



State of Vermont

Purchasing Card Program

Cardholder Users' Guide

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Introduction

Welcome to the State of Vermont Purchasing Card Program. The program will allow for better management of low-dollar state purchases and brings many benefits to you, the State of Vermont, and Vendors.

The purpose of the Purchasing Card Program was to establish a more efficient, cost-effective method of purchasing and paying for small dollar transactions as well as high-volume, repetitive purchases. The program is designed as an alternative to the traditional purchasing process for supplies and services. If used to its potential, the program will result in a significant reduction in paperwork and processing time at all levels. In addition, corresponding work processes associated with ordering and check writing will be eliminated.

The Purchasing Card can be used with any vendor that accepts MasterCard/Visa as a form of payment.

The Purchasing Card Program enables Cardholders to make authorized purchases directly from a Vendor.

Overview

The Cardholder Users' Guide provides the general guidelines for using the Purchasing Card. Please read it carefully. **Your signature on the Cardholder Agreement shows that you understand the intent of the program and agree to follow the established guidelines.**

Specific details pertaining to your business unit will be provided by your Agency Administrator. Information should include your accounts payable contact, single transaction limit, and monthly credit limit as well as the Bank of America Customer Service Number that you should call if your Card is lost or stolen.

The success of the Purchasing Card Program and its continued use depends on your participation and cooperation. Please be sure to read and follow the program guidelines as specified within this Guide.

What is a Purchasing Card?

The Purchasing Card is a Visa Credit card issued by Bank of America for the State of Vermont. It is a fast, flexible purchasing tool, which offers an alternative to the existing purchasing processes and provides an extremely efficient and effective method for purchasing and paying for specific purchases. **The Purchasing Card is to be used only for State purchases.**

The Visa Purchasing Card will enable you to purchase non-restricted commodities, and services by telephone or in person, directly from the vendors.

- The Purchasing Card is authorized for purchasing and paying for non-contract transactions with a total value of \$3,500.00 or less per transaction.
- The Purchasing Card is authorized as a form of payment on contracts that have been identified and approved by Purchasing. As such higher transaction limits are approved as there are no specific transaction limits when purchasing from an approved contract.

This coincides with existing purchasing authority.

What does a Purchasing Card look like?



The Purchasing Card Program Has Many Benefits

Cardholder Benefits:

The Card is convenient. It provides a better method for users to make authorized purchases directly from a broader range of vendors. When using the card, you will be able to obtain goods much faster and easier than before. The Card will simplify the purchase process and add accountability. **Through reporting features, the Card will provide information about your purchases.**

State of Vermont Benefits:

The Purchasing Card program will provide a cost-efficient, alternative method for purchasing low-dollar supplies. Built-in card features make the program easy to control and manage. The State of Vermont will benefit from reduced paperwork and processing time at all levels. The Purchasing Card enables all departments to focus on higher value-added activities.

This savings in time and money can be substantial. In addition, we will be able to reduce the number of checks processed to multiple suppliers by issuing one payment each month to Bank of America, the State's card provider.

Vendor Benefits:

Vendors who accept VISA will welcome the Purchasing Card. When they accept the Purchasing Card for business purchases, vendors need not send invoices to the State of Vermont, as they will receive payment directly from Bank of America within 48 to 72 hours.

Acceptance of a Purchasing Card for customer purchases also adds a new marketing strategy to the Vendor's sales portfolio.

General Information:

Parties Involved:

There are various parties involved in the Purchasing Card Program. Those parties are as follows:

Card Issuer: Bank of America was selected as the State of Vermont Purchasing Card Provider. Bank of America's services include issuing Visa Purchasing Cards to State of Vermont employees, providing electronic transaction authorizations, and billing State of Vermont for all purchases made on the cards.

Bank of America's Customer Service: The Purchasing Card Program is serviced using a team approach with Bank of America's Customer Service Center. This center is available 24 hours a day, 7 days a week to assist cardholders with general questions about the Purchasing Card account. If a Purchasing Card is lost or stolen, Bank of America Customer Service must be notified immediately.

The Bank of America Customer Service number is: 1-800-822-5985, option 2 Toll Free

State of Vermont: Arranges with the Card Issuer, Bank of America, to have Purchasing Cards issued to employees approved to receive cards and agrees to accept liability for the employees' use of the cards.

Agency Administrator: An Agency Administrator will be designated within your Department/Agency for questions, issues and administration of the program. **This person will be knowledgeable on all procedures in this Users' Guide.** The Agency Administrator has a direct relationship with the Card Issuer. All Purchasing Card requests must go through the Agency Administrator. The Agency Administrator must approve an employee's request for a Purchasing Card, assign a Departmental Liaison if applicable, submit applications to the Card Issuer, and act as the intermediary in correspondence with the Card Issuer.

Auditor: A person or persons designated by the Agency Administrator to test, review, and verify on a monthly basis that Cardholders are in compliance with all Purchasing Card policies. This includes but not limited to reviewing all monthly transactions.

Departmental Liaison: In some instances, a Department Manager may designate an employee in your Department to be responsible for reviewing transactions of individual Cardholders to make sure the transactions are official business expenses and are classified appropriately. This Departmental Liaison will keep

documentation for the Purchasing Card activities within a Division. Departmental Liaisons are knowledgeable about the Program and can place requests for changes with the Agency Administrator on behalf of the Cardholder and Department Manager.

Cardholder: An employee of the State of Vermont who is designated by the Department Manager, and approved by the Agency Administrator to utilize the Purchasing Card to purchase small dollar supplies and services. **The cardholder is responsible for following the guidelines provided by the State of Vermont in regard to purchases, selection of vendors, and security of the Card.**

Designated/Department Manager: The Designated/Department Manager, or delegated representative, is responsible for designating Cardholders and approving monthly Purchasing Card statements of Cardholders to ensure they meet within State of Vermont policy. The Designated/Department Manager will also assist in assigning Cardholder spending limits and regulations.

Purchasing Card Administrator: The central Administrator located in the State of Vermont's Office of Purchasing & Contracting who coordinates the Purchasing Card Program for State of Vermont and acts as State of Vermont's intermediary in correspondence with the Card Issuer.

