



Procurement Card

Policy and Procedures Manual

Departmental Card Administrator:

Douglas Wentz

919-855-4090

Division of Public Health

Card Administrator

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Contents

<i>Overview of the Procurement Card System -----</i>	3
<i>Application Process -----</i>	4
<i>Roles and Responsibilities -----</i>	5-6
<i>Procurement Card Procedures ----- (Purpose, Issuance, Use, Reconciliation, Returns, Maintenance)</i>	7-11
<i>Procurement Card Process -----</i>	12
<i>Card Usage – Authorized/Unauthorized Purchases -----</i>	13-15
<i>Misuse or Abuse of the Card -----</i>	16

FORMS

<i>P-Card Violation Form -----</i>	17
<i>Reporting of Theft or Misuse of State Property-----</i>	18-19
<i>SBI- 78 State Property Incident Report -----</i>	20-21
<i>Cardholder Enrollment Request Form -----</i>	22-23
<i>Maintenance Request Form -----</i>	24-25
<i>Employee Agreement Form -----</i>	26-27
<i>DHHS Separation or Transfer Equipment & Services Checklist-----</i>	28-29
<i>P-Card Reconciliation Audit Sheet -----</i>	30

Overview of the Procurement Card System

Project Goals

The Procurement Card Program is designed to simplify the process of small purchases within the Division, permitting users to acquire materials necessary to complete their tasks instantaneously. The project goals of the System are to merge small purchase acquisitions on line with the North Carolina Accounting System and enhance management's review of the small purchases. A reconciliation process is designed to comply with the audit process.

Procurement Card Process

- Credit card user makes a purchase
- Charge initiated with vendor
- Charge goes to the bank
- Bank sends charge to OSC Procurement Card Module (NCAS)
- Division and/or Controller's Office reconciles the transaction, with proper documentation. (Division of Public of Health reconciles their own P-Card transactions)
- At the end of the billing cycle, one invoice is created from the bank and sent to Accounts Payable
- Invoices are sent to Division/Facility for verification and signed by a designated Business Officer or Business Manager or Budget Officer and returned to Accounts Payable for payment.
- Account Payable sends check to bank
- All purchases will be charged to a specific company, account, and center that is valid within the North Carolina Accounting System

Use of the Card

This manual provides the guidelines under which you may utilize your Card. Please read it carefully. The cardholder and Supervisor are required to sign a Procurement Card Agreement Form before using the P-Card. Your signature on the Employee Agreement Form indicates that you understand the intent of the program and agree to adhere to the guidelines.

The Program is NOT intended to avoid or bypass appropriate procurement or payment procedures. Rather, the program complements existing processes.

Application Process

- * The Division completes a Procurement Card Program Request Form to implement the program. The form must have all proper signatures before the program will be implemented. Each agency must assign a Procurement Card Program Administrator. The Procurement Card Administrator is Lesley Lynch for the Division of Public Health.
- * Division Manager submits a request to Division Card Program Administrator to add a cardholder. Cardholders must be **permanent** state employees.
- * The Division Head / Designee signs the Cardholder's Enrollment Form giving them authorization to make purchases within the guidelines. This form contains all information needed to set up a cardholder properly in the credit card system and requires the approval of the cardholder manager/supervisor, DPH P-Card Administrator, DPH Purchasing Manager.
- * Division of Public Health Card Program Administrator sends the **completed original** Enrollment Form and Employee Agreement to the Department Program Administrator.
- * The Department Card Program Administrator requests the card from the bank and enters the employee's card information in NCAS.
- *The proposed Cardholder will be formally trained to use the P-Card and instructed in proper purchasing procedures. **At training, a copy of the agency's internal policy and procedures manual is issued and the cardholder is required to sign an Employee Agreement Form before using the P-Card.** The Employee Agreement indicates that the cardholder has read and understands the procedures and responsibilities of using a card. The employee then receives the card.
- * The Division P-Card Program Administrator shall maintain originals of all applications and employee agreement forms, maintenance changes including limits, card lost/stolen/destroyed information, etc. All **original** signature documents should be sent to the Department Card Administrator. A copy of the agreement form is also submitted to DPH HR to be included in the cardholder's personnel file.

IMPORTANT DUE DATES

- **Reconciliation Due Dates**
 - **DPH Purchasing Office DUE DATE: Last business day of each month**
 - **DHHS Controller's Office DUE DATE: 7th of each month**
- **Billing Cycle** 28th of previous month – 27th of next month
- **Cardholder Credit Limit Reset** 28th of each month

Roles and Responsibilities

Cardholder Responsibilities

A DHHS Permanent Employee authorized to make purchases of goods/services under division's delegation when management determines the division can benefit from the employee becoming a Cardholder. The credit card received by the cardholder has his/her name embossed and shall only be used by the cardholder. No other person is authorized to use the card. The cardholder may make transactions on behalf of others in the agency, but the cardholder is responsible for all use of his/her card.

The cardholder is required to:

- Be a permanent State Employee
- Adhere to Departmental and Division of Public Health Procurement Card Procedures for reconciliation.
- Keep per transaction records of purchases your copy until all receipts are reconciled.
(Reconciliation documents must be kept for five (5) years. Records must be kept in an accessible location for internal/external audit requests.)
Sign the original receipt and forward to supervisor/manager for signature
- Review the monthly statement to ensure that all charges represent authorized purchases or received goods and that any credits or adjustments have been made. The statement should be compared with the transaction records. Upon completion of the review, send the signed monthly statement to the supervisor/manager for signature.
- Coordinate returns with the vendors.
- **Must adhere to required reconciliation monthly deadline. Reconciliation of all outstanding Procurement card transactions must be completed and submitted by the last business day of each month. If last business days falls on a weekend then deadline falls on Friday as closeout date. Please keep in mind the required deadlines when months include Holidays, vacations, etc. and make the necessary arrangement to meet these deadlines.**

Cardholder's Manager Responsibilities

The card is an efficient tool a manager can offer his or her employees. However, the card is not for all kinds of purchases, and the manager must understand the card process and be willing to take responsibility for ensuring the employee is using the card within Department and the Division of Public Health purchasing guidelines.

