

<b>POLICY OF STATE OF DELAWARE DEPARTMENT OF CORRECTION</b>	<b>POLICY NUMBER</b> 12.6	<b>PAGE NUMBER</b> 1 of 8
	<b>RELATED STANDARDS:</b> STATE OF DELAWARE BUDGET AND ACCOUNTING POLICY MANUAL, CHAPTERS 11 AND 12	
<b>CHAPTER: 12 CENTRAL BUSINESS OFFICE</b>	<b>SUBJECT:</b> DEPARTMENT OF CORRECTION PROCUREMENT CARD (PCard) POLICY	
<b>APPROVED BY THE COMMISSIONER AND EFFECTIVE THIS DATE:</b>		
		
<b>APPROVED FOR PUBLIC RELEASE</b>		

- I. AUTHORITY:** 29 Del C. §5112, §6504 and §6505
- II. PURPOSE:** To establish internal controls and procedures for Department of Correction (DOC) employees issued the PCard and managing the PCard program. The purpose is to ensure compliance with the State Procurement Card guidelines detailed in the State of Delaware Budget and Accounting Policy Manual, Chapters 11 and 12.
- III. APPLICABILITY:** All Department employees, volunteers, persons or organizations conducting business with the Department.
- IV. DEFINITIONS:**
- PCard:** State procurement card issued to DOC employees for making State authorized purchases and travel arrangements.
- Cardholder:** State employee assigned a PCard.
- Budget Unit Reconciler:** Fiscal contact in the Budget Unit who actively manages the cardholders for their unit(s) and ensures transactions are reconciled in First State Financials (FSF) by the monthly deadline.
- Agency Coordinator:** Fiscal contact in the Central Business Office (CBO) who actively manages the PCard program by developing internal control procedures and approving PCard applications and change request forms. Acts as the point of contact for issues arising with the PCard and cardholder.
- Agency Back-up Coordinator:** Fiscal contact in CBO who serves as the Agency Coordinator in his/her absence and is responsible for preparing the Department's monthly PCard reconciliation report for submission to the Division of Accounting (DOA) and the quarterly cardholder review.
- Agency Head:** DOC Commissioner, Deputy Commissioner and Bureau Chief of Administrative Services will serve as the Department's Agency Head. Acts as authorized approver for PCard Enrollment forms and PCard Change Request forms.
- PaymentNet:** A web-based application that provides on-line card administration, cardholder transaction data and reports.

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**First State Financials (FSF):** State of Delaware accounting system.

**PCard Application:** State required online application utilized to request a PCard for a new cardholder. The form requires electronic approval of the cardholder, Agency Coordinator and Agency Head. Once the application receives Department workflow approvals, it is submitted to the DOA for processing.

**PCard Change Request form:** State required form utilized to request a modification to an existing cardholder's profile in PaymentNet. The form requires the approval signatures of the cardholder, Agency Head and Agency Coordinator and is submitted to the DOA for processing.

**Cardholder Agreement:** Department required form that serves as a binding agreement between the cardholder, State and Department. The Agreement outlines the employee's responsibilities as a State PCard holder.

V. **POLICY:** To ensure compliance with the State Procurement Card (PCard) guidelines detailed in the State of Delaware Budget and Accounting Policy Manual. This policy establishes Departmental parameters for employees issued a PCard and coordinators. The PCard shall only be used for Department authorized purchases. Department employees involved or enrolled in the PCard program must review and adhere to the guidelines set forth in the policy as well as State and Department policies governing travel and purchasing procedures.

VI. **PROCEDURES:** The following are procedures for DOC employees issued a PCard or managing the Department's PCard program. Employees are responsible for reviewing and adhering to the procedures outlined in this policy to ensure full compliance.

**A. Application of PCard**

1. **Cardholder:** State employee, with Supervisor's approval, must complete the online PCard Enrollment form, utilizing the DOC Job Aide for guidance in completing each required field. The employee applicant will be required to enter the Agency Coordinator's email address to submit the enrollment form into workflow. The PCard usually arrives at CBO within 7-10 business days after the order is placed.

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2. **Agency/Back-up Coordinator:** Receives an email notification that an enrollment form is pending approval, reviews the enrollment form for accuracy including verification that the card type is established for both purchase and travel. If approved, the Agency/Back-up Coordinator enters the Agency Head/Designee's email address to submit the enrollment form into workflow.

#### **B. Training Requirements**

1. **Cardholder:** Prior to receiving the PCard, all new cardholders must attend the PCard training session offered by CBO. The training session includes guidance and a review of the Department's required expectations and the cardholder will be provided with a reference manual.
2. **Agency/Back-up Coordinator:** Must ensure up-to-date training and reference material is provided to new cardholders, prior to issuing the PCard.

