

STATE OF MISSISSIPPI
OFFICE OF PURCHASING
AND TRAVEL



Procurement Card Services

Procurement Card Staff

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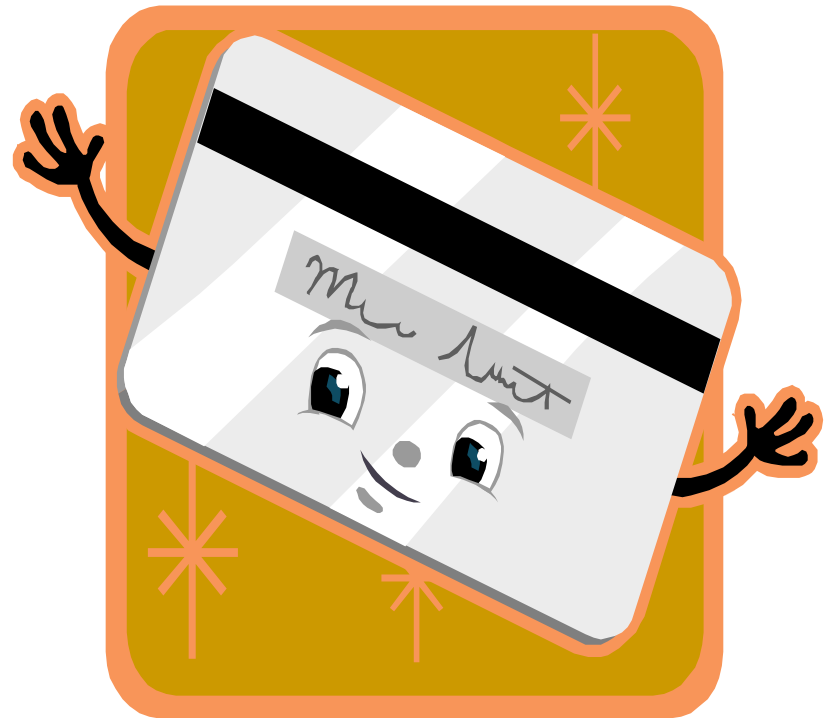
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Small Purchase Procurement Card Services Contract:
<http://www.dfa.state.ms.us/Purchasing/StateContracts/ProcurementCardServiceContract946.pdf>

E-Mail: PurchasingandTravel@dfa.ms.gov

Procurement Card Services Program Purpose.....

The Procurement Card Program allows departmental personnel to make small dollar purchases (under \$5,000) using a credit card. The Procurement Card can be used for a large number of small Purchases.





[Vocabulary]

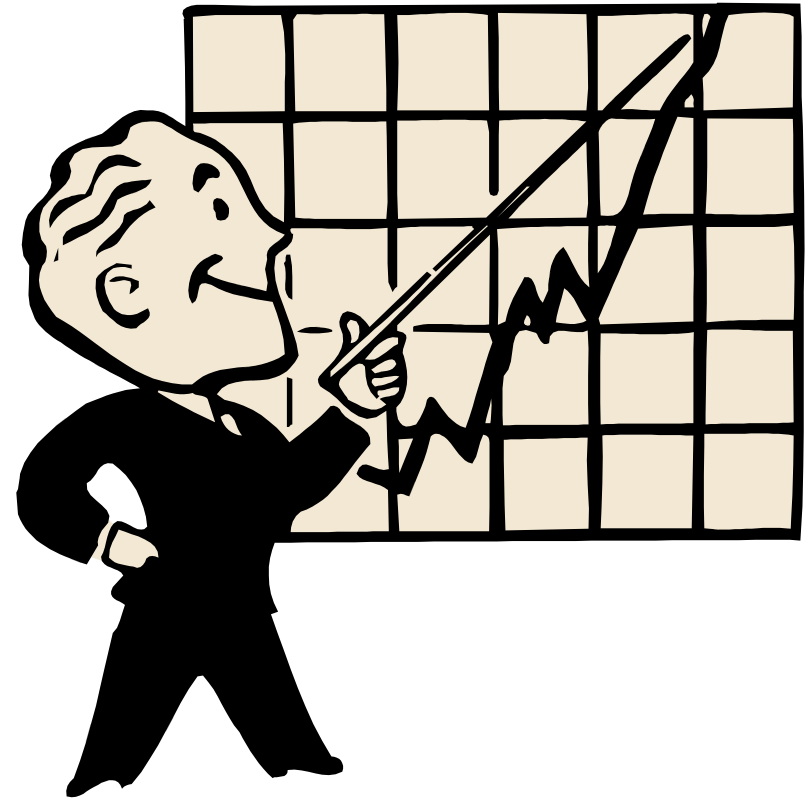
- Procurement Card (P-Card)
- Program Coordinator (PC)
- Merchant Category Codes (MCC Codes)



[Recent NIGP Poll]