The cardholder manager is required to:

- Submits request for permanent employees to purchase with a P-Card on behalf of the division to the DPH Purchasing P-Card Administrator.
- Attend training provided by the Department and/or Division of Public Health Program Administrator before issuance of the card
- Determine who in the agency should have cards, and establish the per-transaction dollar limits and monthly limits per transaction to one vendor is \$750.00 daily
- Review and sign employees' original signed receipt before forwarding to reconciler.
- Review monthly cardholder statements and approval of purchases by signature on individual statements received from cardholders.

- Review employees' transaction statements daily before forwarding to reconciler. This information maybe printed by your reconciler.
- Submit signed statements to reconcilers to retain with monthly transactions.
- Notify Division of Public Health Card Administrator of any changes to the cardholders' account, (additions, cancellations, blocks, limit changes, etc.).

Division Administrator Responsibilities

The Division Card Administrator is responsible for submitting requests for enrollment, maintenance, and cancellation to the Department Card Administrator. The Division Card Administrator manages the divisions P-Card program. The individual is also responsible for ensuring each employee receives the proper training, adheres to procedures, and follows guidelines necessary for the use of the card. Also, provide a list of authorized personnel for approving P-Card purchases and receipts to reconciler. An updated copy of all account cardholder information should be available for audit. **This individual is responsible to question any appearance of possible violations.** The individual will initiate appropriate action should misuse of card become apparent. (See P-Card Violation Form)

The Division Card Administrator or Division Purchasing Manager also has the authority to terminate a card in the event of misuse and should have documentation on file of agreement forms for all cardholders. The Division Card Administrator shall know where to obtain all P-Card documentation for receipts in the event of an audit request.

Department Card Administrator

This individual is responsible for the overall Procurement Card Program for DHHS. The position will act as a liaison between the bank and the using agency. The Policies and Procedures are developed at this level and are to be consistent in all divisions. The agencies may set up any internal process of checks and balances in addition to the procedures; however, and such changes must be approved by the Department Card Administrator. The individual works directly with the Agency Card Administrator for the initial set up and maintenance and of the account. Cards are sent directly to the Department Card Administrator and entered in the NCAS System before being forwarded to the using agency. This individual maintains files of all cardholder information.

Reconciler

The reconciler is responsible for reconciling all transactions in the NCAS System with proper documentation. Transactions should only be reconciled with authorized signatures with Division of Public Health Purchasing required supporting documentation and authorized signatures by the card holder and their supervisor/manager and the DPH Purchasing Manager if the supervisor/manager is not available and accompanied by a detailed transaction receipt or the Transaction Reconciliation Form. The reconciler is responsible for ensuring that statements have all detailed transaction receipts attached before filing. All purchasing documents have a retention period of **five (5) years**. Reconcilers should receive an updated list of all cardholders and their supervisors from the DPH P-Card Administrator. **DHHS P-Card Reconciliation Audit Sheet is to be completed with each cardholder billing cycle filed and forward a copy to DPH P-Card Administrator.**

A/P Administrator

The A/P Administrator is responsible for creating the invoice, reconciling in NCAS for some Divisions and submitting payment to the bank. The A/P office should verify invoice and payment matching monthly to the bank statement. If the amounts do not match exactly, the A/P Administrator should contact the DPH P-Card Administrator or the DPH Purchasing Manager and they will contact the Department P-Card Program Manager. A/P staff should have an authorized signature(s) on the invoice from the **Agency/Division Budget Officer or Business Manager Designee**, verifying the statement has been reviewed.

Purchasing

All purchases, receipts and monthly statements are subject to internal and/or external audits.

Procurement Card Procedures

The attached document states the purpose of the card and provides for issuance, use, reconciliation, security, and maintenance thereof.

State of North Carolina
Department of Health and Human Services
Division of Public Health
Procurement Card Procedures

1. Purpose of Card.

This program is being established to allow the Division of Public Health to make small purchases of goods and services more easily while simultaneously reducing paperwork and handling costs associated with these purchases. A Procurement Card will be issued to a **DHHS permanent** employee when management determines the division can benefit from the employee becoming a Cardholder. The Procurement Card gives the Cardholder the authorization to purchase goods and services on behalf of the division. Under no circumstances will the Card be used for **personal and/or unauthorized purchases**. Agencies that require special purchases necessary for their programs must submit a Purchase Exception Form to the DPH Procurement Card (P-Card) Administrator or DPH Purchasing Manager. The DPH Purchasing Office will submit your exception request to the DHHS Procurement Card Administrator and DHHS Controllers Office for approval. All transactions should have approval for funding by the agency before making a purchase.

2. Issuance of Card.

- a. A new Cardholder Enrollment Form is completed and approved by the DPH P-Card Administrator (Lesley Lynch (919) 707-5095 or Division Purchasing Manager (Jessica Collins (919) 707-5105 at 1931 Mail Services Center, Raleigh, NC 27699-1931) and the DPH Purchasing Office will forwarded to the Departmental Procurement Card Administrator (Doug Wenz 919/855-4090), at 2008 MAIL SERVICE CENTER, Raleigh NC 27699-2008 or faxed to 919/715-4759.
- b. The Cardholder must sign an agreement stating the procedures and responsibilities associated with having a Procurement Card have been explained and understood.
- c. **Each Cardholder and approving Reconciler/Supervisor shall attend training provided by the Department and/or DPH P-Card Administrator before issuance of the Card.** In addition, Reconcilers should also attend office of the State Controllers PCard class.

3. Use of Card.

- a. The Cardholder is the only individual authorized to make purchases using the Card.
- b. The Card does not supersede any State Purchasing and Contract rules that are already in place. Items on State Term Contracts must still be purchased from the contract at the contract prices. The Division Purchasing Agent can assist, if needed, with State Contract Items.
- c. Before purchasing items inform the vendor of the tax exempt status of your agency, which is indicated on your P-Card. When a purchase is made over the counter, the Cardholder must obtain an itemized receipt. The Cardholder is responsible for ensuring that the vendor lists the quantity, and fully describes the item(s) being purchased, item(s) unit cost, total extended cost and grand total cost for all items. If item numbers are used and there is no description, the employee should write in the type of item purchased and quantity.
(Note: A copy of the DHHS Tax exemption form may be required by vendor and we should provide the latest validated Certificate of Exemption.)
- d. Purchases that are phoned-in must have an itemized detail receipt included with the items being shipped. A Packing List (without charges) will not suffice.
- e. To acquire goods over the Internet, the cardholder must obtain an electronic confirmation to include quantity, item description, price, total extended item price and total ordered cost from the

vendor and print the screen. This must be submitted to the reconciler along with the packing slip/receipt (if available) for processing after goods are delivered.

