432.0 Commercial Card Program Policy

432.1 Policy Approval Clearance Record

___ Mental Health Policy ___ Developmental Services Policy _X_ Rural Services Policy	This policy supersedes:	Number of pages in Policy: 6
Review by Representative from the Office of the Attorney General:	Date: n/a	Date Policy Effective: 02/15/2011
Rural Services Director Approval Signature: *Barbara Legier*	Date: 3/21/11	Policy Lead: Kendall Howard

432.2 Statement of Purpose

432.2.1 **Policy Statement:** Capability to purchase items as a means to support services.

432.2.2 **Purpose:** The purpose of the Rural Services' Commercial Card (also referred to as Procurement Card) Program, is to establish a more efficient, cost-effective method of purchasing and paying for small dollar transactions within the established usage limits by specified staff with activity responsibility. The program is designed to complement the use of Agency Purchase Orders.

432.3 Authority

State Administrative Manual, Section 1552.0, Section 1556.0
Purchasing: http://purchasing.state.nv.us/CC_Program/CC_Program.htm

432.4 Procedures

432.4.1

A. Financial Policy

1. The Commercial Card is NOT intended:

- to avoid or bypass the Agency's purchasing or payment procedures.
- to replace purchase orders issued by the State Purchasing Division for requisitioned items.
- for travel expenses.
- for personal use.

2. All cards and Commercial Cardholders are approved by the Agency Purchase Card Administrator and cards are issued by the Agency Accounting Office. Only Agency employees may be issued a Commercial Card. Upon termination of the employee with the Agency, the Commercial Card must be returned to the Agency Accounting Office.

3. The Agency's Procurement Card Administrator will maintain original signed individual Cardholder Agreements for all Commercial Cards issued.

4. All Commercial Card purchases are to be in compliance with the State Administrative Manual and with the Agency's purchasing and expenditure

policies and procedures.

5. All purchases must be for the use and benefit of the Agency. No personal purchases are allowed.

An Agency Purchase Order signed by the appropriate program manager and fiscal staff in accordance with the "Authorization Limits by Job Title" must be obtained by the cardholder before any Commercial Card purchase is authorized.

The card may be used without prior approval in the case of emergency to protect people or to preserve state property. The employee must notify the Agency Administrator or designee of emergency use within one working day via email and approval may be obtained after the fact with written justification of the emergency.

Emergency purchases are limited to the following*:

Medication	One time only	Maximum, $500
Food (client)	One time only	Maximum, $100
Lodging	One time only	Maximum, $250

*Any exceptions must be pre-approved by the Center Director, CPM II, and the Agency Director.

6. All other types of purchases are limited by and must comply with the State Administrative Manual and this policy.

The types of purchases to be made via a Commercial Card are limited to the following*:

- Bus tickets
- Food for cooking classes
- Kitchen equipment
- Clothing
- Food purchases for group – specific to "Lieberman Methodology" groups

*Any exceptions must be pre-approved by the Center Director, CPM II, and the Agency Director.

All Commercial Card transactions are limited to the items listed on the approved Agency Purchase Order. No purchase is approved unless the cardholder has a copy of an approved Purchase Order except those listed in "5", above.

7. The Commercial Card has been assigned credit and transaction limits by the Agency Purchase Card Administrator. All purchasing limits are also controlled by the authorized Agency Purchase Order.

8. The Agency Accounting Office will audit Commercial Card activity. All receipts will be audited for correctness and appropriateness. Consequences, ranging from suspension of cards to appropriate disciplinary action may be invoked for improper use of the Commercial Card.

9. The Purchase Card Administrator has the right to revoke the Commercial Card at any time.

B. The Commercial Card Holder Responsibilities

1. Cardholder must sign and accept the terms and conditions of the Agency Cardholder Agreement. See Attachment A.

2. Cardholder will be issued an individual Commercial Card in their name upon signing the Agency Cardholder Agreement.

3. Cardholder is responsible for the security of the Commercial Card and the transactions made against the card. The Commercial Card is issued in Cardholder name and any purchases made against the card will be Cardholder's responsibility. Use of the card not in accordance with the guidelines established for the Program may result in personal liability.

