

DISBURSEMENT GUIDANCE FOR PURCHASING CARD HOLDERS

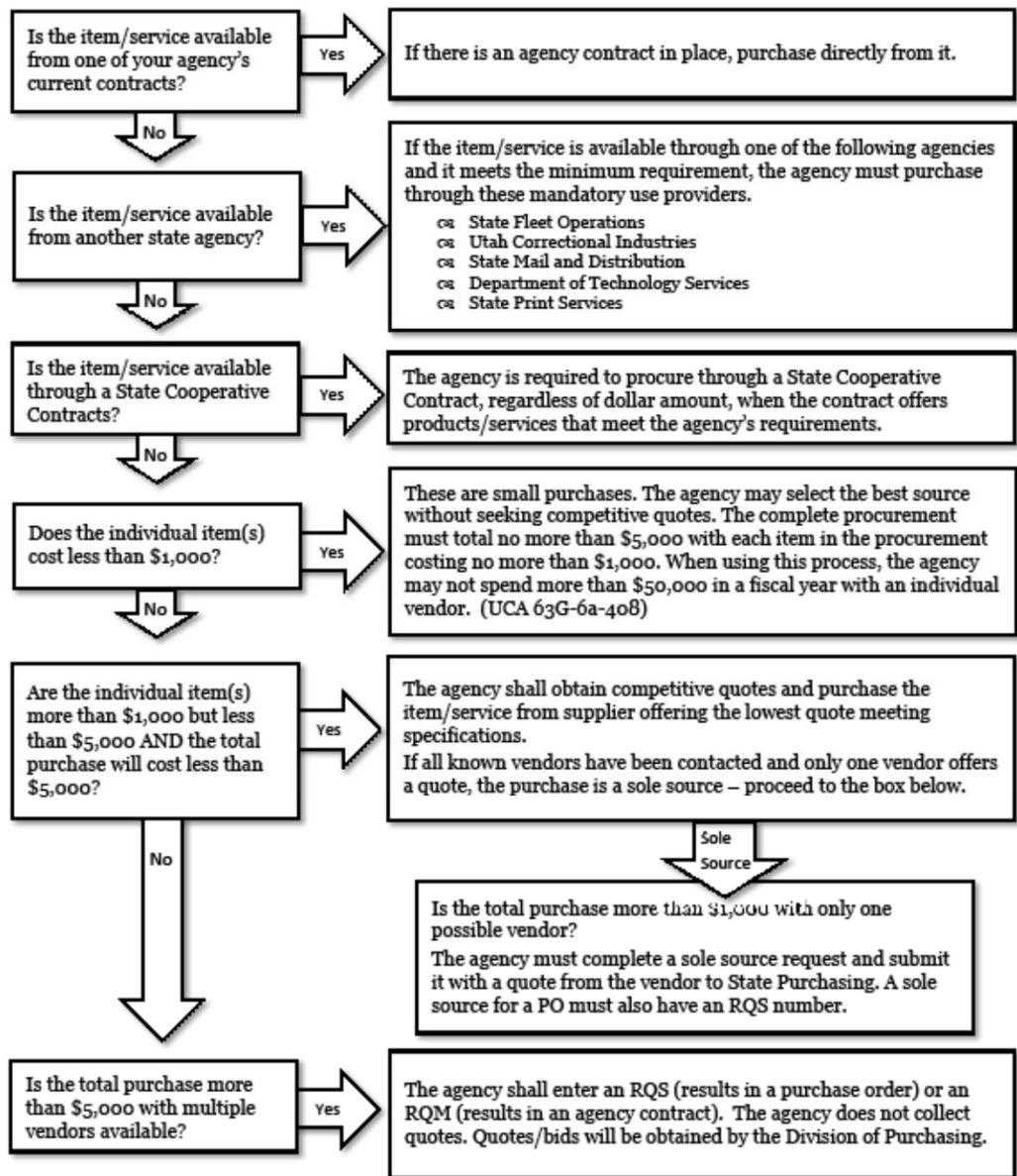
AS OF MAY 4TH, 2016

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 *Justin Garner* (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://purchasing.utah.gov/purchasing/statecontractsearch.html>
- 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