(Note: When placing an order the P-Card holder is responsible for ensuring delivery will be made within the time frame cutoff for that month to make sure the monthly reconciliation deadline can be made.)

4. *Cardholder Reconciliation Procedures.*

- a. Each Cardholder will receive from the Bank a monthly statement of his/her account, **if charges are made for that particular month.**
- b. The Cardholder must make a copy of each itemized receipt and any supporting documentation for their files. Upon receipt of the materials, the *original* itemized receipt **must be affixed with required DPH Procurement Card Purchase label.** **If there is not sufficient room on the front of the invoice, turn the invoice over and provide the required signatures on the back of the invoice signed and dated by the Cardholder and Supervisor.** Forward the receipt within 2-3 business days of delivery to your approving Supervisor. The Supervisor has 2-3 business days to approve the purchase **with their signature on the invoice,** and then immediately **forward the receipt to the DPH P-Card Administrator, Lesley Lynch.** Never sign off on a receipt until the goods have been received.
The Cardholder shall check each transaction listed on the monthly statement against the receipt copies to verify the monthly statement charges, then sign and date the statement and forward the statement to the Supervisor. Keep all copies until all transactions have been reconciled.
(Reconciliation documents must be kept for five (5) years. Records must be kept in an accessible location for internal/external audit requests.)
- c. Any transaction(s) listed on the statement not made by the cardholder should be reported to the Supervisor who shall notify Division Card Administrator for dispute resolution. The Cardholder must submit the statement to the approving Supervisor within 2-3 business days of receipt. The Supervisor **should** approve the statement with signature and date, **and then immediately forward the statement to the DPH P-Card Administrator, Lesley Lynch.** There shall be no undocumented transactions; **all valid transactions must have itemized receipts.**
- d. Upon receipt of Itemized Receipts with authorized signatures, the Reconciler reconciles the transaction by the 7th of each month the North Carolina Accounting System, using the appropriate Company, Account, Center and County of Purchase.
(Note: Daily reconciliation should be made when attempting to meet the monthly reconciliation deadline.)
- e. After reconciling in the NCAS, the Reconciler will sign the “DPH Procurement Card label” and file the receipts by name, and when the monthly statement for the employee arrives, the reconciler will attach all receipts matching the statement and file for a period of **five years** in an accessible place.
- f. If a receipt is lost, the Cardholder must work with the vendor to obtain a copy. If the receipt cannot be obtained from the vendor, then the Employee must complete a Transaction Reconciliation Form to the Supervisor for approval of the transaction for payment and forward to the DPH P-Card Administrator, Lesley Lynch for approval. The employee must indicate attempts to retain a copy of the receipt. The reconciler may use the document to reconcile when signed by the Cardholder; Approving Supervisor; DPH P-Card Administrator, and DPH Purchasing Manager.

5. *Reconciliation Procedures for Returns/Problems.*

- a. All returns will be credited back to the P-Card. Cash and/or In-Store Gift cards are not allowed or acceptable.
- b. If the Item(s) purchased are unacceptable, damaged and/or defective, the Cardholder should work with the vendor to correct the problem as soon as the Cardholder is aware of the problem.
- c. If an item(s) has been returned for credit, the Cardholder shall obtain an Itemized Receipt and verify that the credit is reflected on the statement. The Credit Memo should reference the original charge with an explanation of the transaction. When the Cardholder receives a credit, the receipt should be affixed with the "DPH Procurement Card label" signed, dated and forwarded to the Supervisor within 2 to 3 business days of date of receipt of credit memo. The Supervisor has 2 to 3 business days to approve the Credit Memo receipt with their signature on the invoice/memo, and then immediately forward the receipt to the DPH P-Card Administrator, Lesley Lynch. The DPH P-Card Administrator will submit all P-Card transactions to the DPH Accounts Payable Office after thorough review to ensure verification of documentation, calculations, and appropriate signatures are verified. DPH Accounts Payable will submit P-Card transactions to the DHHS Controller's Office for reconciliation. If a purchase or credit does not appear on the statement within two statement periods after the transaction, the Cardholder shall notify the Supervisor, who will in turn notify the DPH P-Card Administrator. The DPH P-Card Administrator will work with the Departmental Card Administrator for resolution.
- d. In the event of fraud the transaction should not be reconciled until the credit is received. Both transactions should be indicated on the statement(s) attached with the Transaction Reconciliation Form signed and dated by the Cardholder and Supervisor. The Reconciler should label the charge in the description field as "**Fraudulent Transaction**" and the credit "**Refund for Fraud Charge**" to document the offsets in NCAS.
- e. **Bank Fee or International Charge:** Complete the Transaction Reconciliation Form and Process as a receipt to reconcile the fee. (Contact the DPH P-Card Administrator for the latest version of this form)

6. *Card Security/Maintenance.*

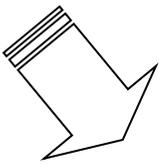
- a. It is the Cardholder's responsibility to safeguard the credit card and the account number, and the Cardholder must return the Procurement Card to the Supervisor when leaving employment with the Division or changing jobs. It is the responsibility of the supervisor to immediately return the P-Card to the DPH P-Card Administrator or DPH Purchasing Manager.
- b. If the Card is lost or stolen, the Cardholder shall immediately notify the Bank at 800-300-3084 (customer service) or 866-329-6262 (fraud department). Representatives of the Bank are available 24 hours and the Cardholder must advise the representative that the call is regarding a Visa Procurement Card. The Supervisor must be notified immediately of any changes, lost or stolen cards, cancellations, or misuse of Procurement Cards.
- c. The Supervisor should then notify the DPH P-Card Administrator who will then resolve the issue with the Departmental Card Administrator.
- d. A new Card will be issued to the Cardholder after the reported loss or theft. If a reported Card is subsequently found by the Cardholder, it shall be immediately given to his/her Supervisor, who will in turn give the Card to the DPH P-Card Administrator.
- e. It is the DPH P-Card Administrator's responsibility to notify the Departmental Procurement Card Administrator of any changes, cancellations or misuse of Procurement Cards.
- f. The DPH P-Card Administrator may cancel a card any time the DPH Purchasing Manager deems necessary.
- g. The cardholder shall not be held liable for charges from a lost or stolen card, however, the Cardholder will be held liable for unauthorized purchases.