Vendor: The merchant from whom a Cardholder is making a purchase.

Accounts Payable Individual: It is required by the 15th of every month, the cardholder(s) and/or Departmental Liaison shall forward Purchasing Card Transaction Log/Envelopes (if WORKS is not utilized to store receipts) to this person. This individual will maintain the Cardholder's Purchasing Card Transaction Logs for audit purposes.

Procedures:

Purchasing Cards will be centrally distributed through the Agency Administrator. When a new card is issued, Bank of America will send it to the Agency Administrator for distribution to the Cardholder. Cards will not be released to Cardholders until each Cardholder has gone through training, received all supplies related to the program **and signed the Cardholder Agreement.**

The following items should be provided to you, the Cardholder, during training:

1. **Cardholder Purchasing Card Agreement:** This is an agreement between the Cardholder and State of Vermont, **which affirms that the Cardholder has read and understands the policy and procedures for the Purchasing Card.** The Cardholder and the Agency Administrator usually sign this agreement at the end of the training session.
2. **Cardholder User's Guide:** This document outlines the state's policies and procedures in regard to the use of a Purchasing Card. It also outlines types of purchases which may be permitted and restricted vendors.
3. **Cardholder Survey:** This document provides a feedback mechanism for the Cardholder to inform the State of Vermont about how the program is working on a day- to- day basis, report on vendor success, and give suggestions for improvements.
4. **Purchasing Card Transaction Log:** If WORKS is not utilized to store receipts, the Cardholder must use this form to record purchases and returns during the reconciliation process.
5. **Replacement Receipt Form:** The Cardholder must use this form if they cannot obtain or have lost an original receipt. This is a rare item. **The Cardholder must attempt to obtain a copy of the original receipt. This form must be approved by the Department Manager. Overuse of this form will result in your card being suspended or cancelled.**

More information on these Procedures will be provided throughout this User's Guide

Cardholder Eligibility:

You were selected to receive a Purchasing Card because you should have job responsibilities that require the purchase of certain types of goods or services.

- You must be a permanent or limited status or exempt employee of the State of Vermont, nominated by your Department Manager, and approved by your Agency Administrator.
- If applicable, you will be assigned a Departmental Liaison selected by the Agency Administrator.
- Your Cardholder Status falls into one of two categories:
 - Purchasing only
 - Purchasing and Travel combined
- Your Department Manager or Departmental Liaison will tell you which category of purchases you may be permitted to make.
- The Department Manager is responsible for designating Cardholders, and will assist in assigning each Cardholder spending limit. You must verify the transaction and credit limits assigned to your Purchasing Card with your Department Manager or Departmental Liaison.

Receiving a Purchasing Card:

Before receiving a Purchasing Card, you are required to take the online training on the use of the card and sign the State of Vermont Purchasing Card Cardholder Agreement (Attachment I). Note: Departments may require additional training as well. **By signing this Agreement, you indicate that you understand the intent of the Program, and will comply with all guidelines of this Users Guide as well as the State of Vermont Policies and Procedures relating to purchase of goods and services and the expenditure of State of Vermont funds.**

The State of Vermont Purchasing Card should always be treated with at least the same level of care that you treat your own personal credit cards.

- Sign your Purchasing Card immediately upon receipt.

The only person entitled to use the card is the person whose name appears on the face of the card. **The card may not be loaned to or used by any other person for any reason.**

How to Use the Purchasing Card: Purchasing Card Use:

The Purchasing Card works just like your personal credit card, except the State of Vermont pays all charges in full. The Card enables you to purchase non-restricted commodities and services by telephone or in person, directly from vendors. Your Purchasing Card is to be used only for State business. **Any violations or misuse of the Purchasing Card may result in immediate suspension or cancellation of your card.**

The Purchasing Card is flexible and safe, and offers an alternative to the existing Purchasing process. It provides an extremely efficient and effective method of purchasing and paying for small dollar transactions as well as high volume repetitive purchases.

- The Purchasing Card is authorized for purchasing and paying for non-contract transactions with a total value of \$3,500.00 or less per transaction.
- The Purchasing Card is authorized as a form of payment on contracts that have been identified and approved by Purchasing. As such higher transaction limits are approved as there are no specific transaction limits when purchasing from an approved contract.
- Please ensure you work with your Department Administrator to have the higher limits set. Such contracts appear on the Purchasing Card Approved Contract Listing on the web at: [Contract Lists & Reports | Buildings and General Services \(vermont.gov\)](#). The Purchasing Card Approved Contract Listing is updated on a quarterly basis. **Note: It is your responsibility to verify contract pricing on items and to ensure that the items are received when using the Purchasing Card.**
- The Purchasing Card is authorized as a form of payment for Travel Expenses, for certain Users. If you have this authorization, the Purchasing Card may be used to purchase airline tickets, hotel room and tax, and car rentals. Entertainment expenses, including restaurants are not permitted. **Note:** Not all Purchasing Cards are authorized for Travel Expenses.
- The Purchasing Card may be used as a form of payment for state sponsored activities and/or events such as catering needs for jurors, etc. In such instances, Agencies/Departments must receive prior authorization from the State of Vermont Purchasing Card Administrator.
- Many items purchased under Blanket Delegation of Authority #1 (BDA#1) may be purchased using the Card.

Travel Expenses

To be issued a Purchasing Card that can also be used for travel related expenses, a Cardholder:

- is required to travel for department business,
- must be familiar with the travel policies and procedures set by the State

Use of the Card is strictly for 100 percent allowable travel costs incurred while conducting department business. The traveler must provide the hotel a personal credit card in their name or cash deposit for personal incidental expenses they may incur during their stay at the hotel.

The only person who may authorize purchases on the Purchasing Card is the person whose name appears on the face of the Card. The Card or account number cannot be loaned to another person. Violations will result in immediate card cancellation.

