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FISCAL BULLETIN 20-01

JANUARY 6, 2020

STATE OF NEW JERSEY'S PURCHASING CARD (P-CARD) POLICIES

1. **PURPOSE.** The State of New Jersey's Purchasing Card Program ("P-Card Program") was established to provide governmental agencies a convenient method to purchase goods and services. The purpose of this Bulletin is to outline policies in the use of the Purchasing Card ("P-Card") by employees of the New Jersey Department of Military and Veterans Affairs (DMAVA).
2. **APPLICABILITY.** This Memorandum applies to all DMAVA employees.
3. **REFERENCES.**
 - a. NJ Treasury Circular Letter 17-07-DPP, State of New Jersey Purchasing Card Program, January 25, 2016.
 - b. NJ Treasury Circular Letter 19-10-DPP, Delegated Purchasing Authority (DPA), April 15, 2019.
 - c. Departmental Directive 160, State Purchasing Policies, July 24, 2006.
4. **OBJECTIVE.** To ensure all purchases made with the P-Card adhere to the State's statutes and the New Jersey Department of Treasury's regulations and policies.
5. **RESPONSIBILITIES.**
 - a. **Purchasing Card Program Administrator.**
 - 1) Exercise overall responsibility and administration for the State's P-Card Program and policy implementation and administration for DMAVA;
 - 2) Establish and publish written internal P-Card policies and procedures consistent with Treasury Circular Letter 17-07-DPP;
 - 3) Act as the DMAVA P-Card Program point of contact for the vendors and State P-Card Program Administrator;
 - 4) Have a knowledge of all P-Card regulations as detailed in the Treasury Circular No. 17-07-DPP;

- 5) Maintain working knowledge of the Bank of America Payment Center and Works Program;
- 6) Develop a Merchant Category Code Group (MCCG) master template, and if warranted, individualized Cardholder MCCG templates;
- 7) Provide assistance and training for P-Card Program participants and disseminate updates, to include initial training for new cardholders and an annual refresher course for all existing cardholders including a review of the Treasury Circular No. 17-07-DPP and all Departmental policies;
- 8) Process P-Card Program enrollment applications;
- 9) Monitor DMAVA P-Card Program compliance;
- 10) Electronically mail new applications, cancellations, temporary suspensions and requests for limit changes to NJ P-Card Administrator;
- 11) Report inappropriate card activities to the appropriate parties and the State P-Card Program Administrator;
- 12) Ensure that cardholders and other applicable participants understand the P-Card Program and procurement policies and guidelines by providing them with the relevant Treasury Circular Letters;
- 13) Enroll P-Card Program participants, including the establishment of participant profiles, such as DMAVA cycle limits and transaction limits for each cardholder;
- 14) Complete P-Card Program forms and maintain P-Card Program files;
- 15) Receive and distribute P-Cards after verifying accuracy of card data;
- 16) Determine if a P-Card is needed; evaluate transaction activities for appropriate use and inform the State P-Card Program Administrator of inappropriate card activities, and adjust limits accordingly;
- 17) When necessary, create purchase orders in MACS-E or NJSTART prior to making a P-Card transaction:
 - a) Prepare reports on the Bank of America Works program listing information regarding every cardholder transaction. This is then put into an Excel spreadsheet to track payment. The NJSTART Purchase Order number that the transaction was paid on is recorded here.
 - b) Create one NJSTART PO including all transactions per location/facility. The Purchase Order number is then entered onto a Totals spreadsheet along with the total amount of charges for each facility/location. Results are verified with the bank statement.
- 18) Ensure monthly reconciliation of all cardholder accounts and that the reconciliation information remains on file for future audits, to include the collection and verification of supporting documents for every purchase including signed bank statements, invoice/receipts, and signed transaction sheets;

19) Maintain physical files of all cardholders containing application, signed Agreement Statement, copy of current credit card front and back, documentation for any changes to the account such as increases, decreases, temporary suspensions, cancellations, and any other pertinent information;

20) Maintain and update Excel spreadsheets of all cardholder details including contact information, account numbers, expiration dates, and card limits. Additionally, keep a spreadsheet showing cardholders by facility/location;

21) Ensure timely payment to vendors to ensure eligibility of payment for rebates:

a) Payments to the P-Card must be made in accordance with the terms and conditions of the contracted agreement. The agreement stipulates that payment is due, in full, upon receipt of the monthly billing account statement;

b) Payments made to the P-Card Program vendor should reference only the 16-digit corporate account number without any special characters, spaces, dashes or other characters;

c) Ensure that billing account remains in current status;

d) Ensure that all purchases are entered into MACS-E;

e) Reconcile purchases to monthly billing statements and to MACS-E, where applicable;

f) Billing inquiries and disputes should be made by the cardholder to the P-Card Program vendor. Disputes must be made in writing.

22) Promptly notify the vendor in writing of P-Card Program participant changes and cancellations to affected vendors from whom recurring transactions have been authorized;

23) Contact the bank for problems and questions on cardholder accounts; and

24) Periodically review monthly cardholder usage, limit, and purchases and make changes accordingly. These changes should be based on the frequency of use, the cardholder's work responsibilities, and the validity of purchases.

b. Individual Cardholder.