SEARCHING STATE CONTRACTS

Advanced Search

Keywords Vendor

Contract number Purchasing agent Expires on or before

Show expanded results

Only show me contracts that are:

- Energy Star approved
- Environmentally Preferred (green/recycled)
- NASPO Purchasing Cooperative
- Expired

UTAH DEPARTMENT OF
ADMINISTRATIVE SERVICES
DIVISION OF PURCHASING & GENERAL SERVICES

DAS HOME ARCHIVES FACILITIES FINANCE FLEET GENERA

/ PURCHASING / STATE COOPERATIVE CONTRACTS

STATE CONTRACT SEARCH

SEARCH STATE OF UTAH "BEST VALUE"
COOPERATIVE CONTRACTS

All public entities and non-profits are authorized to make purchases.

Advanced Search

Search by keyword, vendor
or contract number or use
the advanced search
feature

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
 - Individual item more than \$5,000 = Performed by State Purchasing
 - Total purchase 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

Reminder:

Monitor regular use and cumulative amounts to determine if contracts are necessary

- 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



ARTIFICIALLY SPLITTING PURCHASES AND INVOICES



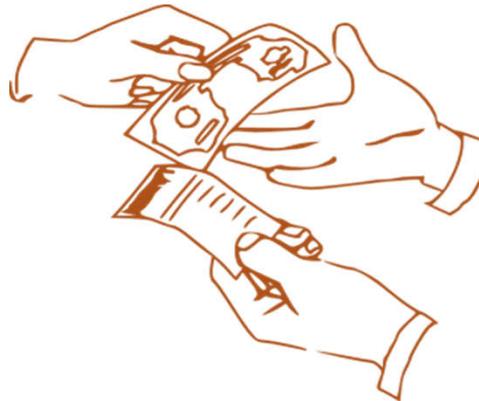
Do **NOT** split
purchases, invoices,
or payments to
avoid State or
Department
requirements



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>

Office of Fiscal Operations

Purchasing Card Program Procedures

http://www.hsofo.utah.gov/files/fiscal_procedures/03-007.00%20Purchasing%20Card%20Procedures.pdf

Purchasing Card Information

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

Department Purchasing Help Desk

Justin Garner
(801) 538-4105



STATE PURCHASING LINKS

State Purchasing

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

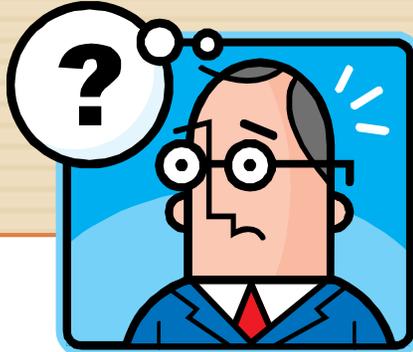
- Phone Quotation Worksheet
 - ▣ <http://purchasing.utah.gov/forms/phonequote.docx>
- Sole Source Request Form
 - ▣ <http://purchasing.utah.gov/forms/solesourcerequestform.docx?08/28/2015>
- Purchasing Policy Flowchart
 - ▣ <http://purchasing.utah.gov/forms/purchasingpolicyflowchart.pdf>



CERTIFICATION INSTRUCTIONS

1. Review the slides
2. Send an email to **Justin Garner** (justingarner@utah.gov) with *Purchasing Card Certification* in the subject line
3. Carbon copy your supervisor confirming you reviewed and understand this disbursement guidance





Any
QUESTIONS??
Call our Expert!

Justin Garner

Financial Analyst
justingarner@utah.gov
(801) 538-4105