Below are examples of allowable and unallowable travel charges to the purchasing card:

ALLOWABLE	UNALLOWABLE
Registration Fees	Meals
Hotel Room (room charge and application taxes)	Movies
Airfare and travel agency surcharges	Personal phone calls
Car rental	Gift shop purchases
Parking & Tolls	Hotel bar
Car Fares	Other hotel services
Business phone calls (if no phone-card)	Gasoline
Internet	Restaurants & Bars

The same travel regulations apply when using the Card as when using other payment methods. An authorization for out-of-state travel is required in addition to the documentation required for tracking Purchasing Card transactions.

The Cardholder must:

- Obtain prior approval for travel in accordance with Administrative Bulletin 3.4.
- Determine if the travel related expenses are within their Purchasing Card spending limits.

- Authorize only travel expenses that are 100 percent allowable under the states travel reimbursement policy.
- **Advise the Merchant that the purchase will be paid using the Visa Purchasing Card.**
- For in-state travel: **Inform the merchant that the purchase is exempt from State of Vermont sales taxes.** Be prepared to provide a sales tax exemption certificate to the vendor. Before signing any transaction receipts, review the receipt given by the Merchant and **if state sales taxes are charged, request a credit from the Merchant for the amount of the taxes charged.** If the merchant refuses, the Cardholder must provide a written notation on the receipt of the merchant's refusal to grant tax-exempt status.
- If the transaction is by phone, mail order or electronic, advise the Merchant not to charge your card prior to receipt of services except in certain circumstances such as registration fees and airline tickets.
- If reservations must be cancelled, the traveler must notify all applicable airlines, hotel and auto rental vendors immediately and obtain cancellation numbers for each reservation. Failure to do so could result in the traveler being required to reimburse the department for costs of the unused services.

Registration Fees

The purchasing card can be utilized for the payment of registration fees for a conference, convention, seminar or training course. Multiple registrations can be charged on the same purchasing card if employees are attending the same class or event on the same dates.

Record Keeping for Travel

The Cardholder shall retain all transaction receipts/credits for travel.

- Receipts must be itemized to show the type of service, quantity and rate. If, for example, a hotel receipt does not show the room rate and any other charges itemized each day, the **Cardholder must request a revised receipt that is itemized.**
- Review hotel receipt for accuracy and inclusion of personal charges.
- Original receipts must be placed in the Cardholder's Purchasing Card Transaction Log/Envelope along with the approved travel authorization.
- If receipts are lost, you must attempt to obtain a copy from the vendor. If paying for expenses of another employee, a copy of their travel authorization must be included.

Key Cardholder Responsibilities:

The Purchasing Card may not be used for entertainment, cash and other categories as included in the Listing of Restricted Vendors (Attachment II) and depending, upon your Cardholder Status you may not be able to use your Card for travel expenses. **Your misuse of your Purchasing Card may subject you to disciplinary action, up to and including termination.**

Cardholders shall:

- Use the Purchasing Card for State business purposes only.
- Maintain the Purchasing Card in a secure location at all times.
- Adhere to the purchase limits and restrictions assigned to your Purchasing Card.
- Obtain and reconcile all sales slips, register receipts, and/or Purchasing Card slips and/or provide it to Departmental Liaison for reconciliation, approval and allocation of transactions to Bank of America's Cardholder Memo Statement.
- Attempt to resolve disputes or billing errors directly with the vendor and notify Bank of America through WORKS if the dispute or billing error is not satisfactorily resolved.
- Ensure that an appropriate credit for the reported disputed item or billing error appears on a subsequent Cardholder Memo Statement.
- Immediately report a lost or stolen card to Bank of America at 1-800-300-3084 (24 hours a day, 365 days a year).
- Immediately notify his or her Agency Administrator of a lost or stolen Purchasing Card at the first opportunity during normal business hours.
- If a Vendor does not accept Visa, contact your Agency Administrator.
- Report erroneous and emergency transaction needs to the Departmental Liaison and/or Agency Administrator during normal business hours.
- Read and adhere to all Purchasing Card Program Policies and Procedures <https://bgs.vermont.gov/purchasing-contracting/pcard/policy>

The Cardholder shall NOT:

- Allow other individuals to use the Purchasing Card assigned to you.
- Accept cash in lieu of a credit to the Purchasing Card account in the event of a refund for any reason.
- Split a purchase transaction to circumvent the purchase limits assigned to your Purchasing Card.

The following important points should be reviewed before using the Purchasing Card:

- Your Purchasing Card is issued in **your** name. All purchases made on the Purchasing Card must be only **yours**. You are responsible for the security of the Purchasing Card and the transactions made with it. **If guidelines are not followed you may be subject to disciplinary action, including termination.**
- The Purchasing Card is not for personal use. Use for official business only.
- You can use the Purchasing Card at any vendor or service provider that accepts Visa and is not restricted. Your Card may be used for in-store purchases, mail, telephone, internet, or fax orders.
- You may use the Purchasing Card to purchase supplies and services less than the Single Transaction Limit established for your card. In most cases, the Single Transaction Limit has been set at \$3,500.00 however the transaction limit is established by your manager.
- You must not exceed the credit limit assigned to your Purchasing Card in a given billing cycle. In case of an emergency your card limit may be increased with authorization from your division director or appointing authority.
- The Purchasing Card must be returned to the Agency Administrator upon request.
- **The Purchasing Card is not intended to avoid or bypass appropriate purchasing or payment procedures. This program compliments the existing processes available. If advanced approval is required from the Office of Purchasing & Contracting before purchasing an item, such approval must be granted before paying for the item with the Purchasing Card.**

Purchasing Card Controls:

The Purchasing Card Program adds more accountability and convenience through a variety of control features built in at the card level that provide for management reporting. For instance,

- The Program allows the State to control spending limits and/or transaction limits.
- The Program allows the State to designate where spending is allowed by utilizing Merchant Category Code (MCC) blocking, which restricts Purchasing Card use for payment of certain types of Vendors.
- The Program allows the State to set controls at an Agency/Department Level and/or Employee Level.

Transaction Limits:

All Purchasing Cards are assigned a transaction limit. A transaction limit or single purchase limit is the amount available on the Purchasing Card for an individual purchase. **A transaction includes the purchase price, and freight.** You should not attempt to make a purchase greater than your approved amount. Your Agency Administrator must also approve and process changes to your transaction limit.

