

Procedure Title:	SPOTS Card Purchases		
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Approved By: Jim Scherzinger, Deputy Director
of Finance

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Procedure

Under Oregon statute agency directors are responsible for approving the use of public resources for their agencies' commitments, expenditures and disbursements.

The SPOTS card is a state-sponsored credit card that the agency may use to purchase goods and services in compliance with public contracting rules published by the State Procurement Office, Department of Justice and all relevant agency policies and procedures.

The approving officer is appointed by the agency's director or designee. He or she is responsible for establishing program accountability, separation of duties, reporting relationships and authorization protocols for the agency's SPOTS program.

Effective monitoring of SPOTS card purchases strengthens the agency's regulatory compliance, helps prevent improper activity, and increases the chances of detecting error, fraud, waste and abuse.

This procedure emphasizes accountability and responsibility for SPOTS card purchases.

Applicability

This procedure is applicable to all employees. **Compliance is not optional.**

Failure to adhere to this procedure may result in disciplinary action, up to and including dismissal, personal liability and criminal actions.

Step	Responsible Party	Action
1. Expenditure Authority	Cardholder, Manager, Employee Authorizing Purchase	Prior to using the SPOTS card, the cardholder shall confirm with his or her manager that the purchase is authorized by an agency employee whose delegated expenditure decision authority is on file with the Office of Financial Services. The manager shall also ascertain that the amount and type of purchase are within that employee's authority.

		<p>Employees who have delegated expenditure decision authority can be held accountable and responsible if they authorize an expenditure (purchase) when they have reason to know that:</p> <ul style="list-style-type: none"> ▪ The expenditure is contrary to public contracting rules or agency policies. ▪ There is insufficient expenditure limitation or revenue. ▪ The expenditure is unlawful. <p>The manager shall ensure that the employee is aware of his or her accountability.</p>
2. SPOTS card credit limits	Cardholder, Manager	A cardholder shall not make purchases for more than the single transaction credit limit or monthly billing cycle limit established for his/her SPOTS card.
3. Information Technology purchases	OIS, Cardholder, Manager	<p>The Office of Information Services (OIS) is responsible for the acquisition and delivery of all information technology (IT) purchases, including but not limited to:</p> <ul style="list-style-type: none"> ▪ Personal computers and connecting equipment (e.g., monitors (screens), mice, data cables, keyboards, memory/flash drives); ▪ Software applications, licenses; ▪ Network cards; ▪ Printers, facsimile machines; ▪ Multiple outlet strips; ▪ Projector light boxes; ▪ Cameras; ▪ Mobile communication devices (e.g., cell phones, personal digital assistants, headphones). <p>Managers shall ensure that cardholders have obtained a completed <i>OIS IT Purchase Request</i>, DHS 0075,; <i>Wireless Communication Device Order</i>, DHS 1496, or receive other written authorization from OIS before purchasing IT equipment.</p>
4. Authorized Operational Purchases	Cardholder, Manager	<p>The SPOTS card shall only be used for authorized purchases, including but not limited to:</p> <ul style="list-style-type: none"> ▪ Goods and services required for the daily operations in all agency offices (e.g., supplies, equipment repair, meeting room rental, utility bills, newspaper or magazine subscriptions, professional dues, postage, books, and manager pre-approved training or conference registrations, etc.); ▪ Required and authorized items purchased on behalf of eligible clients; ▪ Stored value cards in accordance with the agency's policy; ▪ Agency-sponsored conference expenses for non-state employees (e.g., volunteers and members of a state advisory board or committee);

