steps must be followed:
    - i. Document the purchase showing that the purchase was for instructional use.
    - ii. Create and document steps to ensure that the alcohol is either completely used or disposed of or properly secured between usage to prevent consumption in non-classroom activities.
    - iii. When possible, purchase the alcohol from instructional/culinary arts supply sources rather than a grocery or package store.

### 8.2.3 Prohibited Purchases

The following types of purchases are strictly prohibited either by O.C.G.A., or to meet reporting requirements of the State or specific State Entities:

1. Goods or services not directly related to job responsibilities or other official State of Georgia business (i.e., personal purchases).

2. Data plans, software, or applications (apps) for non-State Entity issued devices, including, but not limited to, smart phones, laptop computers, and tablets, except as permitted in Section 8.1.2 Allowable Purchases – Restrictions Apply.

3. Memberships at wholesale warehouses and shopping clubs (e.g., Sam’s, Costco, Amazon Prime) when membership is in the name of a person rather than the State Entity.

For TGM entities, the State’s Amazon Prime Enterprise Business account is the mandatory Amazon Prime membership account, and no other type of Amazon Prime account may be purchased.

4. Cash advances

5. Gift cards, stored value cards, calling cards, and similar products.

6. Employee travel expenses related to lodging and meals, except as specifically covered under Allowable Purchases.

a. Certain Agencies may request an exception to this requirement in the event of a declared emergency.

b. Use Special Approval Request, Form SPD-PC003, for this request.

7. Entertainment (e.g., in-room movies for State employees traveling on business). This restriction does not apply to student activities at units of the University System of Georgia or the Technical College System of Georgia or to items purchased for resale at bookstores located at these colleges, universities, and technical colleges.

8. Alcoholic beverages or products except as permitted in Section 8.1.2.

9. Tobacco products

10. Fuel, mechanical repairs, and maintenance for State-owned or rental vehicles. Exceptions may be granted upon verification of procedures to enter costs into the State’s fleet management system administered by the DOAS Office of Fleet Management.

a. This restriction does not apply to non-mechanical body shop repairs (e.g., dented bumper) not covered under the State’s vehicle maintenance contract.

b. This restriction does not apply to auto parts for in-house use (e.g., Entity-operated repair shops) or for teaching purposes.

11. Airline tickets for all TTE agencies

### 8.3 Declared Emergencies and Natural Disasters

The Georgia Procurement Manual grants authority to forego standard procurement requirements for needs arising from unforeseen causes.

Program Administrators must report “emergency purchases,” as defined and authorized by the Georgia Procurement Manual, to SPD, as well as any other exception to the Statewide Purchasing Card Policy authorized by the Georgia Procurement Manual, such as exceeding single transaction and cycle limits.

8.3.1 The Program Administrator must submit the Form SPD-PC003, Special Approval Request, to notify the State Purchasing Division within 72 hours of any actions taken in response to these emergencies and the nature of the actions taken.

- 8.3.2 Documentation for transactions must follow guidelines for emergency purchases as contained in the Georgia Procurement Manual, including use of and retention of Form SPD-NI004, Emergency Justification Form.

Additionally, prohibited MCCs may be authorized for emergency purposes at the discretion of SPD. Program Administrators can make these requests using the Special Approval Request, Form SPD-PC003.

Key personnel responsible for implementing a State Entity's response to emergencies must know how to contact the State Entity's APO/CUPO, the Card Program Administrator, and the back-up Card Program Administrator. State Entity procurement personnel should have access to State Purchasing Division and Bank contact information to address card-related issues, including, but not limited to, corporate credit limit, individual card credit limits, and Merchant Category Code groups.

## 8.4 Sole Source or Sole Brand Purchases

The P-Card and other accounts may be used for purchases resulting from sole source or sole brand acquisitions provided those goods/services are not identified in Section 8.1.3 Prohibited Purchases. Guidelines for Sole Source and Sole Brand purchases are found in the Georgia Procurement Manual.