Purchase of items or services off-contract may not exceed the per transaction limit. However, if the purchasing card is used to purchase items or services on contract with the State for a price in excess of \$3,500.00, the single transaction limit may be exceeded with approval of the Agency Administrator. This exception applies **ONLY** to items on State Contracts that appear on the Purchasing Card Approved Contract Listing. Reference Attachment "III", and the web at [Contract Lists & Reports | Buildings and General Services \(vermont.gov\)](#). The Purchasing Card Approved Contract Listing is updated on a quarterly basis.

Note: It is your responsibility to verify contract pricing on items and to ensure that the items are received when using the Purchasing Card.

Restricted Vendors:

The Purchasing Card Program and the State of Vermont require that Purchasing Card use with certain types of Vendors be restricted.

For instance, with regard to Travel Expenses, the Purchasing Card may be used to purchase airline tickets, hotel room and tax, and car rentals. Entertainment expenses, including restaurants are not permitted. You will not use your Card for cash transactions, to receive cash credits or to make non-business, personal purchases.

Also, similar to the State's use of expense codes to describe purchases, a merchant category code, a 4-digit number, is assigned by a merchant's credit card processor according to category or type of business a merchant conducts.

The Purchasing Card Administrator designates each Merchant Category Code as allowable or restricted, and you will be blocked-out at the point-of-sale for all transactions with unauthorized merchant types.

Please refer to the List of Restricted Vendors in the back of this manual for the types of vendors at which the Purchasing Card may not be used (Attachment II).

NOTE: Just because a vendor may not be restricted does not mean that it is an acceptable purchase.

If you present your Purchasing Card for payment to the Vendors on the Restricted List, the authorization request will be declined. If you feel a particular Vendor should be added or deleted, contact the Purchasing Card Administrator.

Credit Limits:

All Purchasing Cards have monthly spending limits. Limits may vary for each Cardholder and will be established by your Agency Administrator in conjunction with your Department Manager.

The State of Vermont may adjust individual card limits as determined by demonstrated need. In order to change limits on your card, your Agency Administrator must request the change through the Bank for processing. **Please allow 2 to 3 days to process any changes.**

Cardholder Liability:

The Purchasing Card is a Purchasing charge card and will not affect your personal credit. It is your responsibility to ensure that the Card is used within stated guidelines of this Manual. **Failure to comply with program guidelines may result in permanent revocation of the Card, notification of the situation to management, and disciplinary action in accordance with State of Vermont Policies and Procedures relating to disciplinary action and termination for cause.**

Purchasing Card Payment:

Employees do not pay their own monthly statement. The program does not affect your credit rating in any way. However, abuse of the Purchasing Card (i.e. incurring personal expenses or expenses without authorization) may result in liability to the State of Vermont for recovery of such unauthorized expenses. The Purchasing Card program carries corporate, not individual, liability.

Purchasing Card Security:

You are responsible for the security of your Card. This Card must be treated with the same level of care that you would use with your own personal charge cards, even though the liability associated with the use of this Card lies with the State of Vermont. Guard your Purchasing Card account number carefully. It must not be posted in a work area, or left in a conspicuous place. It should be kept in an accessible but secure location.

Your name will appear on your Purchasing Card and you are the only person authorized to use your Card. The Purchasing Card is to be used for State business only.

The Purchasing Card must be returned to your Agency Administrator upon terminating employment with State of Vermont or transferring Departments within State of Vermont. It is preferable that your card be returned to your Agency Administrator two weeks prior to your last day of service.

Storage of Your Purchasing Card:

Keep your Purchasing Card in an accessible but secure location. Since you are the only person authorized to use the Card, it needs to be accessible only to you.

Purchasing Card Number:

Guard your Purchasing Card account number carefully. Do not post it at your desk or write it in any other place that is accessible by others.

Lost or Stolen Cards:

You must report a stolen, lost or misplaced Purchasing Card immediately by phone to Bank of America by calling **1-800-300-3084**. The Bank of America Representatives are available to assist you 24 hours a day, 365 days a year. Immediately notify your Departmental Liaison and/or Agency Administrator of a lost or stolen Purchasing Card at the first opportunity during normal business hours.

Your Purchasing Card will be automatically suspended by Bank of America and a new Purchasing Card will then be issued to replace the stolen, lost, or misplaced Card. Prompt action can reduce the state's liability for fraudulent activity.

The State of Vermont Purchasing Card must always be treated with at least the same level of care that you treat your own personal credit cards.

Completing a Purchasing Card Transaction:

Follow these general guidelines when using your Purchasing Card to make a purchase:

- Determine if the transaction is an acceptable use of the Card, and if it is within the spending limits assigned to your Card.
- Ensure the materials to be purchased are not on the list of items that must be procured through normal Purchasing Department Procedures.
- Telephone, visit or fax the vendor that you selected to place an order. You can also place order on-line via the world-wide-web. Your vendor will require the following information:
 - Your Name
 - Your Purchasing Card Number and Expiration Date
 - State of Vermont Sales Tax Exempt Status. The State of Vermont is exempt from paying Sales and Use Tax within the State of Vermont. The tax exempt number is printed on the face of your Purchasing Card. **You must make every effort to inform the Vendor that the State of Vermont is tax exempt, if applicable.** When sales tax is charged, if not applicable, you may be required to obtain a credit from the Vendor for the amount of sales tax charged.
- If you place an order over the Internet using the world-wide-web, there should be a screen showing exactly how much your Card will be charged, including shipping. **Print this page from your browser and keep and/or provide your Departmental Liaison with a copy.**
- If ordering by telephone or fax, keep and/or provide your Departmental Liaison with a copy of the order blank or description of the order.
- **Shipments to your home are not allowed.**
- Do not allow the vendor to make a partial shipment or back order the balance, and charge you for the total quantity.
- At time of order placement, complete all required information on your Purchasing Card Transaction Log (discussed in detail further on).
- Obtain a copy of the charge slip, sales receipt and/or packing slip.