		<ul style="list-style-type: none"> ▪ Individual travel lodging or housing expenses for eligible clients and appropriate non-state employees (e.g., Human Resources-authorized job applicants); ▪ Fuel for non-fleet equipment, e.g., lawnmowers, leaf blowers, tractors, etc; ▪ Food and kitchen supplies or maintenance, facility supplies or maintenance, or other required goods and services necessary to the daily operation of agency-operated institutions or group homes. <p>Only the SPOTS cardholder or a management-authorized employee may receive or pick up merchandise. If an individual other than the SPOTS cardholder receives or picks up merchandise, the individual must sign the receiving document, but shall not sign the charge slip. The charge slip must be annotated "telephone order." Only the SPOTS cardholder may sign the charge slip.</p> <p>Managers shall instruct employees that the cardholder is the only person authorized to sign the charge slip.</p>
5. Unauthorized Purchases	Cardholder, Manager, SPOTS Card Coordinator	<p>SPOTS cards shall not be used for any unauthorized purchase, including but not limited to:</p> <ul style="list-style-type: none"> ▪ Personal purchases of any kind including, but not limited to items for personal use, materials or services from or for any member of the cardholder's family, clothing items that may be worn during working or non-working hours, alcoholic beverages, tobacco, drugs or other substances, traffic violations (parking or speeding tickets), food or beverages for personal consumption, telephone calls, etc. ▪ Cash advances; ▪ Purchases in excess of the limits authorized for the card; ▪ Gifts, donations or honoraria; ▪ Employee travel-related or moving expenses, including but not limited to airline tickets, car rental gasoline, lodging, meals, miscellaneous travel expenses, etc. ▪ Equipment, materials, services or supplies restricted by state statutes, rules, policies, procedures, guidelines or contractual agreements; ▪ Any purchase that is contrary to agency policies or does not comply with agency business or program requirements (e.g., purchases for the sole purpose of personal use by employees, visitors, volunteers or other non-business related use, including but not limited to refrigerators, instant hot water machines, garbage disposals, microwave ovens, toasters, coffee

		pots, bottled water or drinking water services, and kitchen or food supplies).
6. Refunds	Cardholder, Manager	<p>Cardholders may not accept a cash refund for a returned purchase initially charged to a SPOTS card. In the event that a vendor provides a cash or check refund after multiple unsuccessful attempts to credit the SPOTS card, the cardholder must:</p> <ul style="list-style-type: none"> ▪ Document and report the incident to his/her manager; ▪ Submit the cash or check refund to agency receipting employees for deposit by the end of the business day. <p>The manager must send an email notifying the SPOTS card coordinator and approving officer of the incident. The email must include the:</p> <ul style="list-style-type: none"> ▪ Vendor's name and address; ▪ Type and amount of refund; ▪ Explanation provided by vendor; ▪ Cardholder's name and last six digits of his/her SPOTS card; ▪ Confirmation that the refund was submitted for deposit in accordance with agency policy, DHS-040-013.
7. Travel Expenses	Cardholder, Manager	<p>Charging any employee travel or lodging expense to the SPOTS card is strictly prohibited.</p> <p>The SPOTS cards may be used to make a hotel reservation for the agency's traveling employee. The traveling employee is responsible for payment of all expenses at the time of check-out.</p>
8. Purchases exceeding \$5,000	Cardholder, Manager, SPOTS Card Coordinator, Approving Officer, OCP	<p>Use of the SPOTS card does not exempt the cardholder from the requirement to use state price agreements. No single purchase shall exceed \$5,000 without a manager's written documented justifiable business reason that has been pre-approved by the approving officer and the Office of Contracts and Procurement manager or their designee.</p> <p>Managers or their designee may be instructed to complete the <i>Purchase Requisition</i> form, DHS 0114.</p>
10. Internet Purchases	Cardholder, Manager, OIS	<p>The SPOTS card may be used on the internet to make authorized purchases. The cardholder must make sure that the website is secure, the SPOTS card number will be encrypted and the vendor's terms and conditions are appropriate. The vendor's return of goods policy must be verified. The vendor should not be used if it does not have a return of goods policy.</p>

		<p>A cardholder can determine if the website is secure in three ways:</p> <ul style="list-style-type: none"> ▪ Look at the website address where the SPOTS card number will be entered. An internet website is secure when the address changes from http://www to https://www ▪ Examine the bottom corner of the browser and locate the symbol that resembles a lock. The lock symbol signifies that the website is secure and the SPOTS card number will be encrypted when passed electronically. ▪ Contact the OIS Service Desk to confirm the website address is secure: 503-945-5623
11. Back-orders	Cardholder, Manager	<p>Vendors are prohibited from billing for goods before they are shipped. Back-ordered items should be billed only when the items are shipped.</p> <p>Cardholders need to exercise caution when ordering items on back-order to ensure the amount that will be charged to the SPOTS card at the time of shipment does not cause them to exceed their card limits.</p>
12. Phone Orders	Cardholder, Manager	<p>The SPOTS card may be used to purchase merchandise over the telephone. The card number may be given over landline telephones. Card numbers must not be given over wireless devices; e.g., BlackBerries, portable or cellular telephones.</p> <p>When a cardholder places a phone order (in which the cardholder is not present to sign the receipt), instruct the vendor to write, "Per phone order," on the cardholder's signature line. At no time should anyone sign a receipt for or on behalf of a cardholder.</p>
13. Billing and Shipping Address	Cardholder, Manager	<p>The billing address is the address on the cardholder's SPOTS card monthly statement. The shipping address is where the items will be shipped when the order is placed. Cardholders must verify that the correct address is used when making purchases with the SPOTS card.</p>
14. Disputed Billings	Cardholder, Manager, SPOTS Card Coordinator, Approving Officer	<p>If items purchased are faulty, not shipped or in error, the cardholder must make reasonable efforts to resolve the problem with the vendor. Vendors are required to comply with VISA regulations and may be subject to charge-backs. In most cases, vendors are responsible for fraudulent purchases and should be the first point of contact for resolution.</p> <p>Cardholders must immediately notify their manager, bank, and SPOTS card coordinator of any charges that should be disputed. The bank will send the cardholder forms to complete on the disputed transaction.</p>

		<p>In the event of an impasse with the vendor, in accordance with the State's Master Agreement, the cardholder must provide the bank with written notification within sixty (60) days from the date the incorrect charge appears on the monthly billing statement. The written notification must include a request to charge back the vendor for the disputed transaction. The manager and SPOTS card coordinator must be carbon copied on the correspondence to the bank.</p> <p>Disputed charges include, but are not limited to:</p> <ul style="list-style-type: none"> ▪ Failure to receive merchandise or services charged; ▪ Defective merchandise; ▪ Altered charges or charges whose authenticity is in question; ▪ Incorrect transaction amount(s); ▪ Duplicate processing; ▪ Failure to process a credit refund; ▪ Fraud; ▪ Forgery. <p>Based on the type of erroneous transaction, the bank will initiate the dispute process, including chargeback to the vendor, and determine whether the card should be suspended or canceled. Per the master agreement with the state, the bank will resolve the dispute within 90 days of the written request.</p>
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Policies that apply:

- [DHS-020-001](#): Public Contracting Authority and Overview for Supplies and Services Contracts
- [DHS-040-002](#): Employee Assigned Property
- [DHS-040-019](#): Small Purchase Order Transaction System (SPOTS) Card
- [DHS-040-010](#): Delegation of Expenditure Decision Authority
- [DHS-040-006](#): Refreshment, Meals, Hospitality
- [DHS-040-013](#): Receipting of Checks and Other Negotiable Instruments
- [DHS-040-018](#): Agency Objects
- [DHS-070-014](#): IT Asset Management Policy

Procedure(s) that apply:

- [DHS-040-002-01](#): Employee Assigned Property
- [DHS-040-010-01](#): Exercising Expenditure Decision Authority
- [DHS-040-010-02](#): Inappropriate Actions
- [DHS-040-006-01](#): Refreshment, Meals, Hospitality
- [DHS-040-019-01](#): SPOTS Card Program Authority
- [DHS-040-019-02](#): SPOTS Card Application and Issuance

[DHS-040-019-03](#): SPOTS Card Security
[DHS-040-019-05](#): SPOTS Card Documentation Reconciliation
[DHS-040-019-06](#): SPOTS Card Abuse and Misuse
[DHS-040-019-07](#): SPOTS Card Training
[DHS-040-019-08](#): SPOTS Card Program Review and Audit
[DHS-070-014-01](#): IT Acquisition Procedure
[DHS-070-014-02](#): Managing IT Equipment Procedure
[DHS-070-014-04](#): Request for Exception to 'Asset Management Policy' Procedure

Form(s) that apply:

DHS 0050: Employee Assigned Property Tracking Document [PDF](#) [WORD](#)
DHS 0075: OIS IT Purchase Request [PDF](#) [WORD](#)
DHS 0114: Purchase Requisition [WORD](#)
DHS 0115A: Procurement Card Activity Log - Low Volume [PDF](#) [EXCEL](#)
DHS 0115B: Procurement Card Activity Log - High Volume [PDF](#) [EXCEL](#)
DHS 0134: SPOTS Purchase Card Application and Agreement [PDF](#) [WORD](#)
DHS 0286: Signature Authorization for Budgetary Expenditures [PDF](#) [WORD](#)
DHS 1496: Wireless Communication Device Order [PDF](#) [WORD](#)

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- **Version 1.0:**
 - 10/01/2010 (Initial Release)