- h. In the event of unauthorized/fraudulent transaction(s) the cardholder must submit an Affidavit of Fraud Claim.
- i. In the event of a disputed transaction(s) the cardholder must submit a Statement of Disputed Item.

Phishing emails or suspicious emails asking for account information are to be immediately forwarded to the DPH P-Card Administrator and this information is forwarded to the DHHS P-Card Administrator and then to abuse@bankofamerica.com.

7. Making a Purchase

- a. Before using the P-Card refer to purchasing guidelines for goods and services or check with the purchasing office for assistance.
- b. Procurement procedures permit a purchase of products if their value is within the limits set for the cardholder and purchases are made from a “vendor of choice”, but it is also current DHHS purchasing practice to seek competition and the lowest prices within the parameters of quality and delivery for any commodity. To ensure compliance follow these criteria:
 - 1. Check State Term Contracts to see if vendors and prices have already been established for the required products or services. <http://www.pandc.nc.gov/keywordListing.aspx>
 - 2. Check listing for HUB Vendors to supply products or services. To find vendors use <https://www.ips.state.nc.us/vendor/searchvendor.aspx?t=h> and type in the county and state.
 - 3. Check for the availability of sustainable products
 - 4. Check OSBM for statutory regulation for allowable rates for purchases. <http://www.osbm.nc.gov/library>
- c. All purchases not sent to the cardholder must be verified by the receiving party and documentation sent directly to the cardholder for cardholder’s signature.



THE PROCUREMENT CARD PROCESS

BEFORE PURCHASING GOODS OR SERVICES

PCARD HOLDERS ARE RESPONSIBLE FOR KNOWING THEIR SINGLE AND MONTHLY CREDIT LIMITS

THE TRANSACTION LIMIT FOR PROGRAM PURCHASING REPRESENTATIVES IS \$750.00 FOR THE DIVISION OF PUBLIC HEALTH PROGRAM PURCHASING REPRESENTATIVES PER VENDOR AND ANY MULTIPLE TRANSACTIONS THAT EXCEED THE DPH TRANSACTION LIMIT IS A VIOLATION OF THE PCARD GUIDELINES. NO PCARD PURCHASES ARE ALLOWED OVER \$2500 (DPH PURCHASING OFFICE ONLY & THOSE DESIGNATED SECTIONS) WHICH IS SET BY STATE PURCHASE AND CONTRACT. THE DIVISION OF PUBLIC HEALTH PURCHASING OFFICE STAFF & DESIGNATED SECTIONS HAS BEEN DELEGATED THE AUTHORITY TO PURCHASE UP TO \$2500 PER TRANSACTION PER VENDOR

WHEN IN DOUBT CONTACT YOUR DPH P-CARD ADMINISTRATOR LESLEY LYNCH @ (919) 707-5095 OR BY EMAIL LESLEY.LYNCH@DHHS.NC.GOV

CHECK THE LIST OF AUTHORIZED GOODS/SERVICES (PAGE 14-15)

CARDHOLDER:

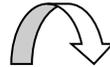
BEFORE PURCHASING ITEMS CHECK:

- A. APPROVED DPH PURCHASE REQUEST FORM (DPH-A601)
- B. SUFFICIENT FUNDS IN ACCOUNT AND CENTER
- C. ALLOWABLE PURCHASES
- D. STATE TERM CONTRACT LIST

(NOTE: P-Cards cannot be used for doing business with any North Carolina State entities such as Department of Public Safety, Correction Enterprises.)

- E. HUB VENDOR LIST

When in doubt contact your PC Administrator or DPH Purchasing Manager



PURCHASING ITEMS: NOTIFY VENDOR OF TAX EXEMPT STATUS

AFTER PURCHASING ITEMS:
OBTAIN PROPER DOCUMENTATION FROM THESE VENDORS:

- 1. OVER THE COUNTER ORDERS
- 2. TELEPHONE ORDERS
- 3. **ONLINE ORDERS** *For security purposes you should only buy from websites that begin with **https://** as they are secure.

NOTE: SOME VENDORS ASSIGN THEIR OWN TAX-EXEMPT NUMBER AFTER YOU HAVE PROVIDED THE NORTH CAROLINA'S STATE TAX EXEMPT NUMBER, SUCH AS WALMART.



UPON COMPLETION OF PURCHASES WITH PROPER SIGNATURES SEND ORIGINAL RECEIPTS AND SUPPORTING DOCUMENTATION

IMMEDIATELY TO DPH P-CARD ADMINISTRATOR, LESLEY LYNCH:

- 1. APPROVED DPH PURCHASE REQUEST FORM (DPH-A601)
- 2. ORIGINAL RECEIPTS and/or
- 3. PACKING SLIP / **WITH QUANTITY, COMPLETE ITEM DESCRIPTION, UNIT PRICES, EXTENDED PRICE, TOTAL PURCHASE COST and/or**
- 4. PRINT ONLINE RECEIPT
- 5. CREDIT MEMO ISSUED BY VENDOR (if applicable)
- 6. TRANSACTION RECONILIATION FORM (if applicable)
- 7. DPH PROCUREMENT CARD PURCHASE LABEL AFFIXED TO RECEIPT

CARDHOLDER REVIEWS BANK STATEMENT AND CHECKS AGAINST RECEIPTS.