Receiving Supplies and Services:

If your purchase is made via mail or telephone, ask the Vendor to include the receipt with the goods when shipping the product.

Make sure the Vendor correctly filled your order. Verify that you received all of the items in the quantities that are specified on your Purchasing Card receipt or priced packing list.

Verify that Sales Tax was not charged.

Add additional information to the Purchasing Card Transaction Log if applicable, and place the charge slip, sales receipt or any other information related to the transaction in the receipt envelope.

Provide expediting/order follow-up as necessary, including tracing of lost shipments and filing claims for damaged shipments. You may request guidance in these areas from the Departmental Liaison or Agency Administrator; however the responsibility for taking appropriate actions in these areas remains with you.

Summary:

- Ensure all goods and services ordered have been received.
- Retain all Purchasing Card sales slips, itemized receipts, priced packing list, and shipping documentation for your records.
- Contact the Vendor to request a duplicate invoice if the original is lost.
- **Remember, although other functional areas of the State may be available to provide guidance to you, the responsibility to complete the purchase from a Vendor rests solely with you, the Cardholder.**

Vendor Participation:

If you find you have a Vendor you frequently use, however, that Vendor does not accept the Visa card, notify your Agency Administrator or Departmental Liaison.

Purchasing Card Transaction Log/Envelope:

(If WORKS is not utilized to store receipts)

Enclosed in this Cardholder Users' Guide is a sample Purchasing Card Transaction Log. The Transaction Log's an envelope with a log printed on the front and is intended to provide assistance as well as an additional method for expenditure tracking while using the Purchasing Card. The Transaction Log works as a summary of your purchases for a given billing cycle and can be used to easily reconcile against the Cardholder Memo Statement.

Some Cardholders will be responsible for maintaining a Purchasing Card Transaction Log, while others will be assigned a Departmental Liaison who will take responsibility for maintaining the Purchasing Card Transaction Log on behalf of the Cardholder.

In every situation, you are required to obtain a receipt when using your Purchasing Card. It is every Cardholder's responsibility to ensure there is a receipt for each purchase. Your receipts must be kept in the Purchasing Card Transaction Log/Envelope. This envelope must be forwarded to the Accounts Payable Individual assigned to your Department, Division, or Unit at the end of each cycle for storage. Transaction logs must be kept for auditing purposes per your Agency/Departments record retention schedule and/or three (3) years after the State's financial audit.

- Cardholder's must maintain a Purchasing Card Transaction Log/Envelope. Those Cardholders and/or Department Liaison will have access to WORKS web-based software, and therefore the ability to verify and/or reallocate purchase transactions within 24 hours of the purchase. We recommend that you go on-line once a week to reconcile transactions. By completing your Transaction Log and maintaining all receipts in the envelope, you will easily be able to reconcile against your Cardholder Memo Statement.
- The Log allows you to identify an alternate accounting code to be charged for your purchase if different than the default accounting code assigned to your Purchasing Card.

Another use for your Transaction Log is to track your credit limit. Also, the Transaction Log and the receipts will be your back up to the monthly Purchasing Card charges recorded on the Cost Center Reports generated by your Agency/Department.

You are required to use a new Transaction Log for each month's purchases. Record in the Log each time a purchase is made. Provide a brief description of the item or service to identify the purchase as an authorized one.

The Transaction Log requires the cardholder signature as well as the Designated/ Department Managers or Departmental Liaison's signature.

Account Codes/Cost Centers:

Each individual Purchasing Card has been assigned a default accounting code, also referred to as a Cost Center. Every item or service purchased using the Purchasing Card will be charged to the Cost Center that was assigned to that card.

If necessary, you or your Departmental Liaison has the ability to change or reallocate charges to a different Cost Center. This is necessary when the default cost center assigned to your card does not apply to the item or service purchased. You also have the ability to split transactions between Cost Centers.

The cost center consists of the Business Unit, Department ID (Dept ID) and Fund.

A sample cost center for BGS Purchasing would look like:

01154-1150500000-10000

A sample cost center for BGS Montpelier - 133 State Street would look like:

01168-1160550025-58800

Your Department Manager and Agency Administrator assigned the default Cost Center for your Purchasing Card.

In most cases, the responsibility to change or reallocate Cost Centers has been assigned to you. However, if you have been assigned a Departmental Liaison, your Departmental Liaison will assume the responsibility for reallocating transactions if necessary.

Cost Center Type:

Every accounting code or Cost Center is also associated with a Cost Center Type and Cost Center Type Name. For example, we have assigned Cost Center Type Name and Cost Center Type for the Office of Purchasing & Contracting as:

Cost Center Type Name:

BGS-Purchasing

Cost Center Type:

BGS-01

By assigning a Cost Center Type Name and Cost Center Type to each Cost Center it allows us to sort or view only certain Cost Centers at a time.

Account Codes:

Each individual Purchasing Card has been assigned a default account code (Financial Operations), also referred to as a General Ledger Account Code.

In addition, each Merchant Type has been mapped to a General Ledger Account Code. In WORKS, every purchase using the Purchasing Card will be charged to the General Ledger Account Code mapped to the vendor's Merchant Type.

If for some reason the Vendor's Merchant Type is not mapped to a General Ledger Account Code, the purchase will be charged to your card's default General Ledger Account Code.

If necessary, we have the ability to change or reallocate charges to a different General Ledger Account Code. This is necessary when the default General Ledger Account Code assigned to a Merchant Type does not reflect the item or service purchased. For example, a furniture purchase from an office supply vendor with a General Ledger Account Code for an office supply merchant may be reallocated to a General Ledger Account Code for furniture.

WORKS:

The ability to change or reallocate charges to a different Cost Center is performed using WORKS. WORKS is a secure, web-based card management system that captures all Purchasing Card transaction data.

In most cases, you or your Departmental Liaison can access data, reallocate expenses, and generate a monthly Cardholder Memo Statement.

Some individuals will have the ability to generate accounting reports. All administrative and accounting tasks associated with the Purchasing Card Program are performed online with WORKS.

The system provides automated reporting tools necessary for analyzing Program activities and presenting Program results. The system will interface with the VISION system.