- 8.4.1 Any request for a Single Transaction Limit of \$5,000 or more that would qualify as a Sole Source and/or Sole Brand must include the appropriate forms per instructions in the Georgia Procurement Manual in effect at the time of the transaction.
- 8.4.2 These forms and instructions for their use are available on the State Purchasing Division website. These forms must also be attached to the transaction log and/or monthly billing statement as documentation for the transaction. Official forms are available on the SPD website.

## 9 Surcharges, Convenience Fees, and Service Charges

Many suppliers charge a credit card processing fee or convenience fee for accepting credit cards including the P-Card. These types of fees are strictly regulated by Visa and MasterCard (also called the Associations). These must be clearly labeled in the documentation as the amount and include which fee was charged.

### 9.1 Surcharges

According to Visa's *Card Acceptance and Chargeback Management Guidelines for Merchants* (Merchants is synonymous with suppliers) available on Visa's website, credit card surcharges are allowed but cannot be more than the amount the supplier's bank charges them for processing the transaction. Also, the supplier cannot charge both a surcharge and a convenience fee, explained below.

The maximum allowable surcharge is established by the merchant card provider for the p-card program and must be shown as a line item on the details invoice or receipt.<sup>3</sup> Whenever a supplier charges a surcharge, the following rules apply:

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<sup>3</sup> As of the adoption of the May 1, 2023, policy revision, the current merchant card provider for the p-card program is Visa, and Visa guidelines establish a 4% surcharge.



1. The supplier must have provided the merchant card provider for the p-card program and their merchant bank at least 30 days' notification of the intent to impose surcharges.
2. The fact that the supplier imposes these charges must be clearly posted on the door and at point-of-sale for physical locations and on websites when sales are made via the internet and inform the customer:
  - a. Of the exact percent of the surcharge,
  - b. That it is being assessed by the supplier and is only applicable on credit transactions, and
  - c. That it is not greater than what the supplier pays to the merchant card provider for the p-card program.

For any transaction where the supplier has charged a surcharge, a State of Georgia cardholder must obtain a copy of the acknowledgement letter sent to the supplier by the merchant card provider for the p-card program authorizing the supplier to impose a surcharge. This copy must be maintained with the invoice and all other documentation for the transaction, including uploading to Team Georgia Marketplace™, if applicable. In the event of a regular supplier, a copy on file with the Card Program Administrator will be sufficient.

## 9.2 Convenience Fees

Convenience fees for certain transactions can be paid if they are charged in compliance with Visa rules. The State of Georgia P-Card and other accounts are Bank of America Visa accounts; therefore, Visa regulations apply.

Convenience fees are allowed if they are charged in compliance with Visa rules. For merchants who offer an alternate payment channel (i.e., mail, telephone, or e-commerce) for customers to pay for goods or services, a convenience fee may be added to the transaction amount. If the supplier chooses to assess a convenience fee to its customers, the merchant must adhere to the following rules.

9.2.1 The fee is being charged for a bona fide convenience of using an alternative payment channel outside the supplier's normal business practice.

9.2.2 The fee

1. Must be disclosed to the customer as a charge for the alternative payment channel convenience.
2. Is applied only to transactions that are not face-to-face.
3. Must be a flat or fixed amount, regardless of the amount of the payment due.
4. Is applied to all forms of payment products accepted in the alternative payment channel.
5. Is included as part of the total transaction amount.
6. Cannot be added to a recurring transaction.
7. Is assessed by the supplier that provides the goods or services to the cardholder and not a third party.

9.2.3 The customer must be given the opportunity to cancel prior to the completion of the transaction.

Visa is very clear about what a convenience fee is and how and when it can be charged. As a result, many suppliers that charge fees do so incorrectly and are therefore out of compliance with Visa regulations.

