

STATE OF FLORIDA

purchasing card program

Cardholder Manual

PURCHASING CARD PROGRAM

Help List

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Purchasing

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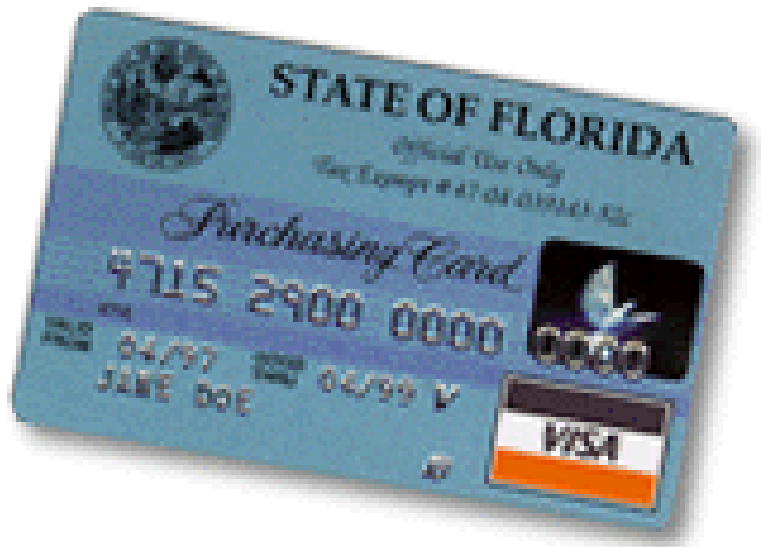
24 hours **1.800.538.8788**

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Before You Purchase

The purchasing card gives you the convenience of purchasing without local, field or blank purchase orders.



Welcome to the purchasing card program, which gives you the ability to purchase low cost items directly from merchants without going through the purchase order process -- saving you time, eliminating use of petty cash funds and reimbursement other than travel, and reducing paperwork.

A purchasing card works just like a personal credit card or corporate card in that the card may be presented to any merchant who accepts Visa. But a purchasing card is also different from personal or corporate cards. When you use a personal or corporate card, you are responsible for payment. With a purchasing card, all your transactions (charges and credits) are applied directly to your cost center and paid by your agency.

As an individual in good standing with your agency, you will learn about the card's uses before signing an agreement to become a cardholder.

Cardholder Responsibilities

A purchasing card is a credit card for securing goods and services needed to perform your job. By contract and agreement, you **cannot** use the card to receive cash advances or cash credits or purchase non-business or personal items.

Security

Your purchasing card is the property of Bank of America (NationsBank) and the state. Only you, the cardholder, may use the card. Guard the account number. Secure the card by not leaving it in a conspicuous place or posting the card number.

Lost or Stolen Card

Although you are not personally liable, you must immediately inform the bank if the card is lost or stolen. Keep the toll-free number recorded in an accessible location and be prepared to give your code word listed as your mother's maiden name on your cardholder profile.

Do not order a replacement card. Instead, immediately inform your administrator who will order a replacement card. And, inform your merchants who have your card number on file if your card is lost or stolen.

Filing

As a cardholder, you may also need to comply with financial disclosure requirements when authorized to make purchases over \$1000. When expending federal funds, you will also need to meet the requirements set forth by the federal grantor.

Termination

Discontinue use of your card immediately upon notification of your termination. This will allow sufficient time to turn in all of your receipts for outstanding purchases before you leave employment. Failure to do so could result in the un-reconciled charges holding up or being deducted from your exit paycheck!

Penalties

Use of the card is a privilege based on trust. When you sign a cardholder agreement, you acknowledge you understand the penalties for purchasing card abuse. A deliberate attempt to use the card for personal gain or to receive cash credits is theft. Employees who misuse or abuse this privilege are subject to disciplinary action up to and including termination and prosecution by both the state and by the credit card company.

Card Limits

Your administrator has tailored your card to meet your needs by setting the following:

Controls	
Dollar amount	how much you can spend on a single transaction.
Transaction limit	how many transactions you can make during a day.
Cycle limit	how much you can spend in any 30 day period.
Merchant type	what types of merchants you can purchase from.

