

# Arkansas<sup>®</sup>

For Official Use Only

*Purchasing*

4000 1234 5678 9010

VISA PURCHASING VISA PURCHASING VISA PURCHASING VISA PURCHASING VISA

VALID THRU 12/17

NORMA LITTLE

DFA – STATE PROCUREMENT



<https://access.usbank.com>

[www.arkansas.gov/dfa/procurement](http://www.arkansas.gov/dfa/procurement)

# **State Credit Card Contacts**

**Norma Little, CPPB**

***State Credit Card Coordinator***

***Phone: 501-683-2217***

**Jeff Spears, CPCP, CPPB**

***State Credit Card Administrator***

***Phone: 501-371-1405***

# What is the Purchasing Card?

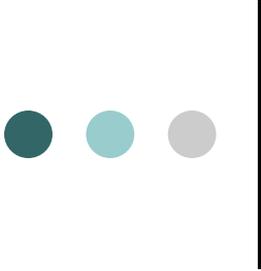
- A VISA product issued by US Bank
- A Card issued to delegated employees of state entities, colleges and universities.



- The Card is **ONLY** for official business
- It is a tool for designated employees to use when making low-dollar purchases from vendors that accept the Visa card.

- State entities issue one payment to US Bank at the end of the billing cycle
- Simplifies purchasing procedures
- Increases control of expenditures
- Blocks specific categories of merchants via MCC Numbers





# What is a Merchant Category Code?

**A Merchant Category Code (MCC) is a four-digit number used by the bankcard industry to classify suppliers into market segments. There are approximately 600 MCCs that denote various types of business (e.g., 5111 Office Supplies, 7299 Dog Grooming Services, 5722 Household Appliance Stores).**

**The MCC is assigned by the Acquiring financial institution when a supplier first begins accepting Visa payment cards. The MCC is assigned based on the supplier's primary line of business. For example, if a supplier primarily sells computers, it may be assigned MCC 5732 "Computer Hardware". If a supplier primarily repairs computers, it may be assigned MCC 7379 "Computer Maintenance, Repair, and Services"**



# **ARKANSAS PURCHASING CARD PROGRAM BENEFITS**

**The Purchasing Card enables cardholders,  
purchasing and accounting staff to perform  
more effectively and focus on the value-added  
aspects of your jobs by:**