NOTIFY DPH P-CARD ADMINISTRATOR OF ANY UNAUTHORIZED TRANSACTIONS
CARDHOLDER AND SUPERVISOR MUST SIGN STATEMENT. **SEND ORIGINAL TO DPH -PCARD ADMINISTRATOR, LESLEY LYNCH.**

KEEP A COPY FOR YOUR FILE

Card Usage

Authorized/Unauthorized Purchases

The Procurement Card Program is designed to complement the small dollar purchase of goods and services. Please refer to the DHHS Controller's Office Direct Pay Policy concerning authorized P-Card purchases.

The following are examples of potential purchases that can be made with the card up to cardholders delegated transaction amount to include services.

Cardholder Purchases: (Good & Services)

- Office Supplies
- Cleaning Supplies (**Only if Janitorial Services are not provided**)
- Equipment Maintenance Agreements **not to exceed \$750.00 annually**
- Facilities maintenance, repair, operational supplies
- Auto fleet maintenance repair, operational supplies (not motor fleet vehicles)
- Small equipment items for \$499.00 and below. (**\$500.00 & above must be purchased via eProcurement.**)
- Other miscellaneous repair parts
- State Term Contract items
- Purchases that have been granted prior approval from the Controller's office are permissible (See MCC Exception Request)
- Degree Transcription Verification
- Renewable Subscription
- Advertisement/Media Group/Copyrighted Material (newspaper, Job Postings etc.)
- Recycling/Shredding
- PO Box
- Car Washes
- Fedex/UPS
- Mailing Services

Remember: Term Contracts constantly change, so if there are any questions regarding your purchase you should contact the DPH Purchasing Office for guidance.

IT Commodities

- Computer Hardware/Software/Printers – All must be entered into E-procurement regardless of the dollar amount.
- **In the event of an emergency**, permission may be granted from Department and DIRM to purchase via P-Card (prior approval is required).

Budget Office Cardholder: (DPH Purchasing Office & Designated Sections Only)

- Conference Registration/Booth Rentals
- License Renewals
- Organization Fees
- Memberships, Dues, Registrations
- Courses/Teleconferences

Budget Office and/or Controller Cardholder: (DPH Purchasing Office Only)

- Fuel
- Utilities
- Medical Payments for clients
- Interpreters or Translators

Emergencies within DPH delegation will continue to be approved on a case by case basis and require justification with prior approval from the DPH Purchasing Office. The DPH Purchasing Office will obtain Division Budget Office; DHHS Office of Procurement and Contract Services; and the DHHS Controller's Office approval.

The following purchases are NOT permitted with the P-Card (see MCC codes):

*** P-Card use for purchases with State Agencies have been restricted including Correction Enterprises (This does not include purchases for State entities outside of North Carolina).**

* Purchases of items that have been restricted from purchase with the card (Ex: Equipment \$500.00 or more)

* Personal purchases

* Cash advances/reimbursements such as, safety shoes, safety glasses and other employee reimbursable items

* Meals, Travel and Entertainment (the card is not to be used for business travel or entertainment unless approved by the Department Card Administrator and DHHS Controller's Office)

* Contractual or consulting services

* Motor Fleet Vehicles – services, gas, etc.

NOTE: If an employee attempts to make a transaction and their P-Card vendor's merchant category (MCC) code is blocked, they should first try ordering and handle invoice as a direct pay to complete the transaction. We will only open special MCC code when approved by DPH Purchasing Office. Submit your request to the DPH P-Card Administrator. The DPH P-Card Administrator will request approval from DHHS Office of Procurement and Contract Services and Controller's Office. This request should only be submitted if the vendor does not accept a Purchase Order or invoicing and the purchasing representative handles as a direct pay.

Misuse or Abuse of the Card

A cardholder that is making unauthorized purchases, for which the P-Card is not intended, such as travel and entertainment or any other item not approved by the DPH Purchasing Office (DPH Purchase Request A601), may be liable for the total dollar amount of such unauthorized purchases plus administrative fees charged by the bank in connection with the misuse. The cardholder may be subject to one of the following actions depending on the severity and repetitiveness of the violation:

- Cardholder advised to stop using the card outside of Department and DPH purchasing policy. Cardholder and Cardholder Manager will be notified of the infraction by the DPH P-Card Administrator or DPH Purchasing Manager. The Cardholder may also be advised of card cancellation if further violations occur.
- Cardholder manager should complete the P-Card Violation Form and forward to the DPH P-Card Administrator or DPH Purchasing Manager for appropriate action.

Misuse or abuse of the card will reduce the effectiveness of the program. Vital statistical and managerial reporting relies on the appropriate use of the card as stipulated in this guide.

1. First Offense – Verbal Warning (P-Card Violation Form copy to personnel file)
2. Second Offense – Written Warning (P-Card Violation Form copy to personnel file)
3. Suspension – 30, 60, 90 days
4. Revocation of P-Card

IF FRAUD IS DETECTED, THE FOLLOWING STEPS MAY BE TAKEN:

- Immediate cancellation of the card
- Removal of cardholder's buying authority.
- Possible termination of employment

Any violations involving suspected theft, fraud, or similar misuse of a Procurement Card, which has been reported to Department Card Administrator shall be forwarded to the State Bureau of Investigation or other law enforcement agency.

**DEPARTMENT OF HEALTH & HUMAN SERVICES
DIVISION OF PUBLIC HEALTH
PROCUREMENT CARD VIOLATION FORM**

PLEASE PRINT or TYPE

Section: _____ Branch: _____ Unit: _____

Cardholder Name: _____ Cardholder's Manager: _____

P-Card Administrator: Lesley Lynch Email: Lesley.Lynch@dhhs.nc.gov Phone: 919-707-5095

PLEASE PRINT or TYPE

Merchant Name: _____ Commodity Type: _____

Date of Transaction: _____ Transaction Amount: \$ _____

Type of Violation: (may subject cardholder to disciplinary action as prescribed by state personnel policy)

- Failure to provide documentation on time and/or review transactions on time
- Lack of documentation
- Split transaction to circumvent card limits and/or bidding requirements
- Failure to follow DHHS purchasing guidelines for purchasing goods and services
- Inappropriate purchase (not within the DHHS or DPH Purchasing Guidelines)
- Personal Purchase

Cardholder Explanation (required): Explain why this purchase was made on your P-Card and actions you have taken to correct the situation and ensure it does not re-occur. Attach additional sheets, if necessary.

