	Montana Operations Manual ***Policy***	Category	**Procurement**
		Effective Date	**01/30/2013**
		Last Revised	**10/06**/2015
Issuing Authority	**Department of Administration** **State Financial Services** Division		

Fuel Card Policy

I. PURPOSE

The policy establishes the requirements for managing and using fuel cards for efficient and cost-effective fuel and maintenance purchases when conducting State business.

II. SCOPE

This policy applies to Executive Branch agencies that operate agency-owned, fuel-powered vehicles and equipment. The Montana Department of Transportation's daily-use and agency-leased motor pool vehicles are exempt from this policy.

III. PROCEDURES / REQUIREMENTS / RESPONSIBILITIES

A. Agencies must:

1. Use the Department of Administration's (DOA) State Procurement Bureau's exclusive fuel card contracts.

2. Designate an authorizing official(s) to oversee its fuel card procedures. Provide the authorizing official's personal contact information to the DOA's State Procurement Bureau.

3. Establish procedures and assign responsibilities to manage fuel card use. Procedures and responsibilities must include the following:

    a. Collect and compare monthly vehicle odometer readings to the vehicle's monthly fuel transactions to ensure fuel consumption is appropriate for the vehicle.

    b. Retain monthly statements.

    c. Resolve billing disputes.

If an error is found on a statement (e.g., employee did not make the transaction, incorrect amount, etc.), the vendor where transaction took place, must be contacted by the agency to try to resolve the dispute. If the vendor does not agree an error has occurred and does not agree to correct the disputed amount, the transaction will be identified and submitted in writing to the card provider within 60 days of the transaction date. The card provider will investigate the dispute and report findings back to reporting agency. If a dispute is not submitted within 60 days of the transaction date, the agency is responsible for paying the disputed item. If the vendor agrees an error has occurred, the vendor will credit the account and the credit will appear on the next statement. See current fuel card contract for dispute resolution policy.

4. Establish internal controls for using fuel cards. Available controls include:

    a. Limit on the number of transactions during a certain time period (day, month, week).
    b. Limit dollar amount per transaction.
    c. Limit Merchant Category Codes.
    d. Restrict purchases to specific hours of the day or days of the week.
    e. Require odometer reading at the point-of-sale.

Note: Default fuel card controls limit purchases to fuel and maintenance items and allow five transactions per day up to a total of $1000. Agency Authorizing Officials and their Supervisors may increase these limits on an as needed basis without a policy exception.

B. Authorizing Official(s) will:

1. Assign a fuel card to each agency-owned vehicle showing the vehicle's license plate number on the front of the card.

2. Issue separate fuel cards for non-vehicular uses (e.g., lawn mower).

3. Require each employee authorized to operate an agency-owned vehicle to read the Fuel Card Policy and sign the Fuel Card Use Employee Agreement Form (attached) before they receive a Personal Identification Number (PIN).

4 Retain the signed Fuel Card Use Employee Agreement Form for two years after the employee's termination date.

5. Assign a unique PIN to each authorized employee. Generic PINs are prohibited.

6. Manage internal controls in accordance with the agency's procedures.

7. Immediately cancel fuel cards that are lost, stolen, or assigned to a vehicle that is transferred, sold, or surplused.

8. Maintain a record of the agency's approved exceptions to the Fuel Card Use policy.

C. Employees authorized to use fuel cards must:

1. Read the Fuel Card Policy.

2. Sign the Fuel Card Use Employee Agreement Form acknowledging their responsibilities for fuel card use.

   Note: Employees are prohibited from using premium grade fuel unless required by the vehicle operation manual.

D. Supervisors of authorized employees must:

Review and approve monthly fuel card transactions for each authorized employee under their supervision and ensure fuel card use is consistent with the employees' work assignments.

IV. REQUEST FOR EXCEPTIONS

The authorizing official may submit a request for an exception to any part of this policy to the DOA's State Procurement Bureau. The State Procurement Bureau will determine if an exception is granted based on the following criteria:

A. The policy has created an undue hardship on the agency;

B. The circumstances are non-traditional and require unique accommodation; or

C. The exception will not compromise internal controls.

V. VIOLATIONS

Each agency is responsible for policy enforcement and investigating all alleged violations and complaints. Agencies will take appropriate disciplinary action including, but not limited to, cancellation of an employee's fuel card privileges, termination, and possible criminal charges.

VI. DEFINITIONS

A. Authorized Employee: An employee designated to use a fuel card.

B. Authorizing Official: An individual(s) designated by the agency to authorize and cancel fuel cards, manage internal controls, and maintain a record of the agency's exceptions.

C. Card Provider: The State's contracted fuel card provider.

D. Ethanol-Blended Gasoline: A fuel mixture of gasoline and ethanol produced from agricultural products as defined in 2-17-414, MCA.

E. Generic PIN: A PIN not directly assigned to a single individual. Generic PINs are prohibited.

F. Merchant Category Code: A number used by the fuel card vendor to classify suppliers into market segments.

G. Personal Identification Number (PIN): A unique number assigned to an individual.

H. Vehicle Maintenance: Expenses including gas, oil, repairs, labor, storage, and service.

I. Vendor: The point-of-sale for a fuel or vehicle maintenance purchase.

J. Non-Vehicular Use: Uses associated with equipment such as a lawn mower, snow sweeper, leaf blower, or chainsaw.

VII. CROSS REFERENCE GUIDE

The following laws, rules, or policies contain provisions relevant to fuel purchasing cards. This list is not exhaustive; other policies may apply.

A. ARM 2.6.203 Authorized Driver – definition.

B. 2-17-414, MCA State vehicles use of ethanol-blended gasoline – definition

C. 2-17-418, MCA Agency records on fuel efficiency measures

D. 2-17-421, MCA Use – state business only – exception, compensation for driving personal vehicle – penalty for private use

E. 2-17-425, MCA Limit on use of state vehicle to commute to worksite – definitions

F. Title 18, Chapter 4, MCA Montana Procurement Act

VIII. 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

406-444-3366
Rick Dorvall, email: rickdorvall@mt.gov

STATE OF MONTANA

FUEL CARD USE EMPLOYEE AGREEMENT

1. I have read, understand, and will comply with the Fuel Card Policy.
2. I understand I am required to use ethanol-blended gasoline when the manufacturer allows and I am prohibited from using premium grade fuel unless required by the vehicle operations manual.
3. I agree to use the card for all fuel purchases unless obtained from a state-owned bulk site with a manual transaction process.
4. I will immediately notify the authorizing official if a card is lost or stolen or if my PIN is compromised.
5. I understand that I am required to comply with internal control procedures.
6. I agree not to share my Personal Identification Number (PIN) with any other person.
7. I understand I can only use the card for fuel and authorized vehicle maintenance purchases for state-owned vehicles.
8. If I misuse the card for personal purchases, I authorize the State to deduct from my salary or from other monies owed me, an amount equal to the total of the personal purchases. I also agree to allow the State to collect any amounts owed by me even if the State no longer employs me.
9. I understand improper use of this card may result in disciplinary actions, including termination of employment and criminal action.
10. I understand the State may terminate my card use privileges at any time for any reason.

Employee Signature	Authorizing Official's Signature
Employee Printed Name	Authorizing Official Printed Name
Date	Date