1) Understand P-Card Program and procurement policies and guidelines;

2) Notify vendors of the State of New Jersey tax-exempt status of purchases. Many vendors are not aware of this. Please make it a practice to check your receipts/invoices at time of purchase for tax charges and have them removed before leaving the vendor. Otherwise a credit will need to be obtained after the fact;

3) Maintain a transaction log including card receipts and supporting documentation for all purchases;

4) If a card receipt is lost, or not available, a written explanation is to be attached to the transaction log;

5) Provide monthly P-Card Transaction Log, supporting documentation, P-Card receipts, monthly statement and certification of the month's transactions to the Purchasing Card Program Administrator for payment to the P-Card Program vendor;

6) Discuss a disputed charge with the merchant prior to contacting the P-Card Program vendor. If the charge has not been corrected by the next billing statement, or the merchant does not agree to reverse the disputed charge, contact the P-Card Program vendor;

7) If necessary, report disputed charges to the P-Card Program vendor and Fiscal Division personnel within sixty (60) days from the date of the monthly statement via the P-Card Dispute form;

8) Report fraudulent charges immediately to the P-Card Program vendor and Fiscal Division personnel via telephone and in writing so that the P-Card Program vendor can cancel the card upon notification. Vendors from whom recurring transactions have been authorized must be notified via telephone and in writing by the cardholder, as the P-Card Program vendor will cancel the card immediately upon report of fraud;

9) Report a lost or stolen card immediately after the loss is realized to the P-Card Program vendor and by the next business day to the P-Card Program Administrator and to vendors from whom recurring transactions have been authorized;

10) Notify the P-Card Program Administrator of absence from the office, planned or otherwise, for more than ten (10) business days;

11) Relinquish the P-Card to the P-Card Program Administrator and reconciling transactions prior to a change of job duties or separation from DMAVA;

12) Notify DMAVA's Fiscal Division at 609-530-6933 or 609-530-6996 if your card is declined at the time of purchase in order to resolve the problem.

6. PROCEDURES.

a. The following procedures will apply to past due charges:

1) At thirty (30) days past due, a delinquency notice will appear on the billing account statement;

2) At sixty (60) days past due, the P-Card company will automatically suspend the billing account's spending ability;

3) At 180 days past due, the P-Card company will send the account to collections; and

4) The privilege to use the P-Card is subject to suspension and/or revocation due to misuse or non-payment.

5) Note: The New Jersey Prompt Payment Act requires State agencies to pay for goods and services within sixty (60) days of DMAVA's receipt of a properly executed State Payment Voucher or within sixty (60) days of receipt and acceptance of goods and services, whichever is later. Interest will be paid on delinquent accounts.

b. Cardholder's reconciliation information must remain on file for seven (7) years from the time the record was created in accordance with the State of New Jersey's General Records Retention Schedule.

c. All non-contracted P-Card transactions shall have three (3) price quotes, a receiving report and the invoice attached.

d. Every cardholder must have their monthly Bank of America statement signed by themselves and their manager/supervisor verifying that all the purchases are correct.

e. An invoice/receipt is required for every transaction on the statement.

1) Packing slips and other documents will not be accepted.

2) The invoice must show the vendor, the amount, date of purchase, and description.

3) This applies to credits/refunds as well.

f. Each transaction must have a completed and signed transaction sheet.

1) Both the cardholder's and the supervisor/manager signatures must be on the form.

2) Transaction sheets will not be accepted with only one signature.

3) Do not combine transactions from another month's statements on the same sheet or show more than one vendor per sheet.

g. Provide all supporting documents to the Purchasing Division by the 4th of the month following the statement. Cardholders are encouraged to submit documentation periodically through the month when purchases occur. Repeated failure to meet this deadline will result in card suspension. This is the responsibility of the cardholder and should not require repeated requests from the Fiscal Division to accomplish it.

h. All non-contract purchases over \$1,000.00 must be accompanied by a Sole Source Vendor letter or a complete PB-119.

i. If a State contract exists for the goods or services needed, the contract vendor must be used.

j. Cardholders will retain a copy of their transactions for their records.

k. Only the employee whose name appears on the face of the P-Card may use the card.

l. P-Cards are to be used only for official State business only as follows:

1) State advertised contract purchases up to \$50,000 per transaction;

2) Approved contracts acquired through waiver purchases up to \$50,000 per transaction;

3) Delegated Purchasing Authority ("DPA") purchases up to \$40,000 per transaction (please refer to Treasury Circular 16-02-DPP); and

4) Hotel meeting room rentals for DMAVA sponsored events including conferences, conventions, receptions, or special meetings.

m. Transactions are not to be split to circumvent the procurement statutes or P-Card Program policies. Additionally, P-Cards shall not be used for:

- 1) Personal use;
 - 2) Cash advances (ATM withdrawals);
 - 3) Fuel for vehicles (including State vehicles, except in a case of an emergency when an acceptable justification has been provided to and approved by the State's Program Administrator);
 - 4) Travel (the Travel Card should be used for State business travel expenses. Please refer to Treasury Circular 14-03-DPP); or
 - 5) Entertainment.
- n. Repeated failure to comply with all policies will result in card suspension and possible cancellation.
- o. Improper use of the P-Card may result in disciplinary action, up to and including termination of employment.

The proponent of this directive is the Fiscal Division. Users are invited to submit comments and suggested improvements directly to:
NJ Department of Military and Veterans Affairs, ATTN: Fiscal Division,
P.O. Box 340, Trenton, NJ 08625-0340.

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