

# DISBURSEMENT GUIDANCE FOR PURCHASING CARD HOLDERS

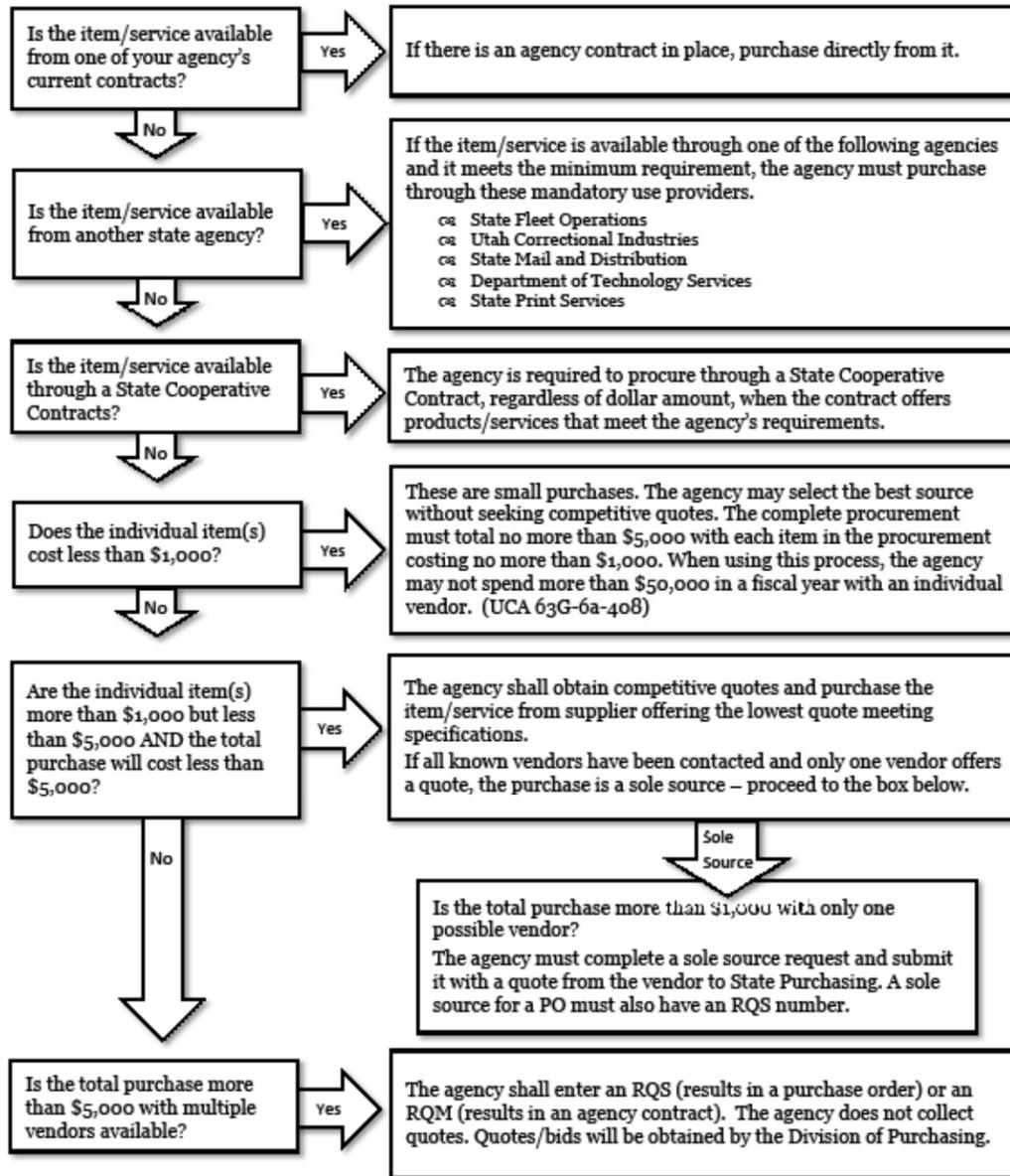
AS OF MARCH 3, 2015

# YOUR ROLE



- Thank you for your hard work! You play an important role to ensure the integrity of our system.
- As a Purchasing Card holder, you are responsible for protecting your card and understanding proper procurement. You should know and follow State Policy as well as department expectations for disbursements. If you have any questions, contact *Xochiatl Clyde* (801) 538-4105.
- The purpose of this guidance is to provide a review of the disbursement process. All Purchasing Card holders are expected to review this guidance and follow the certification instructions at the end of the packet.