Cardholder Signature: _____ Date: _____

Agency P-Card Administrator comments/recommended action:

Cardholder's Manager (required) – I have reviewed this infraction with the above listed Cardholder and DPH P-Card Administrator and took the following action:

- No Action
- I have counseled the individual(s) involved
- Disciplinary action (to be placed in personnel files)
- Suspend P-Card for a period of (choose one): _____ 30 days _____ 60 days _____ 90 days
- Revoke card (employee will need to have others make their purchases for them)

Offense(s) 1st: 2nd: 3rd:

Cardholder's Manager Signature: _____ Date: _____

DPH P-Card Administrator: _____ Date: _____

DPH Purchasing Manager: _____ Date: _____

DHHS P-Card Administrator: _____ Date: _____

DHHS POLICIES AND PROCEDURES

Section II: **Budget and Finance**
Title: **Reporting Theft and Misuse of State Property**
Current Effective Date: **5/31/05**
Revision History: **8/1/02**
Original Effective Date: **1/1/86**

Purpose

The purpose of this policy is to implement a system for reporting violations involving theft, misuse, damage, or embezzlement of state-owned property to the State Bureau of Investigation (SBI).

Policy

1. GS 114-15.1 requires that state employees report “any information or evidence of an attempted arson, or arson, damage of, theft from or theft of, or embezzlement from, or embezzlement of, or misuse of any state-owned personal property, building or other real property.”
2. All employees of the department are required to comply with the reporting requirements of GS 114-15.1.
 1. An employee must report information or evidence to the immediate supervisor as soon as possible but not later than three (3) working days after receipt of information or evidence.
 2. The supervisor must provide a written report to the division/office director within one (1) day of receipt of the information or evidence.
 3. The division/office director shall submit Form SBI-78 in triplicate to the Director of the Division of Budget and Analysis within three (3) days after receipt of the written report from the supervisor.
 4. The Director of the Division of Budget and Analysis shall submit all reports as specified in DHHS directive number II-10. The reports will be submitted to the Director of the SBI within a reasonable time, but not later than five (5) days after receipt of the Form SBI-78. In addition, the Division of Budget and Analysis will submit copies of the report to the Chief Deputy of the Office of State Auditor and to the Director of the DHHS Office of Internal Auditor.
3. If, in the judgment of the division/office director, the nature of the reported misuse of state property warrants immediate notification to the SBI, the division/office director shall contact the Director of the Division of Budget and Analysis and relate all details of the offense reported.
4. The Director of the Division of Budget and Analysis will advise the Office of the General Counsel and SBI and other appropriate parties to assure that proper action is taken immediately.

Implementation

1. The Director of the Office of Internal Auditor will follow up with SBI and the Office of the State Auditor about actions taken and provide feedback to the appropriate division/office or member of the executive management team.
2. One (1) copy of each report will be maintained in the Division of Budget and Analysis.
3. The Director of the Division of Budget and Analysis will monitor compliance with this policy.

Attachment: [State Property Misuse Report to SBI](#)

For questions or clarification on any of the information contained in this policy, please contact [The Division of Budget and Analysis](#). For general questions about department-wide policies and procedures, contact the [Office of Policy & Planning](#).



STATE PROPERTY INCIDENT REPORT

For use by state department head to report to the Director of the State Bureau of Investigation information or evidence of an attempted arson, arson, damage to, theft from, or theft of, or embezzlement from, or misuse of any State owned personal property, buildings or other real property. Send report to: Assistant Director, Professional Standards Division, NC State Bureau of Investigation, P.O. Box 29500, Raleigh, NC 27626-0500.

DEPARTMENT:	
DIVISION, INSTITUTION OR AGENCY:	
ADDRESS:	TELEPHONE:
EMPLOYEE REPORTING INCIDENT:	
TYPE INCIDENT: ARSON <input type="checkbox"/> DAMAGE <input type="checkbox"/> EMBEZZLEMENT <input type="checkbox"/> THEFT <input type="checkbox"/> MISUSE <input type="checkbox"/>	
PROPERTY INVOLVED:	
DATE OF INCIDENT:	TIME OF INCIDENT:
COUNTY AND CITY:	
IF REPORTED TO LOCAL LAW ENFORCEMENT DEPARTMENT, PROVIDE AGENCY NAME AND ATTACH POLICE INCIDENT REPORT	
IF NOT REPORTED, WHY NOT: MONEY/PROPERTY RECOVERED <input type="checkbox"/> ADMINISTRATIVE ACTION TAKEN <input type="checkbox"/> NOT A CRIME <input type="checkbox"/> OTHER <input type="checkbox"/> _____	
BRIEF DESCRIPTION OF INCIDENT:	
LIST STOLEN OR DAMAGED ITEMS AND VALUE ON REVERSE SIDE	
SUSPECT(S): EMPLOYEE <input type="checkbox"/> STUDENT <input type="checkbox"/> CONTRACT WORKER <input type="checkbox"/> NON-EMPLOYEE <input type="checkbox"/> UNKNOWN <input type="checkbox"/>	
DEPARTMENT HEAD/DESIGNEE: (Signature & Title)	DATE:
ADDRESS:	

Application

Cardholder Enrollment Form

The attached form is used when adding new cardholders. The form collects information required to establish an individual's account within the system. The transaction limits and monthly limits are listed. A default company, account and center and agency signatures are required.

Process

The DPH Program Supervisor submits the request to DPH P-Card Administrator and acquires additional signatures; then submits the request to the Department P-Card Program Administrator for processing.

The proposed cardholder is issued a copy of the Policy and Procedures Manual, a copy of their Cardholder's Enrollment Form and signed Employee Agreement Form. The DPH Purchasing Manager and DPH P-Card Administrator Signatures authorize the cardholder to make purchases within the delegation for the using agency.

The DPH P-Card Administrator shall maintain all records of credit card requests, limits, cardholder transfers, lost/stolen/destroyed cards, etc.