Convenience

Reducing purchase orders

More vendors to choose from

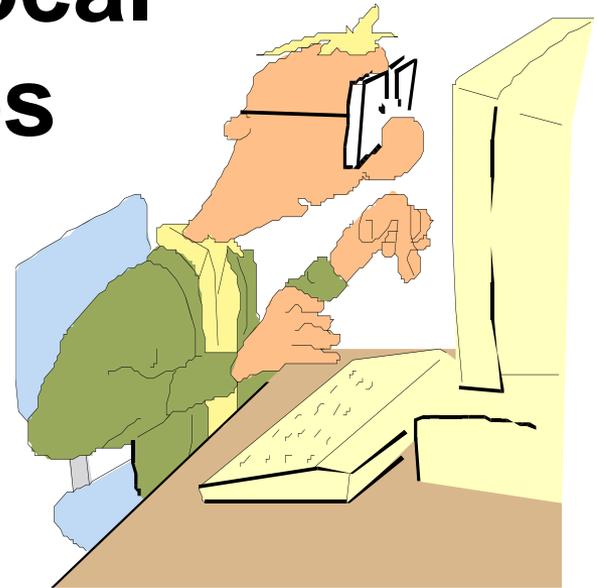
Reducing the number of checks issued

# For Merchant

**Prompt pay from bank**

**Promotes state and local  
business relationships**

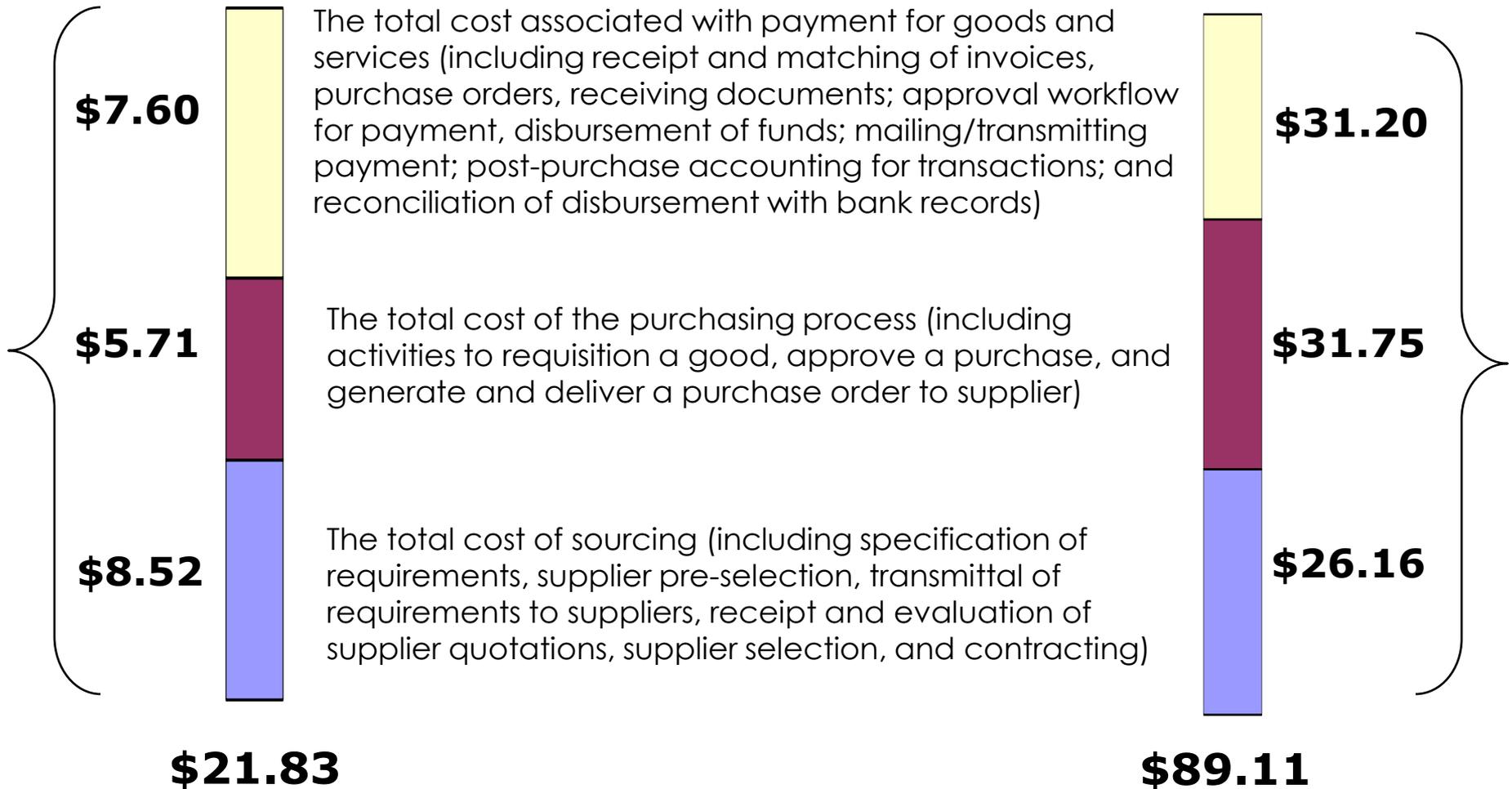
**Eliminates risk of  
nonpayment**



# Cost Breakdown of PO vs. Purchasing Card\*

## Purchasing Card

## Traditional Purchase Order



# **Parties Involved**

(Refer to P-Card Manual for Descriptions)

**Agency**

**Cardholder**

**Card Issuer**

**Agency Head/Fiscal Officer/Designee**

**Agency Liaison**

**Agency Reviewer/s**

**State Credit Card Administrator**

**State Credit Card Coordinator**

**Vendor**

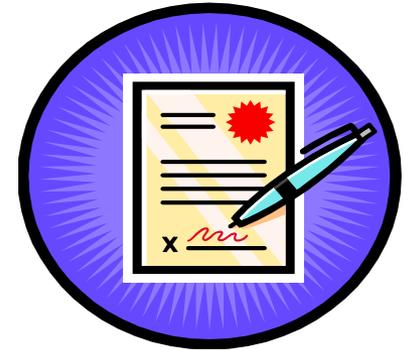
# Requirements for a P-Card

In order to be issued a P-Card you must:

- Read P-Card manual
- Complete P-Card Application
- Attend a training session
- Sign the Purchasing Card Agreement Form



# Purchasing Card Agreement Form



**I, as an authorized and approved Arkansas Purchasing Card Program P-Cardholder, hereby acknowledge receipt of policies and manual(s) and training, fully understand and agree to the following terms and conditions regarding the use and safekeeping of the purchasing card(s) or account number(s) entrusted to me:**



**1. I accept full personal responsibility for the safekeeping of all P-Cards or account numbers assigned to me and that absolutely no one, other than me, has authority to use the P-Cards or account numbers assigned to me.**

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- 2. I will be making financial commitments on behalf of the State of Arkansas and will always endeavor to obtain fair and reasonable prices.**
  
  - 3. I have received training and copies of the P-Card manual(s) associated with the P-Card and agree to follow all of the procedures established for the use of the P-Card account or account number(s).**



**4. I will not use the P-Card or account number for non-state official business, unauthorized, or personal purchases.**

**If such charges occur I may be required to reimburse the State for all incurred charges and any fees related to the collection of those charges and do all such other things to remedy the situation.**