Cardholder Empowerment:

Within twenty-four (24) hours of a Purchasing Card transaction, you and/or your Departmental Liaison will have on-line visibility of the transaction in WORKS. Using WORKS, you and/or your Departmental Liaison have the ability to verify and/or reallocate transactions almost immediately. We recommend that the person responsible for reconciling your account, you or your Departmental Liaison, go on-line once a week to reconcile transactions. By accessing WORKS on a weekly basis and reallocating expenses; by the end of the billing cycle the reconciliation process is already complete. However, reallocation/reconciliation of expenses must be **completed every month**.

In addition, at the end of each billing cycle, if you have access to WORKS you can download your Cardholder Memo Statement, which lists purchases made under your account. If you have been assigned a Departmental Liaison, your Departmental Liaison will download your Cardholder Memo Statements. Upon receipt of this statement, you and/or Departmental Liaison should reconcile the statement with your Transaction Log. Enclose all documentation in the Transaction Log Envelope, note any additional information pertinent to any purchase, and forward the package to the Accounts Payable Individual assigned to your Department, Division or Unit every month. The required timeframe is the 15th of every month.

Summary:

- Maintain a separate Purchasing Card Transaction Log envelope for each Monthly Billing Cycle.
- In each Monthly Purchasing Card Transaction Log envelope, keep the corresponding Purchasing Card sales slips, itemized receipts, priced packing lists and supporting documentation (such as brochure, advertisement, copy of catalog page, subscription order form, list of parts, etc.).
- Complete the Purchasing Card Transaction Log. Be sure you have all necessary information about your purchases, necessary reallocation of expenses to other accounts and ensure you have checked that all receipts are enclosed.
- Reconcile your Purchasing Card Transaction Log with the Monthly Cardholder Memo Statement. Reconciliation/reallocation of expenses must be **completed every month**.
- Review each charge on the Cardholder Memo Statement to verify it is correct and agrees with the actual receipt and Purchasing Card Transaction Log entry. Amounts on all three should match.
- Forward the Purchasing Card Transaction Log Envelope to the Accounts Payable Individual assigned to your Department, Division or Unit.

Returns, Credits and Disputed Charges:

You must always attempt to resolve any disputes or billing errors directly with the Vendor, should a problem arise with a purchased item, service or charges. In most cases, the Vendor will issue a credit to the Purchasing Card account.

Only after an agreement cannot be reached with the Vendor, you should contact your Departmental Liaison or Agency Administrator. Bank of America requires a transaction to be disputed in WORKS and you have sixty (60) days from date of purchase to dispute a transaction.

Nearly all issues can be resolved using this process. If you are unable to obtain an acceptable resolution, you should contact the Department Liaison or Agency Administrator for assistance.

Review of your Cardholder Memo Statements is vital to ensure your account is properly credited for returns, credits and disputed charges. The returned, credited or disputed item should be noted on the Purchasing Card Transaction Log (if applicable).

- **Returns:** If you need to return an item to a Vendor, contact the Vendor and obtain instructions for return. Note that some Vendors may charge a restocking or handling fee for returns. **All returns should be indicated in your transaction log.**
- **Credits:** If the Vendor accepts an item as a return, a credit for this item should appear on the following month's statement. All credits must be indicated in your Transaction Log.
- **Disputed Charges:** If you or your Departmental Liaison should find a discrepancy on your monthly statement, you must contact the Vendor and attempt to resolve the problem directly. All disputed items must be indicated in your Transaction Log.

If you cannot resolve a disputed item directly with the Vendor, you must log the dispute utilizing WORKS. Bank of America will place the charge in a "State of Dispute" and your account may be given a provisional credit pending receipt of adequate documentation from the Vendor. If the documentation appears to be in order, the transaction will be re-posted to the account and the dispute considered closed. If the charge is suspected to be fraudulent, your Card will be immediately blocked, continue to have a provisional credit (if given) and an investigation of the charge will continue. A new Card will then be re-issued to you, if appropriate. If the charge appears legitimate, the transaction will then post to the new account.

Definitions

Accounts Payable Individual: It is required by the 15th of every month, the cardholder(s) and/or Departmental Liaison shall forward Purchasing Card Transaction Log/Envelopes to this person. This individual will maintain the Cardholder's Purchasing Card Transaction Logs for audit purposes.

Agency Administrator: An Agency Administrator will be designated within your Department/Agency for questions, issues and administration of the program. This person will be knowledgeable on all procedures in the Cardholder Users' Guide. The Agency Administrator has a direct relationship with Bank of America. All Purchasing Card requests must go through the Agency Administrator. The Agency Administrator must approve an employee's request for a Purchasing Card, assign Departmental Liaison if applicable, submit applications to the Card Issuer, and acts as the intermediary in correspondence with the Card Issuer.

Auditor: A person or persons designated by the Agency Administrator to test, review, and verify **on a monthly basis** that Cardholders are in compliance with all Purchasing Card policies. **This includes but not limited to reviewing all monthly transactions.**

Billing Cycle: Is considered the 30-day time period in which State is billed by Bank of America. This 30-day period runs from the 11th to the 10th of each month. Cardholders or Departmental Liaisons must submit the Purchasing Card Transaction Log/Envelope to the appropriate Accounts Payable Individual each month.

Cardholder: An employee of the State of Vermont who is designated by the Department Manager, and approved by the Agency Administrator to utilize the Purchasing Card. The Cardholder is responsible for following the guidelines provided by the State of Vermont in regard to purchases, selection of Vendors, and security of the Card.

Card Issuer: Bank of America was selected as the State of Vermont Purchasing Card Provider. Bank of America's services include issuing Visa Purchasing Cards to State of Vermont employees, providing electronic transaction authorizations, and billing State of Vermont for all purchases made on the cards.

Cardholder Memo Statement: Includes all transactions that post to a Cardholder's account through the end of the billing cycle date. The Cardholder Memo Statement may be printed using WORKS.

Cost Center: Consists of the Business Unit, Department ID and Fund.