**DEPARTMENT OF HEALTH & HUMAN SERVICES
DIVISION OF PUBLIC HEALTH
INDIVIDUALIZED BANKCARD SERVICES
CARD REQUEST**

PLEASE PRINT or TYPE

Agency: Division of Public Health Contact Person (s): Lesley Lynch (919) 707-5095
Corporate Account Number: 4715-2900-XXXX-XXXX Contact's Email: Lesley.Lynch@dhhs.nc.gov
Card Holder # (if Applicable): _____ Reconciler Name: _____

Type of Request:

- Add Account Replacement Card
- Special MCC Expenditure *Fraud*
 Lost
 Other (please specify) _____

ACCOUNT INFORMATION:

Agency Name (3rd line embossing): DHHS PUBLIC HEALTH
(24 character limitation; no punctuation) Printed on the second line of the plastic

Cardholder Name: _____
(24 character limitation; no punctuation) Printed on the first line of the plastic

Statement Address: _____
(24 character limitation; no punctuation)

City: _____ State: _____ ZIP Code: _____

Cardholder Business Phone Number: _____ Fax Number: _____

ACCOUNTING:

*Required Fields

Company: 2B01 Account: 533110 Center: _____

Section: _____ Position Title: _____ County Code: _____

For Division of Public Health Purchasing Office Only:

Purchase Limit: _____ Single Purchase Limit: \$ 750.00 Monthly Purchase Limit: \$ 2500.00

MCC Strategy Name: Standard MCC *Special MCC (Attach w/ Exception Request)

APPROVALS (Signatures Required):

Cardholder's Manager/Supervisor: _____ Date: _____

DPH P-Card Administrator: _____ Date: _____

DPH Purchasing Manager: _____ Date: _____

DHHS P-Card Administrator: _____ Date: _____

Email Completed Form to DPH P-Card Administrator and forward original to DPH P-Card Administrator

Maintenance Request Form

This form is required when requesting changes to an existing account, such as; address change, name change, transaction limit, closing an account, etc.

Submit this form to the DPH P-Card Administrator for processing.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF PUBLIC HEALTH
MAINTENANCE REQUEST -- VISA PROCUREMENT CARD**

PLEASE PRINT or TYPE

Division/Section Name: DPH/ _____ Date of Request: _____

P-Card Number (last four): _____ Card Holder: _____

REQUESTED MAINTENANCE TO ACCOUNT:

- Address Change To:** _____ (Street Address – 26 Characters)
City: _____ State: _____ ZIP: _____
- Close Account** Reason: _____
- Suspend Account** Reason: _____ From: _____ To: _____
- Name Change** From: _____ To: _____
- Credit Line Change** From: \$ _____ To: \$ _____
- Transaction Limit** From: \$ _____ To: \$ _____
- MCC Change** Delete: _____ Add: _____
- Accounting Codes** Delete: _____ Add: _____

COMMENTS:

Comments on Request: _____

APPROVALS (Signatures Required):

Cardholder's Manager/Supervisor: _____ Date: _____
DPH P-Card Administrator: _____ Date: _____
DPH Purchasing Manager: _____ Date: _____
DHHS P-Card Administrator: _____ Date: _____

Email Completed Form to DPH P-Card Administrator and forward original to DPH P-Card Administrator

Employee Agreement Form

The attached form, when signed and dated by the employee includes the employee's agreement to abide by policies and procedures pertaining to the Procurement Card. Violation of the policy may result in disciplinary action up to or including dismissal.

**DEPARTMENT OF HEALTH & HUMAN SERVICES
DIVISION OF PUBLIC HEALTH
EMPLOYEE AGREEMENT FOR PROCUREMENT CARD**

I, _____ (employee name), hereby acknowledge being issued a Procurement Card. As the holder of this Card, I agree to comply with the following terms and conditions regarding my use of the Card.

- I understand that I am being entrusted with property of the State of North Carolina--a Procurement Card--with which I will be making financial commitments on behalf of the State of North Carolina, Department of Health and Human Services/Division of Public Health.
- **I UNDERSTAND THAT I AM THE ONLY AUTHORIZED CARDHOLDER AND NO OTHER PERSON IS AUTHORIZED TO USE MY CARD.**
- I understand that the State is liable to Bank of America for all charges made on the Card.
- I agree to use this Card for approved agency business purchases only and agree not to use it for personal purchases under any circumstances. I understand that there will be audits of the monthly statements regarding this Card and that appropriate action will be taken by management in the event of Card misuse.
- I will follow the established procedures for the use of the Card. Failure to do so or any misuse of the Card may result in revocation of my use privileges and/or disciplinary action(s) up to and including possible dismissal, in accordance with disciplinary policies of the Department of Health and Human Services and the Office of State Personnel.
- I agree to return the Procurement Card immediately upon request or separation from employment (including termination, transfer, resignation or retirement).
- If the Card is lost or stolen, I agree immediately to notify the DPH Purchasing Card Administrator or DPH Purchasing Manager and Bank of America.
- I am aware of my responsibility for reporting any misuse of this Card and have received a copy of DHHS Reporting of Theft or Misuse of State Property as stated in the P-Card Manual.
- **As a DHHS employee I am aware of the Conflict of Interest and Executive Order 24 Policy.**

EMPLOYEE SIGNATURE

DATE

SUPERVISOR/MANAGER SIGNATURE

DATE

I acknowledge by my signature that the above employee(s) have been trained in the Procurement Card Policy & Procedures and understand the requirements for Card use. The employee is now authorized to use the Procurement Card.

PCARD ADMINISTRATOR SIGNATURE

DATE

DPH PURCHASING MANAGER SIGNATURE

DATE



NC DHHS SEPARATION OR TRANSFER EQUIPMENT AND SERVICES CHECKLIST

cc: Personnel File/DHHS Procurement Card Administrator/DPH Purchasing Card Administrator

Revised May 2013

INSTRUCTIONS FOR SUPERVISOR: Initiate this form normally one week before an employee's separation from an agency/department in NC DHHS. Advise the separating employee of this clearance process. Complete this form and determine what **other clearances** are appropriate for the separating employee if not specifically identified on the form and add those requirements in the space marked "other." This form is to be reviewed with and signed by the employee and the employee's supervisor prior to separation/ transfer. Indicate clearance of the chargeable items by initialing the appropriate line. In the space provided, also state the reasons for an item not being returned. Sign your name where indicated using your full signature and the appropriate date.