# Purchasing Flow Chart



**PROPER PROCEDURES**

# PRIORITY GIVEN TO CONTRACTS

- State procurement entities cannot use the small purchase process if a state contract is available
- State Contracts:  
<http://generalservices.utah.gov/statewidecontracts/contractsearch.aspx>
- To initiate a contract for direct client services or for questions about Department of Human Services (DHS) contracts in general, see your division contract analyst



DAS Home

Purchasing Home

Service Plan

ePurchasing

State Mail

Print Services

Bid Notification System

Guide to Doing Business with Utah

General Services Invoice Search

Bid Tabulations and Awards

State Purchasing P-Card Info

Organizational Chart

Employee Intranet

WSCA Standard PC Configurations

Media Center

Surplus Program

Energy Star Web Site

## State Cooperative Contract Search

Search the State Contracts database for contracts

Enter search criteria below:

Enter one or more criteria in the fields below.  
Searches are case-insensitive. All fields are optional.

View All Contracts

Energy Star

Green / Recycled Products



**Keyword Search:**  
Search titles for full or partial keywords (example:  
comp, computer, computers for computers).

**Contract Number:**  
Enter full or partial numbers (example:  
PD013, 013, PD).



**Vendor Name:**  
Enter full or partial vendor name.

**Contract Expiration Date:**

Expires on or after this date:

Expires on or before this date:

**Purchasing Agent:**  
Select an agent from list.

Active Contracts Only

*Warning!!! Only active contracts are available for agency use. Inactive contracts may be expired or cancelled.*

Submit

Reset

# SEARCHING STATE CONTRACTS



Use the keyword search and/or the vendor name to find the items you need

# IF THE ITEM IS NOT ON CONTRACT...

*Disbursements must follow State and Department policy. Ensure all disbursements are reasonable and an appropriate use of public funds.*

- Administrative Rule [R33-3-3](#) requires for the following procurement values:
  - ▣ Individual Item less than \$1,000 = No Quotes, No Bids
    - The complete procurement must total no more than \$5,000 with each item in the procurement costing no more than \$1,000
    - May not spend more than \$50,000 in a fiscal year with an individual vendor
  - ▣ Individual Item more than \$1,000 but less than \$5,000 = Min of 2 Quotes (preferably 3)
    - The total purchase must cost less than \$5,000
  - ▣ More than \$5,000 = Performed by State Purchasing



# PURCHASING CARD LOG

- Serves as a record of transaction information
- Each charge must be documented by recording:
  - ▣ Date of the transaction
  - ▣ Name of the supplier
  - ▣ What was purchased
  - ▣ Purpose of the purchase
  - ▣ Cost involved
- Do NOT pay sales tax
  - ▣ See back of your card for tax exempt number
- Each transaction must be supported with an itemized receipt
- Reconcile the monthly bank statement with the log and supporting documentation
- Log must be signed each month by the cardholder and supervisor



# FINET ATTACHMENTS

*Remember:*

**NO**  
Confidential  
Information on  
the attachments



- We recommend attaching the supporting documentation (including the purchasing card log, bank statement, itemized receipts, etc.) in FINET
  - ▣ Easier for auditors
  - ▣ Easier for YOU!
  
- Be sure **no confidential information** is on the attachments
  - ▣ Examples: Client Names, Social Security numbers, etc.