Departmental Liaison: In some instances, a Department Manager may designate an employee in your Department to be responsible for reviewing transactions of individual Cardholders to make sure the transactions are official business expenses and are classified appropriately. This Departmental Liaison will keep documentation for the Purchasing Card activities within a Division. Departmental Liaisons are knowledgeable about the Program and can place requests for changes with the Agency Administrator on behalf of the Cardholder and Department Manager.

Designated/Department Manager: The Designated/Department Manager, or delegated representative, is responsible for designating Cardholders and approving monthly Purchasing Card statements of Cardholders to ensure they meet within State of Vermont policy. The Designated/Department Manager will also assist in assigning Cardholder spending limits and regulations.

WORKS: Is a secure, web-based card management system that captures all Purchasing Card transaction data. The State of Vermont can access data, reallocate expenses, and generate accounting reports. Administrative and accounting tasks are performed online with WORKS. The system provides automated reporting tools necessary for analyzing Program activities and presenting Program results. The system will interface with the VISION system.

Forms: Standard documents used in conjunction with the Purchasing Card Program.

General Ledger Account Code: Financial Operations account code.

Official Business Expense: A non-restricted State of Vermont authorized purchase. The Purchasing Card is to be used only for State business.

Procedures: The Program guidelines as specified within the Cardholder Users' Guide.

Purchasing Card Administrator: The central Administrator located in the State of Vermont's Office of Purchasing & Contracting who coordinates the Purchasing Card Program for State of Vermont and acts as State of Vermont's intermediary in correspondence with the Card Issuer.

Transaction Log: The Transaction Log is intended to provide assistance as well as an additional method for expenditure tracking while using the Purchasing Card. The

Transaction Log works as a summary of purchases for a given billing cycle and can be used to easily reconcile against the Cardholder Memo Statement.

Reports: Documents that can be generated through WORKS, the web-based card management system.

Transaction Reallocation: The ability to change or reallocate charges to a different Cost Center. This is necessary when the default Cost Center assigned to a card does not apply to the item or service purchased.

Vendor/Supplier: The Merchant from whom a Cardholder is making a purchase.

Restricted Vendor: A restricted vendor is the type of Vendor or Merchant where the Purchasing Card is restricted from use. The Cardholder is blocked out at the point-of-sale for all unauthorized merchant types. Refer to Attachment II.

State of Vermont: Arranges with the Card Issuer, Bank of America, to have Purchasing Cards issued to employees approved to receive Cards and agrees to accept liability for the employees' use of the Cards.

Commonly Asked Questions & Answers

For what types of purchases should I use the Purchasing Card?

The State's policy governs how you can use the Purchasing Card. Your Agency Administrator, along with your Department Manager will determine the types of purchases, as well as the maximum dollar amount for each purchase you will be authorized for.

In what ways do I benefit from using the Purchasing Card?

When you use the Purchasing Card, you enjoy reduced paperwork, direct contact with vendors, quick and efficient order processing, faster delivery, and fewer errors.

What should I do if my Purchasing Card is lost or stolen?

You should call Bank of America Customer Service, toll-free, **1-800-300-3084** immediately, to report the Purchasing Card missing and request a replacement.

What do I do if a purchase is denied?

Your purchase may have exceeded a spending or transaction limit. The State of Vermont may have excluded that type of Vendor or merchant, or the vendor or merchant is not equipped to accept Visa as payment. Contact your Agency Administrator to determine the reason.

What should I do if I want to change the per-month or per-transaction limits?

Contact your Agency Administrator.

What should I do if a Vendor does not accept the Purchasing Card?

Contact the Program Administrator, who will then contact Bank of America. Please provide the supplier's name, address, and phone number to the Program Administrator.

Will use of the Purchasing Card effect my credit report?

No. The program does not affect your credit rating in any way. However, abuse of the Purchasing Card (i.e. incurring personal expenses or expenses without authorization) may result in liability to the State of Vermont for recovery of such unauthorized expenses. The Purchasing Card program carries corporate, not individual, liability.

Whom should I contact to resolve an error or dispute concerning my account?

You should first contact the Vendor. Most exceptions or issues can be resolved between you and the Vendor. If you cannot resolve an issue with the Vendor, **Bank of America requires a transaction to be disputed in WORKS and you have 60 (sixty) days from date of the purchase to dispute a transaction.**

When I use my Purchasing Card to make a purchase, how is the transaction authorized?

When you use the Purchasing Card to make a purchase, the Vendor verifies the account number with Bank of America. Your spending limits are checked automatically against State of Vermont policy.

Attachment Section:

Attachment I: State of Vermont Cardholder Purchasing Card Agreement

Attachment II: Restricted Vendors

Attachment III: Purchasing Card Approved Contract Listing

Attachment IV: Purchasing Card Replacement Receipt Form

Attachment I

State of Vermont Cardholder Purchasing Card Agreement

State of Vermont is pleased to present you with this Purchasing Card. It represents trust in you and your empowerment as a responsible agent to safeguard and protect State of Vermont assets.

I, _____, hereby acknowledge receipt of a State of Vermont Visa Purchasing Card. As a cardholder, I agree to comply with the terms and conditions of this Agreement and the Purchasing Card procedures.

By signing this agreement, I acknowledge that I have read, understand and agree to comply with this Agreement and the Purchasing Card User Guide. Furthermore, my signature certifies that I have undergone the appropriate training for use of the Purchasing Card and agree to abide by all terms, conditions, procedures and policies thereof. I understand that the State of Vermont reserves the right to amend, change or revise such terms, conditions, procedures and policies and that this Purchasing Card shall be subject to such changes regardless of the date of issuance.

I understand that State of Vermont is liable to Bank of America and Visa for all State of Vermont charges. I agree to use this card for State of Vermont approved purchases only and agree not to charge personal purchases. I understand that State of Vermont will audit the use of this card and report any discrepancies to the Agency Administrator.

I understand that any misuse of the Purchasing Card assigned to me may result in some or all of the following actions against me by my employer.

- Corrective action of performance, up to and including dismissal.
- Discipline for misconduct, up to and including dismissal.
- Referral to law enforcement authorities for criminal prosecution.
- Civil legal action against me to recoup any amounts owed to the State for unauthorized purchases.