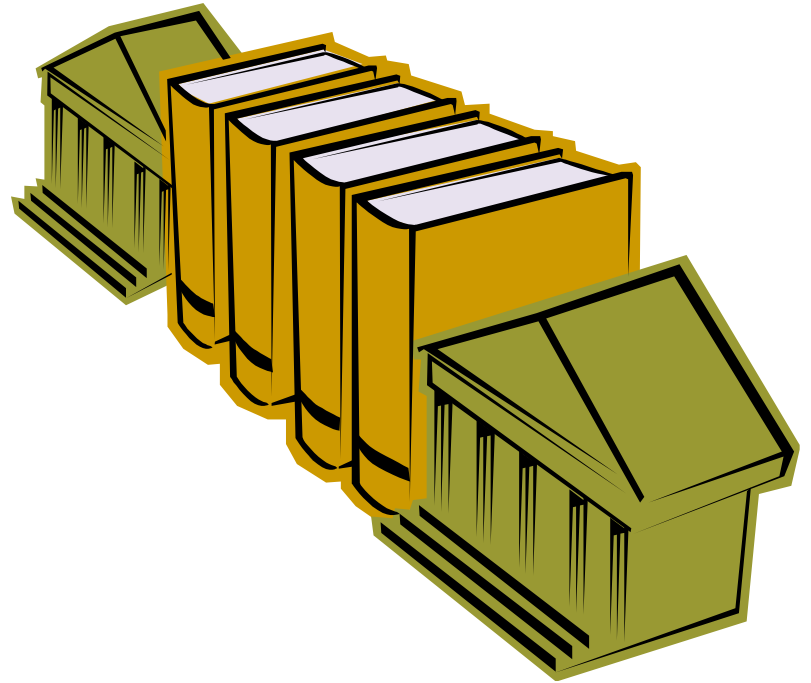
Why have a Procurement Card?

- Reduction in issuing small dollar PO's
- Increase in processing efficiency
- Increase in purchasing flexibility



[Laws and Policy]

- MS Code, 1972, Annotated, Section 7-7-23, the State Fiscal Officer established a general rule to allow state agencies to make certain purchases without first issuing a purchase order
- The State Procurement Manual establishes regulations. Chapter 10.113 and Chapter 10.115.



Conditions for Using the Procurement Card

- Agencies/Departments may use the procurement for bona fide needs of the agency/department.
- Maximum amount of purchases is \$5,000 per single transaction
- Agencies/departments should have designated operating procedures and designated personnel to manage the program

[Getting Started.....



- Define documentation and process for Procurement Card
- Designate a Departmental Program Coordinator Card Administrator
- Prepare a filing system
- Complete Program Coordinator Setup/Maintenance Form
- Complete Agency Billing Account Setup Form
- Complete Purchase Card Setup Form
- Complete MS Governing Authority Authorized Users Program Request Form
- Complete the Cardholder Agreement Form

Program Coordinator/Liaison Officer Responsibilities

- Identify cardholders authorized to purchase on behalf of the agency/department
- Approve, copy and submit completed application(s) to the Office of Purchasing and Travel (Fax:601.359.3910)
- Collect and sign cardholder agreement forms
- Responsible for distribution of pertinent information to agency/department staff

Procurement Card Minimum Requirements



The following conditions/limitations may apply:

- No cash advances allowed
- No travel related expenses
- Back orders may not be charged to the procurement card
- Cardholder must ensure prices are fair and reasonable
- Available budget authority must exist to cover expenditures
- No capitol equipment
- Purchases must comply with purchasing laws

Minimum Requirements (cont.).....

- Cardholders should review and confirm a detailed list of what is allowed to be purchased
- Can purchase state contract items
- Purchases are made within limits set by the school district
- Cardholders should review monthly statements and reconcile with receipts
- Appointed official or Program Coordinator should review, reconcile and approve statements

Itemized Receipts

- Obtain an itemized receipt for each purchase
- If receipts cannot be obtained complete a Missing Document Affidavit



[Billing]

- The contractor shall send a statement at the end of each billing cycle
- Approving official will distribute individual cardholder statements for review and verification
- The approving official will forward approved master statement to the accounting office
- A copy of the master statement, and original individual statements, logs, etc., related to the program must be maintained at the agency and available upon request for audit purposes

[Security Issues



- Keep the procurement card in a secure location (e.g. locked file cabinet or office safe)
- Require users to sign the office procurement card out and in after use
- Do not carry the procurement card on vacations, weekends or holidays
- Keep the procurement card separate from personal credit cards.
- Have someone (department head /PC) double check receipts against bank statements

[TAXES]

- Tax should not be charged to the procurement card
- Responsibility of user to inform vendor of tax exempt status
- If charged tax, user should obtain a credit



[Split Purchases.....



- The maximum amount of a Procurement Card Purchase is \$5,000
- Purchases over \$5,000 must be on a purchase order and requires two written quotes
- Do not split purchases.

(Split purchases is defined as splitting one purchase totaling more than \$5,000 into several to circumvent the \$5,000 limit.)

Balances on Accounts

- Balances on the procurement card shall be paid at the receipt of the monthly statement, once statement(s) have been reconciled for accuracy
- Balances should not be carried over to the next month
- Per Section 31-7-305, MS Procurement Manual, amounts shall incur an interest rate of 1 ½ %

[Liability.....]

The State of Mississippi will not accept any liability or financial responsibility for state employees' charges that have not been authorized and exceed any specified limits and violate any of the MCC code restrictions pursuant to current card association rules and regulations.



[Benefits of the Procurement Card]

- Reduces process time spent processing large number of requisitions
- The procurement card program provides an easy purchase method which can improve customer service
- Suppliers benefit from prompt payment
- Fewer duplicated invoices

[Overview.....]

- Keep procurement card(s) in a secure location
- Train card users about proper policy and procedure
- Visit DFA Office of Purchasing and Travel webpage for latest information:

www.dfa.state.ms.us

[Questions.....]