INSTRUCTIONS FOR EMPLOYEE: The following checklist is to assist all agency/department employees with the exit process. Departing employees have an obligation to return all agency property issued to them and to settle all outstanding accounts. Your supervisor should meet with you and make arrangements with you to secure the return of the following items, if such items were assigned to you. The items that must be returned are listed below, and it is your duty to ensure that the items are returned to the agency/department's possession. This form must be completed prior to your separation. You may be charged for items not returned.

Effective Separation Date: _____

Employee Name: _____

Employee Job Title: _____ **Position Number:** _____

Employee Agency: _____

Employee Section/Unit: _____

Supervisor: _____ **Supervisor Phone Number:** _____

Employment Setting: On-site Off-site Home-based

Please indicate if these items are not applicable by marking the column with NA.

Returned Agency Equipment (Items)	Assigned to Employee Please check one		Returned to Supervisor Please check one		Reason for not securing the return of assigned items
	Yes	No	Yes	No	
Keys (i.e. Doors, building, desk, files, cards, vehicles, etc.)					
Security Identification Badges and/or Picture ID					
State Issued Credit Card(s)					
State Issued Phone(s)					
Mobile Telephone Mobile #: <input type="checkbox"/> Agency/Department will retain issued number.					
Telecommunications Pager Pager#: <input type="checkbox"/> Agency/Department will retain issued number.					
Mifi (Aircard)					
Fax Machine					
TDD Machine					
Desktop Computer					
Laptop Computer					
Flash Drive , Electronic Files, CD-RW, Floppy Disk, et. al.					
Portable Dictaphones, Tapes, Disks					
Library Books / Reference Materials					
Classified/Sensitive Records (i.e. Patient Records, Dispute Forms, etc.)					
Procurement Cards (P-Card)					
Manuals (i.e. Agency, Federal/State, Admin, Operational, etc.)					

Parking Permit					
Travel Expense Receipts					
Travel Advances Amount: \$					
Uniforms					
Other:					
Other:					

INSTRUCTIONS FOR SUPERVISOR: Notify proper Information Technology Staff of employee's separation to ensure that access to all agency/department technical accounts are removed and electronic data is deleted or forwarded as indicated below. If not applicable, please indicate by marking the column with NA.

Applicable		Completion Date	DELETED AGENCY SERVICES		
Yes	No				
			Network Access (Check Appropriate Box)		
			<input type="checkbox"/> NCID	<input type="checkbox"/> ENERGY SPAY	<input type="checkbox"/> EBTP
			<input type="checkbox"/> NCAS	<input type="checkbox"/> PQ01	<input type="checkbox"/> RACF ID
			<input type="checkbox"/> PMIS	<input type="checkbox"/> ACTS	<input type="checkbox"/> Eprocurement
			<input type="checkbox"/> IAMS	<input type="checkbox"/> FSIS	<input type="checkbox"/> Open Window
			Internet Services		
			Global Address Directory		
			Email		
			<input type="checkbox"/> Deleted	<input type="checkbox"/> Forwarded	To: _____
			Record Retention – Electronic Files		
			<input type="checkbox"/> Deleted	<input type="checkbox"/> Forwarded	To: _____
			Telephone & Voice Mail Greetings		
			Business Line Access (i.e. Employee Home) - Business Line#:		
			Remote FTP Access (File Transfer Protocol)		
			Remote Access		
			Other:		
			Other:		

EMPLOYEE CERTIFICATION:

I certify that I have returned all agency property as indicated above.

Employee's Signature: _____ Date: _____

SUPERVISOR CLEARANCE:

I have received all agency property indicated above.

I have notified proper Information Technology Staff for removal of access to technical and electronic accounts.

Supervisor's Signature: _____ Date: _____

Retain this form in the employee personnel file.

Distribution:

- Employee (Copy)
- Supervisor (Copy)
- Human Resources (Original Copy)
- Division of Public Health Purchasing Office (Copy)
- DHHS Office of Procurement and Contracts Services (Copy)

***This form is required to be completed by the reconciler for each cardholder’s billing cycle with all supporting documentation behind this audit sheet and filed in a folder identified for the cardholder.**

**DEPARTMENT OF HEALTH & HUMAN SERVICES
DIVISION OF PUBLIC HEALTH**

Procurement Card Reconciliation Audit Sheet

All required areas to be completed should be typed except the below signature.

Cardholder Name (Complete Name indicated on Card)	P-Card Number (Last four (4) P-Card numbers of cardholder being reconciled)

Billing Cycle Date (M/28/YR to M/27/YR)	File Location (Complete address/town files are stored)

Supervisors Name (First and Last Name of individual approving P-Card holders transactions)	Program Name (Section/Branch)

See attached reconciled P-Card transaction(s) and bank statement for above indicated P-Card holder and billing cycle.

Reconcilers are required to report any suspicious transactions, invalid signatures, missing and/or invalid receipts, or non-matching transactions on any bank statements to Lesley Lynch, Division of Public Health, P-Card Administrator and this notification will be forwarded to DHHS P-Card Administrator. Any violations involving suspected theft, fraud, or similar misuse of a Procurement Card, which has been reported to DHHS P-Card Administrator shall be forwarded to the State Bureau of Investigation or other law enforcement agency.

***RECONCILIATION DOCUMENTS MUST BE KEPT FOR FIVE (5) YEARS. RECORDS MUST BE KEPT IN AN ACCESSIBLE LOCATION FOR INTERNAL/EXTERNAL AUDIT REQUESTS.**

ALL RECEIPTS AND BANK STATEMENT ATTACHED HAVE BEEN REVIEWED AND IN COMPLIANCE WITH DHHS AND DPH PCARD GUIDELINES.

Reconcilers Name (Type)

RECONCILERS SIGNATURE/DATE