Purchasing Rules

Success of the program relies on cooperation and professionalism of all personnel associated with it; therefore you are expected to follow appropriate state laws and guidelines, as well as use good and reasonable judgment when making purchases. Keep in mind the same purchasing rules apply when using the card as when using other methods.

Is the item available from
State or agency contract?
PRIDE?
RESPECT?
Certified minority business enterprise?
Recycled content manufacturer?

QUESTIONS & ANSWERS

What happens if I inadvertently charge a personal cost?

Immediately inform the administrator and reimburse the state. Remember that any pattern of accidents will cause you to lose your privilege.

Will I have to pass a credit check?

No. Use of the card also will not improve or diminish personal credit. The card is issued using the state's credit. Compare using the card to using a state vehicle, as both are owned, issued, and insured by the state for use by employees to perform job responsibilities.

When You Purchase

Any merchant who accepts Visa will accept your purchasing card.

Credit card acceptance is the industry standard; over 300,000 Florida merchants and more than 12 million worldwide merchants accept Visa. To become a Visa acceptor a merchant signs up with a bank and contracts with Visa. As a Visa acceptor, the merchant receives payment from Visa within 24 to 72 hours of the transaction.

Purchase in Person

When purchasing in person, advise the merchant to deduct the sales taxes when presenting the card, as the employee may need to manually adjust the total before requesting Visa authorization. Other merchants may require presentation of a tax-exempt certification, even though the tax number is noted on the front of the card.

If the merchant cannot deduct the sales tax, usually because of pre-set controls within the computer system, or will not honor the exemption without additional paperwork, you may continue with the purchase but you must note the refusal on the receipt.

The Office of the Comptroller does not believe it is cost effective for an agency to seek a tax credit or tax refund on a purchase less than \$100. And, cardholders must pay applicable state sales and use taxes to non-Florida merchants.

Some merchants now issue two receipts: one for credit card charge that you sign and another for itemization of good. You must sign the itemization as documentation of the charge.

Summary

Request tax exemption and note any tax exemption refusal on receipt

Sign and submit multiple receipts

Purchase by Telephone

Did you know that nearly 80 percent of all credit card transactions occur over the telephone? When placing a telephone order, listen if the clerk is typing your order into a computer system. Many merchants process telephone orders on-line to confirm immediately if the goods are in stock and advise you of a shipping or delivery date. And, if you ask, most will fax you a typed order so you may confirm discounts, shipping and total price prior to you giving your credit card information. Any shipping, delivery or restocking fees must be charged to your card.

Determine if the purchase is subject to sales tax and ask the merchant to accept a fax of your credit card or the tax-exempt certificate. Wait for approval confirmation.

To assure properly delivery, request that your name and *ship to* address be clearly marked on the outside of the package. (Do not use post office box for *ship to* addresses.) Remind the merchant to enclose a copy of the sales receipt or bill of lading and not to send an invoice to accounting.

Make sure the merchant understands that charges are not to be billed until the item(s) have been shipped, including back orders. When your order arrives, keep packing boxes until you are sure the merchandise is correct and usable.

Summary

Confirm price, delivery date, shipping charges, and mailing address.

Note any tax exemption refusal on packing slip or receipt.

Pay out-of-state taxes.

Keep shipping boxes.

Purchase via Internet

Use good judgment and make sure the company is one you have done business with previously or a company whose credentials you have verified.

Make sure your card number is secured in an acceptable manner. If it cannot be encoded or encrypted or you are not comfortable giving your card number, check if the company will allow you to call in the number after faxing you a receipt.

If you are purchasing from a state contract merchant electronic catalog, the merchant has registered his federal identification number with the state and should honor the tax exemption. Most Internet merchants are not registered with the state; therefore, are not aware of these requirements.

Online Extra Security Indicators

a closed lock

an unbroken key

an address beginning with “http”

QUESTIONS & ANSWERS

Suppose my card is denied?

If you have not exceeded your credit or transaction limit, the denial is most likely due to the merchant's category code selection. Here's an example: a merchant sells furniture and office accessories. You want to purchase a keyboard tray. In the Visa system, the merchant identified his business as furniture dealer; your card is blocked from purchasing from furniture dealers. Therefore, because of the merchant's code is blocked, you are blocked from making a legitimate purchase.

