

	Montana Operations Manual Policy	Category	Procurement/ Surplus Property
		Effective Date	10/01/2012
		Last Revised	04/17/2014
Issuing Authority	Department of Administration General Services Division		
Procurement Card Program			

I. Purpose

The purpose of this policy is to establish the requirements for obtaining and using a procurement card, provide an efficient, cost-effective method of procuring and paying for State supplies, services, and travel; and reduce petty cash requests, travel advances, out-of-pocket travel expenses, and reduce the number of State warrants issued.

II. Scope

This policy applies to state employees that have been granted access to a state procurement card.

III. Policy Procedures and Requirements

A. Obtaining a Card

Cards will be issued to an employee as authorized by their supervisor. Employees must complete and sign the [Procurement Card New Account Information Record](#). The spending limit is set at a default amount of \$5,000.00 per month, which must be approved by the employee’s supervisor. Any changes in the spending limit must also be approved by the supervisor.

An employee must read and sign the [Employee Agreement Form](#) before they receive their card, indicating that they will adhere to the policy requirements.

The Employee Agreement Form and Procurement Card New Account Information Record must be signed by the supervisor and submitted to the Agency Coordinator.

B. Card Usage

Although the card is issued in the individual’s name, **it is the property of the State, and can only be used for State of Montana purchases.** The employee

must sign the back of the card, and is responsible for the card's security and the transactions made with the card.

The card can be used at any vendor or merchant who accepts Visa, and is in an approved Merchant Category Code. Card charges may be audited and/or cancelled at any time.

C. Denials

If a transaction is denied, the employee should contact US Bank Customer Service using the toll-free number on the back of the card. The merchant's name, the date, dollar amount, and approximate time of the attempted purchase should be provided to the bank. US Bank will investigate the denial, and provide a report to the employee, or the Agency Coordinator.

Various Merchant Category Codes such as jewelry stores and pawn shops have been blocked from use. If an employee presents a card to any of these vendors, the transaction will be denied.

D. Receipts

The employee is responsible for obtaining a receipt for all transactions. Receipts must be attached to the monthly statement. In the event that there is not a receipt, a [Procurement Card Missing Receipt](#) form must be completed and submitted with the employee's monthly card statement. Personal meals may only be charged while in approved travel status and the receipt must be attached to the travel voucher.

E. Reconciliation and Payment

Monthly statements will be mailed to the employee at the address identified on the New Account Information Record form. The monthly statement identifies all card transactions during the previous billing cycle. The employee must verify all transactions, and sign and date the statement. The employee's supervisor must review and approve all transactions, and sign the statement before forwarding to the agency's accounting office. Statements will be paid by the State of Montana. Statements must be filed and retained according to the agency's policies and procedures.

F. Billing Disputes

If an item on a statement is not approved by the employee (e.g., employee did not make the transaction, incorrect amount, etc.), the employee must contact the vendor to resolve the error. If the vendor agrees that an error has been made, the account will be credited. The disputed transaction should be identified on the statement as a reminder that the item is pending resolution.

If the vendor does not agree that an error has been made, the employee or Agency Coordinator must contact US Bank and identify the disputed charge. A disputed transaction **must be identified and submitted to US Bank using the Cardholder Dispute Form (attached), within 60 days of the transaction date.**

The amount due on the next monthly statement will be reduced by the amount of the disputed item until the transaction dispute is resolved. If a dispute is not submitted in writing to US Bank within 60 days of the transaction date, the agency is responsible for resolving the dispute with the vendor or paying for the disputed item.

G. Lost or Stolen Cards

US Bank must be notified immediately if a card is lost or stolen.

IV. Enforcement

Each agency is responsible for policy enforcement. Consequences for violations of this policy include, but are not limited to, cancellation of Procurement Card privileges, reimbursement for any improper use, disciplinary action up to and including termination, and possible criminal charges.

V. Definitions

- Agency Coordinator: Agency employee who manages the procurement card on behalf of an agency or a division.
- Merchant Category Code: A four-digit number used by the bankcard industry to classify suppliers into market segments.
- Procurement Card: Credit card utilized to purchase supplies and services relating to government business.

VI. Closing

For questions about this policy, contact the State Procurement Bureau at:

Department of Administration
State Procurement Bureau
125 N. Roberts Street, Mitchell Building, Room 165
Helena, MT 59620-0135

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