

DHHS POLICIES AND PROCEDURES

Section VII:	Procurement and Contract Services
Title:	DHHS Procurement Card (P-Card) Program
Current Effective Date:	4/15/18
Revision History:	
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Purpose

The purpose of this policy is to provide guidance to the North Carolina Department of Health and Human Services (NC DHHS) staff as it relates to the DHHS Procurement Card Program (P-card) administration, process and requirements.

The Department of Health and Human Services (DHHS) Procurement Card (P-Card) program aims to simplify procurement and payment processes for selected low dollar, high volume business commodities and services. The program is designed to maintain accountability while reducing the cycle time and administrative burden of procurement procedures such as purchase requisitions/orders, direct pay requests, and expense reimbursements. The card is issued by Bank of America Merrill Lynch (BAML) and is widely accepted by vendors that support Visa card purchases.

Policy

The Procurement Card (P-Card) is a corporate Visa credit card, issued to DHHS through BAML. The cards in turn, are issued to DHHS employees for conducting business transactions. **Personal use of the P-Card is strictly prohibited.**

A permanent employee with supervisor approval may obtain a P-Card by completing the application and agreement form, and completing P-Card training along with the P-Card test. The P-Card is issued in the employee's name through BAML and the Division P-Card Administrator (DPA). Cards are not to be issued to temporary workers or contractors and may not be issued in the name of a Division or Agency.

Personal Credit History: A P-Card is issued in an employee's name and personal credit history is not considered during the application process. Use of the P-Card will not affect personal credit history.

Procurement Legal Policy

The credit card program is administered by the N.C. Department of Administration, Division of Purchase and Contract (P&C). All State of North Carolina procurement laws in General Statute 143 and N.C. Administrative Code (01 NCAC 05B.1523) apply to the use of the procurement card. Refer to the NC Department of Administration website below:

<https://ncadmin.nc.gov/government-agencies/procurement/procurement-rules>

Cardholders, Supervisors/Approving Managers and/or Reconcilers who knowingly or through willful neglect, fail to comply with the following may be subject to suspension or termination of procurement card privileges or face additional disciplinary action up to and including termination of employment and criminal prosecution to the fullest extent of the law.

Implementation

Card Usage

The P-Card can be used for most allowable DHHS business expenses with vendors that accept Visa credit cards. The card can be used to pay for approved purchases up to the approved individual P-Card limits. Any purchase over the \$2500 limit must be entered in e-Procurement.

In-store purchases as well as purchases placed by phone, internet, fax, or mail can also be made using the P-Card. Personal use of the card is not allowed and will be considered as terms for card revocation as well as employee disciplinary action.

The cardholder should always check *Statewide Term Contracts* first to see if the items needed are available from a contracted vendor. These contracts are managed by the N.C. Department of Administration and are located here: <https://ncadmin.nc.gov/government-agencies/procurement>.

The P-Card is simply a payment tool that is designed to enable departments to make purchases more efficiently, while staying in compliance with procurement guidelines. The card should never be used to circumvent any purchasing policy as defined by P&C, the Office of State Budget and Management (OSBM) or the DHHS Controller's Office.

Spending Limits

Charges or purchases made using the card are limited by transaction dollar limits, and/or monthly spending limits as defined below. In addition, some vendors are blocked based on their Merchant Category Code (MCC). Transaction dollar limits and allowable merchant categories are established for each card account or spend control profile.

Transaction Dollar Limits: Standard transaction limits are set at the delegated small purchase threshold with a monthly limit of \$5,000. *NOTE:* Your assigned limits may be different, depending on budget and departmental needs.

A temporary increase will be considered by the DPA in certain circumstances, and with proper documentation. (See the Maintenance Request form in the Appendix.) *Splitting transactions to remain within the established limits is strictly prohibited and may result in losing spending privileges.*

Monthly Spending Limit: The monthly spending allowance is determined based on division budget and spending needs for the unit.

Payment of Charges: Monthly P-Card charges are paid to BAML by DHHS. DHHS funds and expense accounts assigned to the division or by the Reconciler during the reconciliation process, are charged monthly when the payment to the bank is generated.

Enforcement

Per General Statute 143B-920: “Any person employed by the State of North Carolina, its agencies or institutions, who receives any information or evidence of an attempted arson, or arson, damage of, theft from, or theft of, or embezzlement from, or embezzlement of, or misuse of, any state-owned personal property, buildings or other real property, shall as soon as possible, but not later than three days from receipt of the information or evidence, report such information or evidence to his immediate supervisor, who shall in turn report such information or evidence to the head of the respective department, agency, or institution. The head of any department, agency, or institution receiving such information or evidence shall, within a reasonable time but no later than 10 days from receipt thereof, report such information, excluding damage or loss resulting from motor vehicle accidents or unintentional loss of property, in writing to the Director of the State Bureau of Investigation.”

The N.C. Department of Administration, Division of Purchase and Contract (P&C) and DHHS Office of Procurement, Contracts and Grants reserve the right to withdraw any authority or delegated approval due to non-compliance with applicable laws, rules, regulations, policies and procedures or the terms of any conditional approval.

For questions or clarification on any of the information contained in this policy, please contact the [Office of Procurement & Contract Services](#). For general questions about department-wide policies and procedures, contact the [DHHS Policy Coordinator](#)