4. Cardholder must report lost or stolen Commercial Cards to the Agency Accounting Office and to their immediate supervisor at the first opportunity during business hours.

5. Cardholder must return the Commercial Card to the Agency Accounting Office upon termination of employment, transfer to another work station or change in job duties.

6. The Commercial Card may be used only by the approved cardholder whose name is embossed on the Card. Use by anyone other than the approved cardholder is prohibited. The card is not transferable between cardholders.

7. Splitting of charges in order to avoid exceeding Cardholder's individual spending limit is prohibited.

8. Cardholder must comply with the State Administrative Manual (Section 1552) and the Agency's purchasing and expenditure policies and procedures.

9. Cardholder is responsible for not exceeding the purchase amount limits on the Agency Purchase Order Request. In addition, the Agency Purchase Order Request only approves Commercial Card purchases for the vender listed on the request. Cardholder is also responsible for not exceeding the limits set on the Cardholder Agreement.

10. It is Cardholder's responsibility to ensure that State of Nevada sales tax is not charged. See Attachments B-1, B-2.

11. All purchases made by Cardholder must be made during work hours.

12. Cardholder is responsible for submitting the Commercial Card slips, register receipts, invoices, order forms and packing slips to the Agency Accounting Office within three working days from date of transaction.

Documents for each individual transaction shall be attached to the approved Agency Purchase Order and submitted to the Agency

Accounting Office. A copy of the Agency Purchase Order may be kept by Cardholder.

13. Cardholder must verify the receipt of materials ordered with the Commercial Card and must follow-up with the merchant to resolve any delivery problems, discrepancies or damaged goods.

14. Cardholder is responsible for following up with the merchant on any erroneous charges, disputed items or returns immediately. Agency Accounting Office shall be notified immediately upon discovery of any Commercial Card credits or disputes with a Merchant.

C. Agency Accounting Policies and Reconciliation

1. Each Commercial Card purchase is requested in writing by the Cardholder. Each request must have a requesting employee signature and an authorizing supervisory signature. The request is forwarded to the Purchasing Section of the Agency Accounting office for Purchase Order issuance. The Purchase Order must be signed according to Purchases and Payment Policy #428.

- If the request is signed by approved Agency Administration and Accounting, the employee receives a copy of the Purchase Order and is authorized to make the purchase.
- Immediately upon completion of the purchase, the employee will submit the Commercial Card receipt and register receipts to the Accounting Office. The Commercial Card receipt, register receipt and the Purchase Order are maintained by Commercial Card number in a pending file for reconciliation with the monthly statement of transactions from the Bank.

2. Individual Commercial Card logs will be collected and maintained in the Agency Accounting Office for reconciliation with the statement from the Bank by the Management Analyst I.

3. Each log is reconciled by the Accounting Assistant II with the receipts maintained in each individual Commercial Card pending file. If a receipt is missing, the employees' supervisor will be contacted immediately. If the receipt is not returned to the Agency Accounting Office within seven working days of notification to employee's supervisor, the supervisor will be contacted by e-mail and the card may be cancelled by the Management Analyst I, the Management Analyst III, or the Administrative Services Officer III.

4. All Commercial Card payments to the Bank are processed monthly by the Accounting Office to ensure payment is made within deadlines set by contract with the Bank.

5. The Commercial Card receipts are reviewed to insure that goods purchased are authorized and to insure that no sales tax is included. All disputed charges will be discussed with the employee, who will discuss with the supplier for appropriate action.

6. After reconciliation of the individual Commercial Cards with the Bank

statement, all Commercial Card purchases are prepared for payment in accordance with the Agency Accounting policies and procedures.

