

Enterprise Commercial Card Policy

Applies to: [State agencies and institutions of higher education](#) when using state issued credit cards or similar methods to make purchases.

Information contacts:

- DES Contracts & Procurement Division for information related to the use of the [state credit card program](#),
- DES Finance Division for all other information related to the policy.

Governance: Listed below are some, but not all, applicable governing requirements. Note: Laws and rules may change over time and such changes may take precedence over this policy.

- State law – [RCW 43.19.011 Director—Powers and duties](#) (enterprise services)
- State law – [RCW 43.41.110 Powers and duties of office of financial management](#)
- State law – [RCW 43.41.180 Electronic funds and information transfer—State agency use](#)
- State law – [RCW 28B.10.029 Property purchase and disposition—Independent purchasing authority](#)
- State law – [RCW 39.26.090 \(2\) Director’s duties and responsibilities](#) (enterprise services)
- State law – [RCW 43.88.160 Fiscal management—Powers and duties of officers and agencies.](#)

First effective date: May 1, 2018

Last update: December 15, 2022

Sunset review date: August 30, 2027

Approved by:  Tara C. Smith, Director

Reason for Policy

This policy puts in place the acceptable uses of state issued credit cards, outlines state purchase card program oversight, participating agency responsibilities, and provides resources supporting the state purchase card program.

Definitions

Agency includes every state agency, office, board, commission, department, state institution, or state institution of higher education, which includes all state universities, regional universities, the Evergreen State College, and community and technical colleges.

Agency program administrator is an individual, designated by the agency, responsible for the management and oversight of the card program within an agency. Responsibilities include but are not limited to: the issuance and cancellation of [credit cards](#), the monitoring of approving officials, cardholders, card custodians, and designated card users, the development and enforcement of [agency](#) policy, procedures and training.

Approving official is an individual, designated by the agency and the [agency program administrator](#) to monitor, review and approve the card purchases of assigned [cardholders](#) or designated card users.

Cardholder is an individual, designated by the agency program administrator and [approving official](#) to make purchases using an individually assigned card.

Card custodian is an individual, designated by the agency program administrator, to administer and control the use of [department cards](#) by authorized card users within the card custodian's workgroup. Card custodians do not administer and control [individually assigned](#) cards.

Card statement is the detailed itemized monthly statement of card charges provided by the [issuing bank](#) to the agency.

Card user is a user of a state assigned card. Although the card is not assigned to an individual, it is available for agency staff to use for agency business.

Card user agreement form states that the [card user](#) has read and understands the policies and procedures of the State and his/her agency relative to card use and agrees to comply with this policy. This form must be signed by the card user prior to issuance and use of the card.

Central Travel Account (CTA) is a central billing account used to pay for travel expenses. No physical card is issued. The CTA is a [corporate liability](#).

Corporate liability is when agency is solely liable to the issuing bank for all billed transactions.

Corporate travel card is a card issued to travelers whose work requires them to travel on official state business. Each agency head or authorized designee may authorize the use of or approve the issuance of the corporate travel card. When a state employee uses the corporate travel card they are billed directly, are responsible to pay all charges, and must apply for travel reimbursement through their agency. The corporate travel card may be either [corporate liability](#) or [individual liability](#).

Credit card is a card entitling the holder to buy services or goods on credit. The term charge card is used interchangeably with the term credit card. Agencies must pay the entire balance in full each month. Purchase cards, One Cards, fleet cards, travel cards, emergency cards, ghost cards/accounts are all types of credit cards. Similar methods to make purchases on behalf of the state are considered as credit cards. See the Statewide Administrative & Accounting Manual sections [40.30.40](#), [85.36.20](#), and [10.10.45](#) for additional information.

Declining balance card is a card product with an established limit that reduces as transactions occur. The declining balance card is not prepaid, but paid after the transactions are incurred, like a credit card. This type of card can be used to consolidate multiple vendor invoices into a single monthly invoice, reduce the number of encumbrances, and decrease excessive use of vouchers and payments submitted for payment. For example, a declining balance card could be established for a specific project, to control the total project amount. This card is a corporate liability.

Department card is a card issued in the name of the agency/department/division, rather than a specific employee. Department cards may be used by multiple purchasers/travelers, and may be a physical card, or a central billing account. This card is a corporate liability.

Fleet card is a card product and services for purchasing fuel, maintenance, and roadside assistance. Fuel purchases may include gasoline, diesel, biodiesel, marine, aviation, and propane. The fleet card may also be used for vehicle charging stations. The fleet card is a corporate liability.

Ghost card/account is a central billing account where no physical card is issued, but an account is available to use.

Individually assigned card is a physical card issued to an employee to make authorized purchases for official state business related expenses. The issuing bank sets the credit limits based on the employee's personal credit.

When a state employee uses this card, they are billed directly, are responsible to pay all charges, and must apply for reimbursement through their agency. An individually assigned card is an [individual liability](#).

Individual liability is when the cardholder is solely liable to the issuing bank for all billed transactions.

Issuing bank is an individual, company, firm, or combination which the state of Washington contracts with for card services.

One Card is either a physical card or central billing account intended as a method of payment for any allowable expense as determined by the [agency](#). This card may be used to make travel arrangements or to purchase goods and services. The One Card is a [corporate liability](#).

Purchase card is a physical or central billing account entitling the holder to buy goods or services on credit. The purchase card is also known as a p-card or a procurement card. This includes but is not limited to agency travel accounts, emergency cards, or similar methods to make purchases on behalf of the state. The purchase card is a [corporate liability](#).