#### **C. Activation of PCard**

1. **Cardholder:** After receipt of the PCard, the cardholder must activate the PCard by calling the number listed on the sticker attached to the front of the PCard. When prompted, the cardholder must input the last 4-digits of his/her Social Security Number as their PIN. The activation of the PCard must be completed within 10 days from the date the Department received the PCard; otherwise, it will be placed in Null status. Null status is the act of temporarily deactivating the PCard and requires the Department to submit a request for activation to the DOA.
2. **Agency/Back-up Coordinator:** Performs a review of DOC cardholder account status in PaymentNet to ensure PCards are activated timely. The Agency/Back-up Coordinator will follow-up with the cardholder, if necessary, to request activation.

#### **D. Card Security**

1. **Cardholder:** The PCard is embossed with the cardholder's name and must **only** be used by the cardholder. The cardholder is responsible for all charges to the PCard and must maintain the PCard in a secure location at all times. The PCard must only be used for Department authorized purchases and the cardholder must adhere to the purchase limits and restrictions of the PCard. The cardholder must not accept cash, check or a merchant credit for returned items in lieu of a credit transaction to the PCard account. Unauthorized use may result in removal of PCard privileges and disciplinary action up to and including dismissal.
2. **Agency/Back-up Coordinator:** The Agency/Back-up Coordinator will maintain PCards in a secure location until distributed to the cardholder. The possession of the PCard is verified quarterly during the cardholder review.

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#### E. **PaymentNet**

1. **Cardholder:** The cardholder is provided view only access to their account profile in PaymentNet. The cardholder is encouraged to view their account at least weekly to validate transactions and account status.
2. **Budget Unit Reconciler:** The Budget Unit Reconciler is assigned the “Auditor” role and provided view only access to cardholders assigned to their Budget Unit. The Budget Unit Reconciler accesses PaymentNet to monitor cardholder accounts and print Transaction Detail reports to include with the reconciled invoices submitted to CBO.
3. **Agency/Back-up Coordinator:** The Agency/Back-up Coordinator is assigned the “Auditor” role and provided view only access to all DOC account profiles in PaymentNet. The accounts must be closely monitored for account status, credit limits and acceptable use compliance.

#### F. **Internal Controls**

The Agency/Back-up Coordinator is responsible for developing the Department’s Internal Control Procedures and Policies for the management of the PCard program.

#### G. **Authorized**

1. **Travel:** The PCard must be used for all travel related expenses, unless the PCard is not accepted by the vendor as a method of payment. (See DOC [Travel Policy 12.2](#)).
2. **General Purchase:** The PCard must be used for all Department purchases, unless the PCard is not accepted by the vendor as a method of payment. All items purchased “in person, over the counter” must be immediately available at the time of credit card use. The PCard shall not be charged for merchandise that must be back ordered for later delivery. All PCard transactions must comply with both State and Department accounting procedures, policies and purchasing laws. (See [DOC Purchasing Manual](#)).

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#### H. Unauthorized Use

Prohibited PCard purchases include, but are not limited to personal purchases, alcoholic beverages and movie rentals. If a purchase was erroneously made using the PCard, immediate reimbursement to the State is required. A copy of the receipt, reimbursement check, deposit slip and detailed explanation must be submitted to CBO. Failure to provide the reimbursement information may result in removal of the PCard privileges and disciplinary action up to and including dismissal.

The PCard shall not be used to charge expenses for family members or others accompanying the employee on official State business, *even if the intention is to reimburse the State.* A cardholder who intentionally makes unauthorized purchases or accidentally uses the PCard is liable for the total dollar amount of the unauthorized purchase(s), plus any administrative fees charged by JP Morgan Chase (JPMC) Bank in connection with the misuse. Failure to adhere to this may result in removal of the PCard privileges and disciplinary action up to and including dismissal.

PCard is not to be utilized as personal identification.

#### I. Receipt Requirements

All PCard transactions, including travel (refer to DOC Travel Policy 12.2) require itemized receipts and must be retained as proof of purchase. Itemized receipts must be provided to the designated Budget Unit Reconciler immediately. A missing receipt affidavit is not an acceptable substitute for an itemized receipt and **will not** be accepted as sufficient supporting documentation. However in extenuating circumstances and with the approval of the Department Controller, the employee may request approval to complete a Missing Receipt Affidavit (AP005) for consideration. *Transactions without approved supporting documentation will require State reimbursement.*

#### J. Credit Limit Adjustments

1. **Cardholder:** The cardholder is assigned a monthly credit limit and is responsible for tracking monthly expenses to avoid credit declines. Credit limit adjustments may be requested in writing to the Department's PCard Agency/Back-up Coordinator. (Please note: credit limit adjustment requests may take 7-10 business days to process.)
2. **Agency/Back-up Coordinator:** The Agency/Back-up Coordinator will process credit limit adjustment requests by completing a PCard Change Request form (PO003), obtaining approval signatures and submitting the form to DOA. In addition to processing adjustment requests from the cardholder or Budget Unit Reconciler, the Agency/Back-up Coordinator also conducts a quarterly review of all cardholders, including a spend analysis. Credit limit or account profile

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adjustments are processed as needed. The Agency/Back-up Coordinator will review the spending limit and available credit provided by DOA annually and determine if spending limits need to be modified.