432.4.2 Timelines:

Table 432.1: Timelines for Commercial Card Program Policy

Requirement	Deadline	Starting Date	Responsible Party	Actions to be Taken
Return of Card 432.4.1.A.2, 432.4.1.B.5	Upon termination or transfer	Upon termination	Cardholder	Return card to Agency Accounting Office
Emergency purchases 432.4.1.A.5	One working day	Upon emergency purchase	Cardholder	Notify the Agency Administrator
Lost or stolen cards 432.4.1.B.4	First opportunity during working hours	When discovered	Cardholder	Notification to the Agency Accounting office and their supervisor
Submittal of receipts, invoices, order forms, and packing slips 432.4.1.B.12	Within three working days	Transaction date	Cardholder	Give to the Accounting Office
Email to supervisor regarding missing receipts, invoices, order forms, or packing slips 432.4.1.C.3	Immediately	Upon audit discovery	Accounting Office	Notification to supervisor of missing documentation
Email to supervisor regarding missing receipts, invoices, order forms, or packing slips 432.4.1.C.3	Within seven working days	After email notification	Supervisor, Accounting Office	Cancelation of procurement card
Card payments 432.4.1.C.4	As noted in contract or on statement	Upon receipt of monthly statement	Accounting Office	Monthly payments processed

432.4.3 Forms:

A. 432A: Cardholder Agreement (Attachment A)

- Narrative: The approval of the Cardholder Agreement is necessary in order to obtain a procurement card for purchases by an employee.

432.4.4 **Supervisory Responsibility:** Supervisors will provide in-service training to ensure all staff understands the requirements of this policy and procedures and will revisit this policy periodically, but no less than annually for recommendations for improvement or additions.

432.5 Policy Cross Reference

432.5.1 **Policies:** State Purchasing Policies and Procedures

Purchases and Payment Policy #428

432.6 Attachments

432A – Cardholder Agreement

432B – State of Nevada Sales Tax Exemption Letters (Attachments B-1, B-2)

ATTACHMENT A

State of Nevada Procurement Card (P-card) Program
CARDHOLDER AGREEMENT

As a Cardholder, I agree to comply with the terms and conditions of this *Cardholder Agreement*.

The agency representative (Procurement Card Administrator [PCA]) affirms that Cardholder was provided with a copy of this agreement, the current agency *Procurement Card Policies and Procedures*, guidelines, and other program information. _____ (PCA initials)

Cardholder acknowledges receipt of the P-card information and confirms that he/she has read and understands its provisions. _____ (Cardholder's initials)

I understand that the State of Nevada ("State") is liable to the issuing financial institution for all authorized charges made by me. Therefore, as holder of this P-card, I agree to accept responsibility for the protection and proper use of this card as outlined in this *Cardholder Agreement* and the agency and statewide policies and procedures. I understand that the State **WILL** audit my use of this P-card. I understand that I **CANNOT** use the P-card for the procurement of goods not authorized by my agency.

The procurement of unauthorized goods shall be deemed an improper use of the P-card and an illegal procurement per Nevada Revised Statutes (NRS) 333. As such, I understand I can be held personally liable for all unauthorized purchases. I understand that the P-card is **NOT** intended to avoid or bypass an agency's purchasing or payment procedures or to circumvent the requirements of NRS 284.173 and SAM Chapter 300.

I further understand that improper or fraudulent use of this P-card will result in disciplinary action, up to and including termination of employment and/or personal liability. I understand that the State may conduct a hearing to seek a deduction from my paycheck or proceed with any other authorized debt collection measure in accordance with NRS Chapter 353C to collect any amounts owed by me, even if I am no longer employed by the State. If the State initiates legal proceedings to recover amounts owed by me under this agreement, I agree to pay legal fees or collection costs incurred by the State of Nevada in such proceedings.

I understand that the State may terminate my right to use the P-card at any time for any reason, with or without cause. I agree to return the P-card to the State, by surrendering it to the PCA, immediately upon termination of employment, interagency transfer, or request.