Advise your administrator of the denial as the administrator may elect to over-ride the blockage to allow a one-time purchase from a furniture dealer.

Suppose the merchant does not accept Visa?

Occasionally, you may encounter a merchant who does not accept Visa. If you anticipate using this merchant frequently, advise your administrator who may decide to pursue the issue by working with the state's purchasing team. And, advise the merchant that you choose to select another merchant who accepts your card.

After You Purchase

You are responsible for documentation to move the transaction to payment.

The state's purchasing card program is unique in that the transaction processing is accomplished on-line daily. By agreement with the bank, the state processes all transactions within 10 days of the on-line receipt. We will have the same information electronically that we now have on paper, and we will have paper documentation that itemizes the purchase (point of sale receipt). Using the card reduces the hard copies now circulated but does not reduce the information collection and data storage. Rather than manually signing and distributing paper, we will use an electronic system with secured access codes to review, pre-audit, approve and pay.

Documentation

You must provide documentation to support payment of a charge. All receipts have basic information: merchant's name, dates of purchase, list of goods, and amount. The receipt, required by state law to be available for review, is the documentation from the merchant. Keep a copy of a receipt and submit the original to your reviewer or reconciler.

Steps

Credit

The vendor should issue a credit for any item the vendor has agreed to accept as a return. The credit will show up on a subsequent electronic transaction so be sure to submit a credit receipt.

Under no circumstances should you accept a cash credit!

Dispute

You can sign and submit a dispute form for many types of billing errors. While there is only one form, the process has two steps: an informal dispute with the merchant or a formal dispute requesting Bank of America to investigate the circumstances in your behalf.

MERCHANT DISPUTE

Typically, all transactions can be resolved with a merchant and that is the first step. Generally, merchants are happy to work directly with you to correct problems.

If a merchant agrees to issue a credit or fix a problem, make a note as a reminder and notify your reviewer. Or, complete the Bank of America dispute form but do not mail it in unless the merchant fails to correct the problem.

MERCHANT DISPUTE FILED WITH BANK OF AMERICA

You may find the rare merchant who does not follow the rules and correct the issue. You complete the Bank of America dispute form within 60 days of the transaction date. The Bank of America dispute form is one of the few hard copy requirements because the form requires signature. Listed are several different dispute options:

Alteration of Amount

Your reviewer notifies you that the amount on a merchant's sales receipt differs from the electronic transaction amount.

Unauthorized Mail or Phone Order

You did not make a purchase; the merchandise or services were not ordered or received.

Cardholder Dispute

You state a particular transaction took place but there is a problem with the transaction. This selection allows you to indicate the dollar amount of the transaction and the reason for the dispute. This reason might be used if the merchandise ordered was different from that received, or the merchandise was damaged during shipment.

Credit Not Received

You have a credit slip from a merchant for a particular transaction; however, you were informed that a credit has not been posted to your cost center. You must include a copy of the credit slip or cancellation number with the form.

Imprinting of Multiple Slips

You state more than one charge was received for the same purchase.

Merchandise Not Received

(1) You state that while the transaction is valid, the items have not been received and you contacted the merchant without satisfactory resolution. Florida law prohibits payment prior to receipt of goods or services except in certain circumstances.

(2) You were billed for a purchase, contacted the merchant, canceled the order and will refuse the merchandise if it is delivered subsequent to the cancellation.

Merchandise Returned

You were charged for the purchase but has since returned the merchandise. Include a description of the circumstances with the form, including postal receipt, if applicable.

Inadequate Description/Unrecognized Charge

You do not recognize the transaction and request a copy of the transaction slip. You must, after receipt of the transaction slip, either authorize payment for merchandise or complete another form if transaction was not made by the cardholder. Request Bank of America for a copy of a transaction receipt. Receipt of the transaction slip does not cancel this dispute.

I am no longer disputing this charge

You state a previous dispute has been resolved.

Q U E S T I O N S & A N S W E R S

What happens if I charge a purchase in error?