Examples of common violations of Visa's convenience fee policy include, but are not limited to, the following:

1. Charging a tiered or percentage-based fee. Only a flat fee regardless of the transaction amount is allowed.

2. Charging a fee for a transaction below or above a certain dollar amount. Convenience fees must be charged on all transaction regardless of amount.
3. Charging the fee in person for face-to-face or point of sale transactions. The fees can only be applied to transactions via the mail, telephone, or internet.
4. Charging only for Visa or credit card transactions. Convenience fees must be applied to all payment methods accepted via that channel.
5. Calling the fee, a processing fee, credit card fee, surcharge, or anything other than a convenience fee. The fee is designed to offset the cost of the convenience, not the cost of accepting credit cards.
6. Charging higher prices for credit card purchases versus checks or cash. Note: Suppliers may offer a cash discount to customers paying with cash in person.
7. Charging a convenience fee via the internet when that is the supplier's only normal business practice. If the supplier sells only on the internet, there is no convenience versus coming into a retail location; therefore, no convenience fee can be charged.

There are many ways a supplier's actions can fall outside Visa's guidelines. As such, only suppliers in compliance with the guidelines shall be allowed to receive convenience fees via the P-Card and/or other accounts.

One example of an allowable convenience fee is a utility that charges a convenience fee for paying a bill via the phone or internet versus having to come to an office and drop off a payment. As long as the convenience fee is a flat fee and is charged to all transactions accepted via the phone or internet (such as all card types, electronic checks, etc.), it is acceptable on a P-Card transaction.

Convenience fees charged in accordance with the Visa guidelines quoted above are permitted on the P-Card or other accounts. For clarifications, please consult your Entity's P-Card Administrator or contact SPD. Violations of the Visa guidelines should be reported to SPD as suppliers can be reported to Visa through Bank of America.

### 9.3 Service Charges

A service fee may only be charged by a supplier in countries specified by Visa and for specific purposes. If a supplier charges a service fee, that supplier must follow Visa's requirements including but not limited to:

- 9.3.1 Accept Visa as a means of payment in all channels where payments are accepted (for example: in a Face-to-Face Environment and a Card-Absent Environment, as applicable)
- 9.3.2 Be authorized to process tax payment transactions if the Service Fee is charged by a government taxing authority or its third party.
- 9.3.3 Disclose the fee clearly to the Cardholder as a Service Fee, or local language equivalent, before the transaction is completed and provide the ability for the Cardholder to cancel the transaction without incurring a fee or penalty.
- 9.3.4 Not represent the Service Fee as a fee charged by Visa.
- 9.3.5 Ensure that the Service Fee amount is:
  1. A reasonable reflection of the costs associated with completing the Transaction (such as the Merchant Discount Rate, Merchant service fee, or any other costs paid to third parties for services directly related to accepting a Card) and, where possible, capped.
  2. A flat, fixed, banded, or ad valorem amount, regardless of the value of the payment due, as required by applicable laws or regulations.

3. Assessed only on the final transaction amount, after all discounts and rebates have been applied during the transaction.
4. Not charged in addition to a surcharge or convenience fee

Merchants or suppliers located in the United States, and which have the following MCC Codes are permitted to charge a service fee provided Visa's rules for Merchants are followed:

- 8211 (Elementary and Secondary Schools)
- 8220 (Colleges, Universities, Professional Schools, and Junior Colleges)
- 8244 (Business and Secretarial Schools)
- 8249 (Vocational and Trade Schools)
- 9211 (Court Costs, Including Alimony and Child Support)
- 9222 (Fines)
- 9311 (Tax Payments)
- 9399 (Government Services [Not Elsewhere Classified])

## 10 Returns, Credits, Disputed Items, and Reporting Fraud

### 10.1 Returns, Credits, and Disputed Items

In most cases, disputes can be resolved directly between the cardholder and the supplier that provided the goods and services. An example of a "disputed" charge is one for which the cardholder did not receive what was ordered or there is some other problem with the goods or services ordered. A cardholder may also have a "questionable" charge due to double billing, inconsistent name on documentation, etc. The cardholder must use the following guidelines when returning or disputing an item:

- 10.1.1 If an item needs to be returned for any reason, contact the supplier to send the item back to the supplier in the manner agreed upon. Begin documenting contact names, dates/times of contacts, and what transpired. This documentation should be kept with the resolution action (credit or refund) once the issue is resolved.
- 10.1.2 Request a credit from the supplier to be refunded or credited onto the card which was used to make the transaction (or replacement card if card has been replaced). This credit may appear on a subsequent charge card statement.
- 10.1.3 All documentation must be kept on file pertaining to returns for reconciliation.
- 10.1.4 For disputes and questionable charges not resolved between the cardholder and the supplier within 30 days, Bank of America's dispute process must be utilized. Bank of America will investigate the dispute on the cardholder's behalf and assist in the resolution. Provide Bank of America with all documentation to include previous phone calls or contacts with the supplier to aid in a timelier resolution. Bank of America's dispute resolution process must be utilized within 60 days of the cycle end date for the transaction.

### 10.2 Reporting Fraud

Immediately report all fraudulent charges that appear on the statement to Bank of America and the entity's purchasing card administrator. The administrator is responsible for immediately reporting all fraudulent charges to the State Purchasing Card Program Manager. Program administrators can contact SPD's purchasing card team for additional assistance if needed in cases of fraud by emailing [cardprograms@doas.ga.gov](mailto:cardprograms@doas.ga.gov).

## Addendum: Schedule of Cycle End Dates and Payment Due Dates

THIS IS AN ESTIMATE BASED ON CYCLE END DATES. THE EXACT DUE DATE WILL BE PROVIDED ON YOUR MONTHLY STATEMENT. IF YOUR BILLING CYCLE ENDS ON A DATE OTHER THAN THE 15TH OR 27TH, PLEASE EMAIL [CARDPROGRAMS@DOAS.GA.GOV](mailto:CARDPROGRAMS@DOAS.GA.GOV) FOR YOUR SCHEDULE.

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*For billing cycles ending on the 27<sup>th</sup>*

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	<b>Begin Date</b>	<b>End Date</b>	<b>Payment Due Date (25 days after end date)</b>
<b>April 2023</b>	Friday, April 14, 2023	Thursday, April 27, 2023	Monday, May 22, 2023
<b>May 2023</b>	Friday, April 28, 2023	Monday, May 29, 2023	Friday, June 23, 2023
<b>June 2023</b>	Tuesday, May 30, 2023	Tuesday, June 27, 2023	Friday, July 21, 2023
<b>July 2023</b>	Wednesday, June 28, 2023	Thursday, July 27, 2023	Monday, August 21, 2023
<b>August 2023</b>	Friday, July 28, 2023	Monday, August 28, 2023	Friday, September 22, 2023
<b>September 2023</b>	Tuesday, August 29, 2023	Wednesday, September 27, 2023	Friday, October 20, 2023
<b>October 2023</b>	Thursday, September 28, 2023	Friday, October 27, 2023	Tuesday, November 21, 2023
<b>November 2023</b>	Saturday, October 28, 2023	Monday, November 27, 2023	Friday, December 22, 2023
<b>December 2023</b>	Tuesday, November 28, 2023	Wednesday, December 27, 2023	Friday, January 19, 2024
<b>January 2024</b>	Thursday, December 28, 2023	Monday, January 29, 2024	Friday, February 23, 2024
<b>February 2024</b>	Tuesday, January 30, 2024	Tuesday, February 27, 2024	Friday, March 22, 2024
<b>March 2024</b>	Wednesday, February 28, 2024	Wednesday, March 27, 2024	Friday, April 19, 2024
<b>April 2024</b>	Thursday, March 28, 2024	Monday, April 29, 2024	Friday, May 24, 2024
<b>May 2024</b>	Tuesday, April 30, 2024	Monday, May 27, 2024	Friday, June 21, 2024
<b>June 2024</b>	Tuesday, May 28, 2024	Thursday, June 27, 2024	Monday, July 22, 2024

# ADDENDUM: SCHEDULE OF CYCLE END DATES AND PAYMENT DUE DATES

THIS IS AN ESTIMATE BASED ON CYCLE END DATES. THE EXACT DUE DATE WILL BE PROVIDED ON YOUR MONTHLY STATEMENT. IF YOUR BILLING CYCLE ENDS ON A DATE OTHER THAN THE 15TH OR 27TH, PLEASE EMAIL [CARDPROGRAMS@DOAS.GA.GOV](mailto:CARDPROGRAMS@DOAS.GA.GOV) FOR YOUR SCHEDULE.