TERMS OF THE PROCUREMENT CARD:

Dollar amount per transaction: _____ Number of authorizations per day: _____

Dollar amount per cycle (monthly):_____ Number of transactions per cycle (monthly): _____

Categories of allowable procurements: _____

APPLICANT (Title):_____ **Position Control Number:**_____

Signature:_____ Date: _____

Print Name: _____ Employee #:_____

Agency: MHDS-Rural Services Phone #:_____

I approve the issuance of a procurement card to this staff member.

Approved By: _____, *Supervisor (Position Control #* _____*) Date:* _____

Approved By: _____, *Agency PCA (Position Control #* _____*) Date:* _____

To be completed when card is accepted and signed by the cardholder:
I hereby acknowledge receipt of Procurement Card #_____ Expiration Date: _____

Cardholder Signature: _____ Date: _____

ATTACHMENT B-1

STATE OF NEVADA
DEPARTMENT OF TAXATION
Web Site: http://tax.state.nv.us
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

RENO OFFICE
4600 Kietzke Lane
Building L, Suite 235
Reno, Nevada 89502
Phone: (775) 688-1295
Fax: (775) 688-1303

BRIAN SANDOVAL
Governor
ROBERT R BARENGO
Chair, Nevada Tax Commission
DINO DICIANNO
Executive Director

LAS VEGAS OFFICE
Grant Sawyer Office Building, Suite1300
555 E. Washington Avenue
Las Vegas, Nevada 89101
Phone: (702) 486-2300 Fax: (702) 486-2373

HENDERSON OFFICE
2550 Paseo Verde Parkway, Suite 180
Henderson, Nevada 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

February 8, 2011

ACCOUNT NO.: RCE-005-493
THIS LETTER HAS NO EXPIRATION DATE

MENTAL HEALTH & DEVELOPMENTAL SERVICES
4126 TECHNOLOGY WAY SUITE 201
CARSON CITY NV 89706

Pursuant to NRS 372.325 and related statutes, MENTAL HEALTH & DEVELOPMENTAL SERVICES has been granted sales/use tax exempt status. Direct purchases of tangible personal property made by MENTAL HEALTH & DEVELOPMENTAL SERVICES are exempt from sales/use tax. Fraudulent use of this exemption letter is a violation of Nevada law.

Vendors selling tangible personal property to MENTAL HEALTH & DEVELOPMENTAL SERVICES are authorized to sell to them tax exempt. The vendor shall account for the exempt sale on its sales/use tax return under exemptions. For audit purposes, a vendor may use a copy of this letter to document the transaction as tax exempt. However, documentation adequate to prove the purchase was made by a governmental entity is acceptable.

This letter only applies to Nevada sales/use tax and does not provide exemption from any other tax.

Any vendor having questions concerning the use of this sales/use tax exemption letter may contact the Department at one of the district offices listed above.

Sincerely,

Dino DiCianno
Executive Director

ATTACHMENT B-2

STATE OF NEVADA
DEPARTMENT OF TAXATION
Web Site: http://tax.state.nv.us
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

RENO OFFICE
4600 Kietzke Lane
Building L, Suite 235
Reno, Nevada 89502
Phone: (775) 688-1295
Fax: (775) 688-1303

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Governor
ROBERT R BARENGO
Chair, Nevada Tax Commission
DINO DICIANNO
Executive Director

LAS VEGAS OFFICE
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555 E. Washington Avenue
Las Vegas, Nevada 89101
Phone: (702) 486-2300 Fax: (702) 486-2373

HENDERSON OFFICE
2550 Paseo Verde Parkway, Suite 180
Henderson, Nevada 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

EXEMPT ORGANIZATIONS

Governmental, Religious, Charitable and Educational organizations that are granted exemption from sales and use taxes for purchases or sales may only use their exemption in an official capacity.

Exemption status may **not** be transferred to individual organization members or anyone else for their personal use. Accordingly, use of an organization's exemption letter for other than its official capacity is inappropriate. Misuse of an organization's exemption may result in its revocation by the Department.