#### **K. Transaction Dispute**

1. **Cardholder:** If a transaction posts to the PCard and is found to be faulty or in error, the cardholder attempts to resolve the issue directly with the merchant first. If the merchant is unresponsive by the end of the PCard billing cycle, the transaction must be considered for dispute and reported to JPMC Bank by calling 1-800-270-7760. The cardholder or Budget Unit Reconciler must complete the [DOC Transaction Dispute form](#) and follow the DOC Job Aide, titled "[How to Dispute a PCard Transaction](#)", to flag the transaction in FSF, "In Dispute". The completed Transaction Dispute form must be sent to the Agency/Back-up Coordinator for processing.
2. **Budget Unit Reconciler:** The Budget Unit Reconciler will assist in the dispute resolution process. The Budget Unit Reconciler must flag the transaction in FSF as "In Dispute", and ensure the Transaction Dispute form is submitted to the Agency/Back-up Coordinator within one week.
3. **Agency/Back-up Coordinator:** The Agency/Back-up Coordinator will utilize the information provided on the DOC Transaction Dispute form to prepare the DOA PCard Change Request form. The PCard Change Request form will be sent to the cardholder for signature and then the Agency/Back-up Coordinator will submit the form to DOA as an official dispute report.

#### **L. Transaction Fraud**

3. **Cardholder:** If a transaction posts to the PCard and is not recognized, it is considered fraud. Cardholder must immediately report the fraud to JPMC Bank by calling 1-800-270-7760. JPMC Bank will flag the PCard account as "Lost/Stolen", close the account and reissue a new PCard. Cardholders must notify the Agency/Back-up Coordinator. JPMC Bank may require an Affidavit of Fraud be completed and returned to the JPMC Bank Fraud Department. A copy of the signed affidavit must be sent to the Agency/Back-up Coordinator as well. The cardholder or Budget Unit Reconciler must follow the DOC Job Aide, titled "[How to Dispute a PCard Transaction](#)", to flag the transaction in FSF, as "Fraud".
4. **Budget Unit Reconciler:** The Budget Unit Reconciler will assist in the fraud resolution process. The Budget Unit Reconciler must flag the transaction in FSF as "Fraud", and ensure the credit is reconciled when received from JPMC Bank.

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5. **Agency/Back-up Coordinator:** The Agency/Back-up Coordinator will utilize the information provided to notify DOA of the fraudulent activity.

#### **M. Lost/Stolen PCard**

1. **Cardholder:** The cardholder must immediately notify JPMC Bank at 1-800-270-7760 and the Agency/Back-up Coordinator. JPMC Bank will close the current account and issue a new PCard with a different account number. The replacement PCard is sent to the Agency/Back-up Coordinator within 7-10 business days for distribution. If the previously reported Lost/Stolen card is found, the card must be destroyed as it is no long valid.
2. **Agency/Back-up Coordinator:** The Agency/Back-up Coordinator will receive the new replacement PCard from JPMC Bank, ensure distribution to the cardholder and obtain the cardholder's signature for receipt verification.

#### **N. Reconciliation**

1. **Cardholder:** The cardholder is responsible for submitting itemized receipts to the Budget Unit Reconciler immediately after making a purchase with the PCard and upon return from travel. The cardholder should refer to the PCard schedule provided by CBO for important deadlines for PCard use and non-use, unless on approved State travel.
2. **Budget Unit Reconciler:** The Budget Unit Reconciler must reconcile all transactions in FSF weekly (at a minimum) and forward required supporting documentation to CBO for approval. The Budget Unit Reconciler should refer to the PCard schedule provided by CBO for important monthly deadlines.
3. **Agency/Back-up Coordinator:** The Agency/Back-up Coordinator is responsible for ensuring PCard transactions are reconciled within 30 days from the end of the billing cycle.

#### **O. Separation/Transfer**

1. **Cardholder:** The cardholder must surrender the PCard and all receipts to the Budget Unit Reconciler prior to separation from State employment or transferring to another State agency. Employees transferring within the Department may keep their PCard with approval of new supervisor or management.

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2. **Budget Unit Reconciler:** The Budget Unit Reconciler must reconcile pending transactions in FSF for the departing cardholder and send the PCard to the Agency/Back-up Coordinator with a request, in writing, to close the account. If cardholder is transferring within the Department, the Budget Unit Reconciler must notify the Agency/Back-up Coordinator in writing, to process the transfer.
3. **Agency/Back-up Coordinator:** The Agency/Back-up Coordinator will prepare and submit the PCard Change Request form to process the request to close or transfer account. For internal transfers, the Agency/Back-up Coordinator will update the proxies and default distribution in FSF.