**5. I will immediately report the theft or loss of the P-Card to US Bank by phone at 1-800-344-5696, **AND** my Agency Liaison, and the State Credit Card Administrator or State Credit Card Coordinator. Failure to notify the appropriate authority of the theft, loss, or misplacement of the P-card(s) will make me personally responsible for any fraudulent or unauthorized use.**

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- 6. I will surrender my P-Card(s) upon**
- (a) my termination of employment with the State of Arkansas, or**
  - (b) retirement, or**
  - (c) transfer to another agency within the state, or**
  - (d) my supervisor or the OSP State Credit Card Coordinator requests surrender of my card(s).**

**Further, I understand that my last paycheck will be withheld until the P-Card(s) are properly surrendered as required and all payments and requirements are properly fulfilled.**



**7. I understand that any purchases made by me, with the P-Card, will be recorded and reviewed in management reports for payments, possible discrepancies and appropriateness of purchase.**



**8. I understand that I am personally responsible for obtaining all original receipts and submitting them in accordance with the Arkansas Purchasing Card Program's P-Card policies and procedures.**

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- 9. I understand that failure to follow any of the above listed terms and conditions or if found to have misused the P-Card in any manner may result in**
- (a) revocations of the privilege to use the card,**
  - (b) disciplinary action,**
  - (c) termination of employment, and/or criminal charges being filed with the appropriate authority.**

**I understand that the use of the P-Card after privileges are withdrawn is strictly prohibited.**

**I hereby accept the above terms and conditions.**



# Personal Liability and Your Credit Rating

The use of the Purchasing Card results is an agency liability, **NOT** a personal liability for the cardholder

Your credit rating will not be affected in any way.

# Non-Allowable Charges

Employee Travel related charges

Alcoholic Beverages

Vehicle Rentals

Printing – Amendment 54

Cash Advances

Personal Purchases

Items on State Contract without vendor approval

**SPLIT PURCHASES** – (A “split purchase” occurs when the total cost of a single purchase is broken up into multiple transactions with the express purpose of circumventing state bid requirements, monthly bid limits, or any other agency restriction.)

**Any Purchase without Agency approval**



# Making A Purchase

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Purchasing In Person

Phone Orders

Internet Orders (Do not forget to print the confirmation page)



# Sales and Use Tax

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**AR State Government and political subdivisions are not tax exempt. Taxes must be collected. On internet and telephone purchases Use Tax must be paid to the state if sales tax is not charged.**

**[For additional information call Taxpayer Services Unit at \(501\) 682-7104.](#)**



# Use Tax Basics

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**Not all suppliers collect sales tax on all transactions. One reason may be that the items purchased are tax-exempt. Another reason may be that a supplier is located in a different state from the purchaser (an out-of-state supplier) and may not be authorized to collect tax in the destination state or state where the purchaser is located. When sales tax is not collected by the supplier, it becomes the obligation of the purchaser to determine whether use tax is owed on the purchase. The use tax, referred to as a compensating use tax in some states, supplements and complements the sales tax. It is owed to a state when a taxable item, on which tax has not been paid, is brought into the state to be used.**



# Circumstances for A Card to be Declined

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Exceeding the transaction  
limit

Exceeding monthly limit  
using the card for a  
blocked merchant category

Not activating the card



# Monthly Transaction Cycle

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***Begins on the 16<sup>th</sup> of each month and ends on the 15<sup>th</sup> of the next month unless the 15<sup>th</sup> falls on a weekend***

# MISUSE OF P-CARD

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**The card is a privilege granted to you by the State of Arkansas, and it is expected that you will use it responsibly. The State will seek restitution for any inappropriate charges made to the card. Fraudulent or intentional misuse of the card will result in revocation of the card and/or possible criminal charges, including termination.**

# ##FRAUD##

Fraud involves unauthorized use of the card by someone other than the individual to whom it was issued.

Fraud can be defined as any practice that involves deceit or other dishonest means by which a benefit is obtained from the state

Merchant fraud is another example of unauthorized activities

# TYPES OF DISCIPLINARY ACTION

Any violation of Arkansas Purchasing Card Program policies is considered an “**occurrence**” which may result in disciplinary action. Types of disciplinary actions taken against a cardholder include, but are not limited to, the following:

Written warning

Suspend the usage of the P-Card for 90 days

Revoke P-Card Privileges

Employment suspension/termination

Criminal charges filed with state and/or local authorities



# Additional Limitations

**Rebates and Refunds** - Any rebates or refunds shall be credited back to P-Card account and receipts reflecting this shall be attached to the P-Card Transaction Log.

**Promotional** - Any promotional items received as the result of a P-Card transaction shall become the property of the agency and shall be utilized by the agency.



REMEMBER TO  
ACTIVATE YOUR CARD!

# Check your Account Weekly

- Please be sure to check your account. It is your responsibility even if you have not used it.
- If you suspect you have Fraudulent charges on your account, please notify your liaison immediately, (by phone / e-mail) .

# Need Help?

Contact your Agency Liaison  
for help:



# US Bank web address

- <https://access.usbank.com>