# LIMITATIONS

## Multiple Purchases

- Purchasing Cards have monthly limits and individual transaction limits
  - ▣ All limits are approved by your Division Budget Officer
  
- If you have to pay a vendor multiple times on the same date, please clearly document the reason why

## Cumulative Amounts

- Please remember that multiple transactions for the same vendor should be grouped and treated as a whole purchase
  
- Use the total amount when referring to the Purchasing Flow Chart



# LIMITATIONS

- If, on occasion, a purchase exceeds your per transaction limit and you must run your card twice to accommodate the purchase, document the reason why the card was run twice
  - ▣ In addition to the monthly log signature, you must also obtain your supervisor's written signature on the documentation as evidence of approval
  - ▣ Include this documentation with your monthly purchasing log
- If you frequently need to exceed your individual limit, discuss with your supervisor about possibly increasing your per transaction limit
  - ▣ Any adjustments to your limits will need to be routed through your Division Budget Officer for approval

# ONGOING PURCHASES

\*Purchasing agents by commodity code can be found at:

<http://www.purchasing.utah.gov/directories/documents/agentlist.pdf>

- If a purchase is ongoing, continuous, or regularly scheduled and will exceed the annual cumulative threshold of \$50,000; coordinate with State Purchasing to establish a contract
- Regardless of dollar amount, if client services are ongoing, continuous or regularly scheduled; discuss with your division contract analyst and the Bureau of Contract Management to determine if a contract is applicable

Reminder: monitor regular use and cumulative amounts to determine if contracts are necessary



# ARTIFICIALLY SPLITTING PURCHASES AND INVOICES



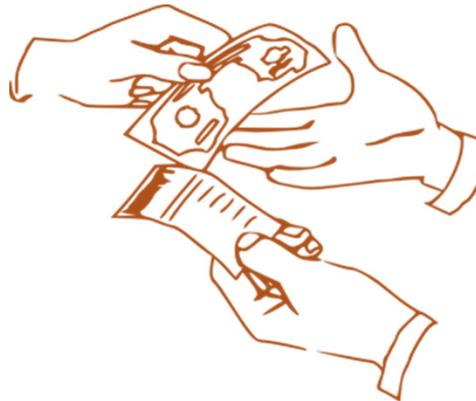
Do **NOT** split  
purchases, invoices,  
or payments to  
avoid State or  
Department  
requirements



# ARTIFICIALLY SPLITTING PURCHASES AND INVOICES

Utah Procurement Code - [63G-6a-408](#)

- “Splitting” includes:
  - ▣ Making two or more separate purchases
  - ▣ Dividing an invoice or purchase order into two or more invoices or purchase orders
  - ▣ Making smaller purchases over a period of time



# PENALTIES FOR ARTIFICIALLY SPLITTING A PURCHASE

*Utah Procurement Code - [63G-6a-2305](#)*

If the total value of the divided procurement is:

- ❑ Over \$1,000,000 = Second Degree Felony
- ❑ From \$250,000 to \$1,000,000 = Third Degree Felony
- ❑ From \$100,000 to \$250,000 = Class A Misdemeanor
- ❑ Less than \$100,000 = Class B Misdemeanor



# NEED SOME HELP?

## Division of Finance

### Accounting Policies & Procedures

<http://apps.finance.utah.gov/nxt/gateway.dll?f=templates&fn=default.htm&vid=nxtpub:app1>

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## Office of Fiscal Operations

### Purchasing Card Program Procedures

[http://www.hsofo.utah.gov/files/fiscal\\_procedures/03-007.00%20Purchasing%20Card%20Procedures.pdf](http://www.hsofo.utah.gov/files/fiscal_procedures/03-007.00%20Purchasing%20Card%20Procedures.pdf)

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## Purchasing Card Information

<http://finance.utah.gov/pcard.html>

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## Department Purchasing Help Desk

Xochiatl Clyde  
(801) 538-4105



# STATE PURCHASING LINKS

## State Purchasing

<http://www.purchasing.utah.gov/>

- [Phone Quotation Worksheet](#)
- [Sole Source Request Form](#)
- [Utah Sales Tax Exemption Form](#)
- [Purchasing Flow Chart](#)





Any  
**QUESTIONS??**  
*Call our Expert!*

# Xochiatl Clyde

Financial Analyst

[xclyde@utah.gov](mailto:xclyde@utah.gov)

(801) 538-4105



# CERTIFICATION INSTRUCTIONS

1. Review the slides
2. Send an email to **Xochiatl Clyde** ([xclyde@utah.gov](mailto:xclyde@utah.gov)) with *Purchasing Card Certification* in the subject line
3. Carbon copy your supervisor confirming you reviewed and understand this disbursement guidance