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*For billing cycles ending on the 15<sup>th</sup>*

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	<b>Begin Date</b>	<b>End Date</b>	<b>Payment Due Date (25 days after end date)</b>
<b>April 2023</b>	Tuesday, April 18, 2023	Monday, May 15, 2023	Friday, June 9, 2023
<b>May 2023</b>	Tuesday, May 16, 2023	Thursday, June 15, 2023	Monday, July 10, 2023
<b>June 2023</b>	Friday, June 16, 2023	Monday, July 17, 2023	Friday, August 11, 2023
<b>July 2023</b>	Tuesday, July 18, 2023	Tuesday, August 15, 2023	Friday, September 8, 2023
<b>August 2023</b>	Wednesday, August 16, 2023	Friday, September 15, 2023	Tuesday, October 10, 2023
<b>September 2023</b>	Saturday, September 16, 2023	Monday, October 16, 2023	Friday, November 10, 2023
<b>October 2023</b>	Tuesday, October 17, 2023	Wednesday, November 15, 2023	Friday, December 8, 2023
<b>November 2023</b>	Thursday, November 16, 2023	Friday, December 15, 2023	Tuesday, January 9, 2024
<b>December 2023</b>	Saturday, December 16, 2023	Monday, January 15, 2024	Friday, February 9, 2024
<b>January 2024</b>	Tuesday, January 16, 2024	Thursday, February 15, 2024	Monday, March 11, 2024
<b>February 2024</b>	Friday, February 16, 2024	Friday, March 15, 2024	Tuesday, April 9, 2024
<b>March 2024</b>	Saturday, March 16, 2024	Monday, April 15, 2024	Friday, May 10, 2024
<b>April 2024</b>	Tuesday, April 16, 2024	Wednesday, May 15, 2024	Friday, June 7, 2024
<b>May 2024</b>	Thursday, May 16, 2024	Friday, June 14, 2024	Tuesday, July 9, 2024
<b>June 2024</b>	Saturday, June 15, 2024	Monday, July 15, 2024	Friday, August 9, 2024

## Definitions

Agency	<a href="#">O.C.G.A. §50-5-83</a> defines “agency” or “agencies” as any entity of this state, including any department, agency, division, council, bureau, board, commission, public corporation, or authority; provided, however, that such term shall not mean a political subdivision of this state. This term is often referred to as “State Entity.”
Approver	The Approver is normally the supervisor to whom a Cardholder reports for authorization to purchase required supplies and services. Two approvers are required before a purchase is made. Approvers also participate in the reconciliation of Cardholder accounts, ensuring proper procedures are followed when purchasing supplies or services and verifying the information is properly reconciled after the Reconciler has completed the reconciliation of transactions. Policy prohibits a subordinate from acting as an Approver in any phase of the transaction.
Backup P-Card Administrator	A person who has been delegated p-card administrator duties. This person must be designated with SPD and has the same training requirements as the p-card administrator.
Card Abuse	Use of the card for non-State business use purchases (personal purchases). See definitions of card misuse and fraud.
Card Misuse	Use of the card for legitimate purchases but for goods or services that are prohibited by State or internal policy (e.g., purchase of fuel for a State vehicle). See definitions of card abuse and fraud.
Cardholder	The person responsible for the card account and whose name is on the account. This person has defined responsibilities including those as outlined in this Policy.
Chief Financial Officer	The CFO is responsible for the fiscal functions of the agency, college, or technical college in accordance with General Accepted Accounting Principles (GAAP) and Governmental Accounting Standards. The CFO has primary responsibility for all financial-related activities including but not limited to accounting, finance, budget, etc. The CFO may have different titles in some state entities.
Concur	The online Travel and Expense Management System used in conjunction with Travel Inc., the TeamWorks Travel and Expense designated travel agency. Entities using Concur are often referred to as TTE entities.