Furthermore, I understand and agree that by my signature below and by my acceptance and use of the Purchase Card assigned to me that the State may recoup any amount owed by me to the State for unauthorized purchases by using the procedures specified in the Vermont Setoff Debt Collection Act, 32 V.S.A. § 5931 et seq.

By signing this Agreement, I understand that State of Vermont may terminate my right to use this card at any time for any reason. I agree to return the card to State of Vermont immediately upon request or upon termination of employment.

Cardholder:

Signature: _____ Date: _____

Print Name: _____ Phone: 802-_____

Agency/Department: _____

Approving Authority: (Department Administrator)

Signature: _____ Date: _____

Print Name: _____ Phone: 802-_____

Attachment II Restricted Vendors:

The Purchasing Card Program and the State of Vermont requires that certain types of vendors be restricted from Purchasing Card use. If you present your Purchasing Card for payment to the Vendors on the Restricted List, **the authorization request will be declined.** If you feel a particular Vendor should be added or deleted, contact the Agency Administrator.

(7829-7999) All Entertainment Providers

- 7829 Motion Picture and Video Tape Production
- 7832 Motion Picture Theaters
- 7841 Video Tape Rental Stores
- 7911 Dance Halls, Schools and Studios
- 7922 Theatrical Producers Ticket Agencies
- 7929 Bands, Orchestras, and Miscellaneous Entertainers
- 7932 Billiard and Pool Establishments
- 7933 Bowling Alleys
- 7941 Athletic Fields, Commercial Sports, etc.
- 7992 Golf Courses, Public
- 7994 Video Game Arcades/Establishments
- 7995 Betting
- 7996 Amusement Parks, Carnivals, etc.
- 7997 Clubs Country Clubs, Membership, etc.
- 7998 Aquariums, Dolphinariums, and Seaquariums
- 7999 Recreation Services (Not Elsewhere Classified)

Transportation (Commuter/Public)

- 4119 Ambulance Services
- 4411 Cruise Lines

(6010-7033) Services (Providers)

- 6010 Financial Institutions Manual Cash Disbursements
- 6011 Financial Institutions Automated Cash
- 6012 Financial Institutions Merchandise and Services
- 6051 Non Financial Institutions
- 6211 Securities Brokers/Dealers
- 6300 Insurance Sales, Underwriting, and Premiums
- 7032 Recreational and Sporting Camps
- 7033 Campgrounds and Trailer Parks

Services (Personal Care)

7217 Carpet and Upholstery Cleaning
7230 Barber and Beauty Shops
7251 Hat Cleaning Shops, Shoe Repair, Shoe Parlors
7261 Funeral Service and Crematories
7273 Dating and Escort Services

7276 Tax Preparation Service
7277 Debt, Marriage, Personal Counseling Service
7295 Babysitting Services
7296 Clothing Rentals Costumes, Uniforms
7297 Massage Parlors
7298 Health and Beauty Spas
7299 Other Services (Not Elsewhere Classified)

Services (Professional/Organizations)

8011 Doctors (Not Elsewhere Classified)
8021 Dentists, Orthodontists
8031 Osteopathic Physicians
8041 Chiropractors
8042 Optometrists, Ophthalmologists
8043 Opticians, Optical Goods, and Eyeglasses
8049 Chiropodists, Podiatrists
8050 Nursing and Personal Care Facilities
8062 Hospitals
8071 Dental and Medical Laboratories
8099 Health Practitioners, Medical Services
8111 Attorneys, Legal Services
8351 Child Care Services
8398 Organizations, Charitable and Social Service
8641 Associations Civic, Social, and Fraternal
8651 Organizations, Political
8661 Organizations, Religious
8911 Architectural, Engineering, and Surveying Service
8931 Accounting, Auditing, and Bookkeeping Services

Services (Government)

9211 Court Costs including Alimony and Child Support
9222 Fines
9223 Bail and Bond Payments
9311 Tax Payments
9399 Government Services (Not Elsewhere Classified)

Retail Stores (Other)

- 5811 Caterers
- 5812 Eating Places, Restaurants
- 5813 Bars, Cocktail Lounges, Discotheques, etc.
- 5921 Package Stores, Beer, Wine, Liquor
- 5932 Antique Shops – Sales, Repair, and Restoration Services
- 5933 Pawn Shops

- 4829 Wire Transfer, Money Orders (WTMO's)

NOTE: Just because a Vendor may not be restricted, it does not mean that it is an acceptable purchase.

Attachment III

Purchasing Card Approved Contract Listing

The Purchasing Card is authorized and may be used as a form of payment on commodity contracts that have been identified and approved by Purchasing. The Purchasing Card Approved Contract Listing is updated on a quarterly basis. Note: It is the Cardholder's responsibility to verify contract pricing on items and to ensure that the items are received when using the Purchasing Card.

A copy of this document is available online at: [https://contractlistsandreports | Buildings and General Services \(vermont.gov\)](https://contractlistsandreports.vermont.gov/buildingsandgeneralservices) .



Purchasing Card Cardholder Survey

CARDHOLDER NAME: _____

DATE: _____

Please respond to the following questions:

- 1) Approximately how many purchase orders do you complete in an average month? _____
- 2) For what types of purchases are you completing a purchase order? _____

- 3) Have you found that most suppliers are willing to accept the Visa Purchasing Card?

(Circle one) Y N

Please list the suppliers from whom you purchase goods, but who are not willing to accept the Purchasing Card (include the contact name and a phone numbers if available): _____

- 4) Do you prefer to use your Purchasing Card to the purchase order process? (circle one) Y N

- 5) Please note any other difficulties you have experienced while using your Purchasing Card:

Purchase declined at the point of sale: (circle one) Y N

(If yes, please note the merchant you were declined at, the purchase amount and the date of purchase. We will research this transaction and determine the reason for decline.)

Supplier still writes an invoice even after payment with the credit card: (circle one) Y N

(If yes, please note the supplier, contact person and a phone number if available) _____

Other Comments or suggestions regarding the Purchasing Card Program:
