




Title:	Payment Card
Procedure #:	40-FIN-01-02
Policy Reference:	40-FIN-01 Purchasing
Legal Reference:	ORC §3304.16, ORC 9.312; 125.01 to 125.02, 125.05 to 125.06, 126.21, 126.25; OAC 123:5-1-01 to 123:5-1-12; Executive Orders 2011-12K; 2008-12S; 2008-13S DAS Directive GS-D-12
Effective Date:	September 26, 2022
Approved:	Kevin L. Miller, Director 
Origin:	Division of Fiscal Management
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Review/Implementation	Begin Review – 02/13/23 Implement Revisions By – 08/14/23

I. PURPOSE

The purpose of this procedure is to provide direction for the use of the State of Ohio Payment Card Program in accordance with appropriate federal (e.g., Code of Federal Regulations [CFR]) and state law (i.e., Ohio Revised Code, Ohio Administrative Code) Governor directives and executive orders, other governing agency (e.g., DAS, OBM) policy or guidance, and/or Director expectations.

II. APPLICABILITY

This procedure applies to all OOD employees.

III. DEFINITIONS

Agency Payment Card Administrator (PCA) – an OOD, Division of Fiscal Management employee responsible for the management of the agency’s Payment Card Program.

Cardholder – an OOD employee designated by an Executive Team member, or designee, who is authorized to make purchases with the State payment card.

Executive Team – staff as designated by the Director but normally the deputy directors of various OOD divisions/bureaus.

Department of Administrative Services (DAS) – the administrative organization with legal authority to provide oversight and leadership for most state procurement activities.

Office of Budget and Management (OBM) – a cabinet-level agency within the executive branch of the Ohio state government responsible for the oversight of fiscal accounting.

Ohio Administrative Knowledge System (OAKS) Financials (FIN) – system used by State of Ohio employees to manage purchasing, general ledger, accounts receivable, accounts payable, and eProcurement.

Payment Card – a method for both the ordering and payment of certain goods and services as defined by DAS.

Pcard Reconciliation Portal (PREP) – an enterprise, electronic system used for processing and record retention of pcard transactions.

Purchase Order (P.O.) – a document, created in OAKS FIN, that represents a written agreement which details the items/services to be purchased and serves to encumber (i.e., set aside) the necessary funds to support non-payment card purchases and must be completed for purchases greater than \$500.

Statewide Payment Card Administrator – an OBM employee responsible for the management of the Statewide Payment Card program.

IV. PROCEDURES

A. General

1. The establishment and use of the State of Ohio payment card (Pcard) is to simplify and streamline the purchasing process and lower overall transaction costs.
2. All DAS and OOD purchasing requirements, as outlined in “Purchasing” (40-FIN-01) and “General Purchasing Requirements” (40-FIN-01-01), shall be followed when using a payment card, including solicitation of bids.
3. The Director, or designee(s), is responsible for determining the level of participation in the State of Ohio’s Payment Card Program and the number of payment cards that will be requested for approval by the Office of Budget and Management (OBM).
4. An Executive Team member, or in the case of the Bureau of Vocational Rehabilitation or Bureau of Services for the Visually Impaired, their designee, is responsible for final approval of the issuance of a payment card to an employee in their respective division/bureau.
5. OOD’s Payment Card Administrator (PCA) is responsible for:
 - a. understanding and ensuring compliance with OBM’s Pcard policies and procedures and DAS and OOD purchasing requirements;
 - b. obtaining all required approvals for issuance of a Pcard to an OOD employee;
 - c. coordinating, through the Division of Human Resources (DHR), initial and on-going (i.e., every two [2] years) cardholder and supervisor training and acknowledgement;
 - d. upon receipt of all approvals, issuing the Pcard to the employee;
 - e. when applicable, requesting changes to a cardholder’s setup (e.g., limits, reconciler, approver);
 - f. when applicable, cancelling cardholder profiles;
 - g. ensuring the appropriate user have access to PREP;

- h. maintaining an agency listing of all active cardholders and their supervisors;
- i. seeking OBM approval if there is a rare occasion when a temporary single transaction limit increase is in the best interest of the agency;
- j. attending Payment Card Administrator training, at a minimum every two (2) years; and
- k. attending Quarterly PCA meetings.

B. Request and Approval for Payment Card Issuance

1. In order for an employee to be considered for a State of Ohio payment card (Pcard), a supervisor shall send an email to their Deputy Director, or designee, requesting the employee be issued a Pcard.
2. The Deputy Director, or designee, shall respond, via email, with approval or disapproval.
3. Once the supervisor has approval from the Deputy Director, or designee, they shall forward the email to OOD's Payment Card Administrator (PCA).
4. OOD's PCA shall:
 - a. complete the Office of Budget and Management's (OBM) "Payment Card Application Form";
 - b. ensure the employee understands and will enforce OBM Travel Rules if the cardholder will have access to the Hotel MCC group;
 - c. submit the completed "Payment Card Application Form" to OBM, through OBM's web portal, for approval; and
 - d. coordinate with the Division of Human Resources (HR) to enroll the cardholder and their supervisor in the appropriate training and policy acknowledgements in Ohio Learn.
5. Upon receipt of OBM's Statewide Payment Card Administrator's approval (which generates a Pcard) and completion of all trainings and policy acknowledgements the PCA shall issue the Pcard to the employee.
 - a. If working remotely, the Pcard will be mailed directly from the bank to the agency. Once received, the PCA shall coordinate delivery of the Pcard via UPS to the cardholder's home address.

C. Purchases

1. OBM has established Pcard purchasing limits of \$5,000 per single purchase and \$15,000 per month. Select cardholders may have higher limits to allow for the payment of utilities.
 - a. If a purchase exceeds these limits, a different procurement method shall be required. Cardholders shall not split a purchase with the intent of processing two (2) transactions that total more than the \$5,000 limit.
2. Refer to "Information Technology (IT) Purchases" (40-FIN-01-02) for direction on all IT related purchases.

3. Internet purchases using the State Payment Card are allowed but only when the website is secure (i.e., the URL line will begin with https:) and the payment card number will be encrypted while being passed between the seller and buyer which can be evidenced by having to enter a CVV (i.e., security code).
4. Payments to merchants for automatic or recurring charges (e.g., monthly subscription, regular delivery charges) must be approved by the PCA.
5. Inappropriate purchases with the Payment card include, but may not be limited to:
 - a. gift cards unless preapproval is received from OBM (contact Division of Fiscal Management (DFM) to request approval);
 - b. travel, which includes hotels, car rentals, and meal reimbursement, unless OBM has approved usage for a particular card or has granted preapproval (contact DFM to request approval);
 - c. convenience fees unless preapproval is received from OBM (contact DFM to request approval);
 - d. medical services and legal services;
 - e. reimbursement for professional exams, licenses or tests;
 - f. tuition reimbursement;
 - g. gasoline;
 - h. cash advances or pre-paid debit cards;
 - i. petty cash replenishments;
 - j. inter-agency purchases unless the purchase meets specific requirements (contact the PCA);
 - k. interest or late charges;
 - l. debt service; and
 - m. judgments or settlements.

D. Cardholder Responsibilities – Post Issuance

1. The cardholder may work with any employee, who is not a cardholder, to make allowable purchases in order to simplify and streamline the purchasing process.
2. A cardholder's responsibilities include, but may not be limited to, the items listed below.
 - a. Adhering to all OBM Pcard policies and procedures, and DAS and OOD purchasing requirements (refer to "Purchasing" [40-FIN-01] and "General Purchasing Requirements" [40-FIN-01-01]).
 - b. The security of the card which includes, but is not limited to:

- i. ensuring that no one except the cardholder has access to the Pcard to prevent use by an unauthorized person (e.g., don't leave out in the open or anywhere it can be easily accessed);
 - ii. maintaining confidentiality of card information (e.g., number);
 - iii. refraining from sending Pcard information via a fax machine or emailed via an unencrypted email; and
 - iv. ensuring receipts do not have the entire account number documented.
- c. Contacting suppliers regarding billing issues.
- d. Prior to agreeing to automatic or recurring charges obtain approval from OOD's PCA.
 - i. Prior to obtaining approval from OOD's PCA, ensuring that the agency can cancel and that it can be done by the cardholder, their supervisor or the PCA.
 - ii. Prior to any cost increase for automatic or recurring charges, obtaining pre-approval from the PCA.
- e. Prior to making a non-case service purchase, obtaining a supervisor's approval, via email or other written form.
 - i. If a cardholder makes several routine purchases (e.g., office supplies, gasoline cards) during a State fiscal year they should complete a "Payment Card Blanket Pre-approval Request" (40-FIN-01-02.A) in order to obtain annual supervisory and DFM, Finance approval for these items rather than having to obtain prior supervisory approval for each purchase.
- f. Watching for the transaction (i.e., purchase) information to appear in OBM's PCard Reconciliation Portal (PREP) and within 24 hours of the appearance, proceed as detailed below.
 - i. If the item(s) have been received when the transaction appears in PREP, proceed as detailed below.
 - a) Verify the the information listed below in the PREP transaction.
 - 1) Supplier and select the Supplier ID.
 - 1.1 If the merchant is not a registered supplier, select 'Supplier Not Found'.
 - 1.2 For Amazon.com purchases, the Supplier ID is required.
 - 1.3 For Amazon Marketplace transactions or other merchants that use 3rd party suppliers, select 'Supplier Not Found' to populate the Supplier section.
 - 2) Transaction amount.
 - 3) Transaction date.
 - b) Reference the DAS contract number if appropriate.

- 1) Once the supplier is selected, applicable contract(s) will appear off to the right in a “fly out” panel.
 - 1.1 If the contract cannot be selected, use the “Edit Line/Distribution” link.
 - 1.2 If a purchase order (P.O.) is associated with the supplier, click ‘close’ to ignore the P.O. then select the appropriate contract.
 - c) Enter the following under “Add Comments”:
 - 1) cost center information; and/or
 - 2) if applicable, AWARE budget and authorization information.
 - d) Upload supporting documentation (e.g., packing slip, receipt).
 - 1) The documents must include transaction details to include the merchant name, a description of the item/service purchased, the amount for each detail line as well as the sum total of the transaction.
 - 1.1 For services, the documentation must also include date(s) of service.
 - e) Under “Action”, “Approve” the transaction to progress through workflow for supervisor approval within 24 hours of the transaction appearance in PREP.
 - ii. If the transaction appears in PREP and the purchased item(s) have not been received, the above steps D.2.f.i. a) through d) shall be completed upon receipt of the item(s).
 - a) If the purchased item(s) do not arrive within three (3) days of the appearance of the transaction in PREP or if there is an issue with the transaction (e.g., improper charges) proceed as follows:
 - 1) under the PREP “Action” choose “Hold” and select an appropriate reason; and
 - 2) contact the supplier to determine when the item(s) will arrive.
 - 2.1 If the cardholder is unable to resolve the issue with the supplier, the cardholder shall notify the PCA to determine if it is appropriate to file a dispute with the Pcard financial institution. If appropriate, proceed to iii.
 - b) If the item(s) do not arrive within five (5) days, a dispute shall be filed.
 - iii. If a dispute is to be filed, the cardholder shall contact the Pcard financial institution to file the dispute.
- g. Notifying a supervisor, via email, if:
 - i. a transaction required more than one (1) business day to approve in order to prompt the supervisor to review and process the transaction immediately (i.e., not having to wait for overnight processing) to assist with the agency meeting the OBM processing timeframe; and/or
 - ii. there is any concern that the automatic PREP notifications are not being sent to a supervisor.
- h. Immediately notifying the Pcard financial institution and the PCA if the card is lost, stolen or there is a fraudulent transaction.

- i. Completing appropriate training every two (2) years which will be coordinated through DHR.
- j. If changing positions or separating from OOD, turning in their Pcard to the PCA.

E. Cardholder Supervisor Responsibilities – Post Issuance

1. A cardholder supervisor's responsibilities include, but may not be limited to, the items listed below.
 - a. Upon receipt of PREP or cardholder notification, reviewing transactions to ensure they are job related and that the purchase was appropriate (i.e., prior approval was granted, legitimate/allowable purchase).
 - i. Immediately notifying the cardholder if there are any concerns.
 - b. Under "Action" in PREP, approving transactions within 24 hours of notification so the transaction can progress through workflow.
 - i. If a supervisor is going to be out of the office for more than two (2) business days, supervisor shall use the supervisor delegation feature to select another supervisor to review and approve PREP transactions from their payment cardholder on their behalf.
 - c. Completing appropriate training every two (2) years which will be coordinated through DHR.
 - d. When applicable, notifying the PCA of a cardholder's separation.

F. Reconciler/Approver Responsibilities

1. A Reconciler/Approver shall review transactions in PREP on a daily basis.
 - a. Upon receipt of a PREP notification, a DFM, Finance reconciler/approver's responsibilities include, but may not be limited to, the items listed below.
 - b. Within 24 hours of receipt, reviewing the transaction, comments and attached documentation to confirm all information and documentation is present and accurate.
 - i. Notify the cardholder immediately if any documentation is missing or incomplete (e.g., not all items are included on the invoice).
 - ii. If the transaction is a credit and the cardholder does not have enough purchases to offset the credit amount, return the transaction to cardholder to put the transaction in a "hold" status.
 - c. Confirming goods were received as evidenced by review of packing slip or other documentation establishing goods were received.
 - d. Applying distribution codes based on the cost center information noted in "Comments".
 - e. Ensuring a Supplier ID is listed as described in Section D.2.f above.
 - f. Ensuring DAS contract numbers are referenced when appropriate.
 - g. Verifying the purchase is eligible for MBE set-aside credit (if appropriate).
 - h. Approving the transaction in PREP.

G. Violation

An employee who violates this policy may be subject to discipline up to and including removal.

FORMS AND ATTACHMENTS

- 40-FIN-01-02.A Payment Card Blanket Pre-Approval Request

RESOURCES

- OBM Payment Card Forms
- Ohio Revised Code (ORC) 126.21 (B) <http://codes.ohio.gov/orc/126.21>
- State of Ohio Procurement Handbook for Supplies and Services
http://procure.ohio.gov/pdf/PUR_ProcManual.pdf
- DAS, Office of Procurement Services – PM-01 Purchasing Procedures
- DAS, Office of Procurement Services – PM-02 Emergency Purchasing Procedures
- 40-FIN-01 Purchasing
- 40-FIN-01-01 General Purchasing Guidelines
- 40-FIN-01-04 IT Purchases
- State Accounting Fiscal Essential (SAFE) Manual Payment Card Program

REVIEW

It is the responsibility of the Deputy Director, or designee, to review this procedure, on or before, the date listed in the header and if applicable, make any necessary revisions. The Deputy Director, or designee, shall document the review as required in “Policy and Procedure Process” (10-ADM-01).