If the purchase was a non-consumable, return the item for a credit.

Suppose I loose the receipt?

Most merchants will fax you a copy if you request it soon after you discover you lost the receipt.

If the merchant cannot provide it, contact the administrator who will order a copy from Bank of America. In the interim, document that you are waiting for a replacement receipt.

Am I required to have electronic access to my receipts?

No. Instead, you turn in receipts to another who will electronically confirm that your receipt should be processed for payment.

Travel

Using your purchasing card for travel

BY allowing use of the card for travel, we pay for travel expense rather than requiring you to use personal money up front. Beside this benefit to the traveler, we gain more information to track travel expense electronically; reduce the need to issue corporate card accounts or cash advances, encourage employees to take advantage of pre-booked discounts and potentially save sales tax avoidance through direct billing.

Airline Ticket

You may use your card to book airline tickets. You also may register with the approved travel agency to keep your credit card number on file; however, remember to set up a separate account with your personal credit card for non-business trips.

Steps

- Submit prior approval form
- Contact ----- travel agency
- Fax signed pre-authorization
- Remove original itinerary as documentation
- Attach copy of itinerary to travel reimbursement form

Hotel

To assure the tax exemption credit, provide a copy of the consumer's certificate of exemption, as some hotels will not allow it without copying the certificate.

To assure correct charges, present your purchasing card at the hotel registration desk and suspend or close out the purchasing card transactions. Open a new account using your corporate or personal card for your meals or entertainment. Most hotels can accommodate this request and you receive two receipts at check out that pre-separate your personal and business expenses.

At check out, review your statements for accuracy as a clerk may have inadvertently posted a personal charge to the purchasing card. If it cannot be corrected with a credit, you are responsible for deducting the personal costs on the travel reimbursement form.

Transportation

You are encouraged to use your card to the maximum extent possible. Following is a list of merchant types that are acceptable uses.

When using your card for a car rental, you must request the tax exemption at presentation of the card as it cannot be deducted when you return the vehicle. For the other transportation services, do not request exemption.

The Office of the Comptroller will approve up to a 15 percent tip for the taxi driver - include the tip as part of the transaction.

Transportation Providers
Avis
Taxi cabs or limousine services
Tolls
Parking Garages

QUESTIONS & ANSWERS

If I use the card for travel and do not want any personal reimbursement, am I required to submit a travel form?

Yes. The form documents official purpose and what the trip cost your agency.

Will I have to cancel my personal accounts with travel organizations?

You may use your credit card to establish business accounts with travel agencies, car rentals and hotels. The merchant keeps your purchasing card number on file; therefore it is very important for you to use the account for business purposes only.

Since merchant posts all charges to the number registered, you will have to replace the purchasing card number each time you use the account for a personal expense. Should you mistakenly tell the merchant to charge a personal expense to a business account, you will be required to reimburse the state.

Ask the merchant if you can have both a business and personal account. If possible, open the business account under a variation of your name so as not to confuse which one to charge. For example, if your personal accounts are *first name, middle name, last name* sequence, set up your purchasing card accounts with *first name, no initial, last name* sequence.

Definitions

Administrator

An employee who is responsible for an agency's purchasing card program.

Agency

All local and state government entities.

Cardholder

An employee issued a purchasing card to make purchases within preset limits, on behalf of the agency.

FLAIR

Florida Accounting and Information Resource (previously known as the State Automated Management Accounting Sub-system or SAMAS).

Merchant

A vendor who accepts the VISA credit card.

Merchant Category Code (MCC)

The 4-digit code, assigned to a merchant by the merchant's credit card service provider, that identifies the primary goods or services provided by the merchant.

Bank of America (NationsBank)

Contractor.

Payer

An employee located in the finance and accounting office responsible for validating the cardholder's payment of a reviewed and approved transaction.

Point of Sale

When a cardholder presents his card and is given a receipt.

Reconciler

An employee who reconciles cardholder receipts.

Reviewer

An employee who electronically reviews cardholder transactions to assure the appropriateness of activity and timely processing of charges.

Transaction

A charge, credit, correction or other activity associated with any cardholder or agency account.