Convenience Fee	A flat amount charged by a merchant when a credit card is not the normal method of accepting payment. See section on Surcharges, Convenience Fees, and Service Charges.
Foundation	<a href="#">O.C.G.A. §50-5-83</a> prohibits the issuance of cards to employees of foundations associated with any State Entity. Please reference Section II.A Standard P-Cards for additional information.
Fraud	Wrongful or criminal deception intended to result in financial or personal gain. See definitions of “card abuse” and “card misuse”.
Merchant Category Code (MCC)	A system of four-digit codes, maintained by the networks™ (e.g., VISA), used to identify a merchant's principal trade, profession, or line of business based on the type of goods or services normally provided.
O.C.G.A.	Official Code of Georgia, Annotated is a collection of all laws in the State of Georgia.
P-Card Coordinator	A person who has been delegated p-card administrator duties. This person must be designated with SPD and has the same training requirements as the p-card administrator.
Personal Purchase	<p>Non-work related goods or services purchased solely for the benefit of the cardholder, the cardholder’s family, or other individual(s). This does not include goods or services purchased for communal use at a work site and available to all employees (e.g., paper towels, tissues).</p> <p>State Entity policy will determine if (1) the State Entity will provide communal use items for employee use (e.g., Styrofoam coffee cups, break room appliances) and (2) if the P-Card may be used for those purchases.</p> <p>State Entity policy will determine if the P-Card may be used for individual use appliances (e.g., desk fans, space heaters).</p>
Point of Sale Purchase	Purchases made at a physical store, in person, online, or over the phone.
Reconciler	A Reconciler is the person to whom the Cardholder has delegated all the functions associated with post-purchase processing including verifying that the amount of the purchase matches the monthly statement, providing a business purpose for the transaction in associated systems, verifying supporting documentation including approvals is provided, and uploading said documentation into the Entity’s associated electronic



reconciliation system. The Reconciler role can be given to either the cardholder or assigned to a proxy to reconcile on the cardholder's behalf. Each card must have only one reconciler; however, one reconciler can be the sole reconciler on multiple cards.

Specific Use Account	An account which is approved by the State Purchasing Card Program Manager, and which is for a specific purpose or with a specific vendor. These accounts will have defined criteria for use.
Split Purchase	A practice whereby one or more cardholders or suppliers split a purchase into two or more transactions and/or purchase orders to circumvent either Single Transaction or Cycle Limits or bid requirements. This is prohibited by the Statewide Purchasing Card Policy.
Service Charge	A fee charged by a supplier to cover additional expenses outside the initial charge for the good or service. Only certain suppliers are permitted to charge these. The list for the MCC codes permitted to charge these fees as well as other restrictions from Visa's Rules for Merchants are shown in Section 9 Surcharges, Convenience Fees, and Service Charges.
Surcharge	A percentage of the transaction amount charged by the merchant to cover the costs of processing credit card transactions. See Section 9 Surcharges, Convenience Fees, and Service Charges
Team Georgia Marketplace™	Trademarked name of the eProcurement system in the State Accounting Office version of PeopleSoft, including the on-line catalog of Statewide Contract items. This term should not be confused with any eProcurement options offered for units of the University System of Georgia.
TTE Entity	See <a href="#">Concur</a> .
Unplanned, non-routine purchases	Expenses that are not expected in advance or are irregular in the standard course of the Entity's normal operation. These instances could include but are not limited to a part due to a plumbing emergency, services needed for a repair, fans needed during an HVAC outage, a tool needed for an immediate repair, and repair/replacement of a lock.
Works® Payment Manager	On-line card management and reconciliation system provided by Bank of America. Card Program Administrators use this tool to order and cancel cards, set spending limits, and assign allowable Merchant Category Codes. State Entities not using Team Georgia Marketplace™ use this on-line tool to reconcile transactions

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