Statewide program administrator is the Department of Enterprise Services (DES) who acts as the statewide card administrator for agencies participating in the state card program.

Travel card is a card limited to travel expenses. Travel cards are either a [corporate travel card](#) or a [central travel account \(CTA\)](#). See definitions below and in [SAAM 10.10.45.a](#).

Policy Statement

With proper controls, the state encourages the use of [credit cards](#) by [agencies](#) to pay for goods and services.

Agencies are encouraged to use state issued credit cards to; pay for goods and services, improve efficiency, take advantage of program flexibility and convenience related to purchasing goods and services.

This policy is used together with other statewide policies and requirements

This policy is used together with and incorporates by reference other related statewide policies and requirements. Specifically:

- SAAM [Chapter 10 Travel](#),
- SAAM [Chapter 20 Internal Control](#),
- SAAM [Chapter 40 E-Commerce: Electronic Acceptance and Disbursements of State Funds/Benefits](#),
- SAAM [Chapter 85 Accounting Procedures](#)
- The [statewide purchase card program](#), and
- The [statewide Commercial Card Services contract](#).

Policy

- A. Use of [credit cards](#) for payment do not change state [procurement requirements](#). Every purchase must be made according to the correct procurement process before payment is made by any method.
- B. Acceptable uses of credit cards include:
 - a. Payment for goods and services for official state business,
 - b. Purchases complying with all applicable state statutes, rules, policies, and procedures,

- c. Purchases within spending and other limits established on the card, as established by each agency within the pre-determined agency aggregate limit.

C. Unacceptable uses of credit cards include:

- a. Cash advances,
- b. Purchases more than the limits authorized for the card,
- c. Splitting purchases to circumvent the daily or monthly purchase limits on a card or to avoid competition bidding limits or purchase authority.

Responsibilities

A. The Department of Enterprise Services (DES) is responsible to:

- a. Negotiate the state credit card contract,
- b. Notify [program administrators](#) with program updates and/or contract changes,
- c. Establish overall state policies regarding the procurement of goods and services by all [state agencies](#),
- d. Provide support to agencies on the [state credit card contract](#).

B. Agency responsibilities

Agency responsibilities include:

- a. Establishing a card program for responsibility, control, segregation of duties, and distribution of purchase cards within the agency.
- b. Administration of their agency's credit card program.
- c. Determining whether the agency will assign [individually assigned cards](#) or [department cards](#). If an agency determines to use [department cards](#), a credit card log must be used for tracking the chain of custody of department cards.
- d. When choosing to utilize individually assigned cards, agencies are encouraged to approach the products use through a diversity, equity, and inclusion lens, with an emphasis on economic privilege and employees' Individual circumstances.
- e. Determining card limits for applicable cards, including determining and managing the agency aggregate limit.
- f. Developing [agency](#) specific policies and procedures in accordance with state policies:
 - [State Ethics laws](#) shall be considered when developing agency policies,
 - Proper internal controls and oversight shall be in line with [SAAM Chapter 20](#).
- g. Designating an [agency program administrator](#) who shall manage the program within the agency. Agencies using the [card contract administered by the Department of Enterprise Services](#) (DES) must notify the current issuing bank of changes to the agency purchase card administrator.
- h. Designating an [approving official\(s\)](#) who is responsible for monitoring, reviewing, and approving the purchases and taking appropriate disciplinary actions, consistent with applicable agency policies, for misuse of the credit card.
- i. Educating [cardholders](#), [card custodians](#), and [card users](#) on policies and proper use of the card.
- j. Making sure a [Card User Agreement form](#) has been established for the agency, and is signed by both the [card user](#) and the appropriate approving official before issuing the card, and maintain copies of the signed agreements in the agency's files. Agencies are encouraged to review and update card user agreements as frequently as needed but no less than once every two years.

- k. Reporting lost or stolen cards immediately after the loss is discovered by calling the [issuing bank's](#) customer service center.
- l. Reporting fraudulent activity immediately for unrecognized charges to your agency program administrator or approving official, and the issuing bank.
- m. Reporting and handle disputes with the issuing bank within sixty (60) calendar days for applicable transactions such as duplicate charges, refund not issued for damaged merchandise, shipment did not arrive, etc.
- n. Performing routine reconciliation of card transactions, through applicable supporting documentation, to the issuing bank's transaction data to monitor purchases made for proper use of the card.
- o. Keeping current on card program updates from DES.
- p. Designating appropriate records to be maintained. Such records shall be available for review by DES. The following information shall be maintained at a minimum:
 - The number of cards used,
 - The type of cards used,
 - The current cardholders, card custodians, and designated card users in the management, security, and use of the card.

Procedures

There are no procedures associated with this policy.

Forms/Instructions

- [Sample Credit Card Log](#)

Related Information & Requirements

- [State purchase card program](#)
- [WEX Fuel Card](#)
- [WSDOT Fuel Card](#)
- [Supplier Diversity](#)

History

First effective date:

May 1, 2018

Amended:

December 13, 2022: Transferred oversight from the Finance Division to the Contracts and Procurement Division. No other significant changes made to the policy. Minor changes address removing redundant policy content, clarifying the roles and responsibilities of DES and state agencies. Administrative changes include making the policy accessible for the sight impaired, adding relevant governance, and adding hyper-links to related forms and information.

Need assistance with this policy? E-mail: jack.zeigler@des.wa.gov