

**WEST VIRGINIA
SECRETARY OF STATE**

KEN HECHLER

ADMINISTRATIVE LAW DIVISION

Form #3

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OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

**NOTICE OF AGENCY APPROVAL OF A PROPOSED RULE
AND
FILING WITH THE LEGISLATIVE RULE-MAKING REVIEW COMMITTEE**

STATE AUDITOR AND PURCHASING DIVISION,
AGENCY: DEPARTMENT OF ADMINISTRATION

TITLE NUMBER: 148

CITE AUTHORITY §12-3-10a

AMENDMENT TO AN EXISTING RULE: YES NO

IF YES, SERIES NUMBER OF RULE BEING AMENDED: 7

TITLE OF RULE BEING AMENDED: STATE PURCHASING CARD PROGRAM

IF NO, SERIES NUMBER OF NEW RULE BEING PROPOSED: _____

TITLE OF RULE BEING PROPOSED: _____

THE ABOVE PROPOSED LEGISLATIVE RULE HAVING GONE TO A PUBLIC HEARING OR A PUBLIC COMMENT PERIOD IS HEREBY APPROVED BY THE PROMULGATING AGENCY FOR FILING WITH THE SECRETARY OF STATE AND THE LEGISLATIVE RULE MAKING REVIEW COMMITTEE FOR THEIR REVIEW.


Authorized Signature

4.60

DATE: AUGUST 1, 1997

TO: LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

FROM: STATE AUDITOR AND PURCHASING DIVISION OF THE DEPARTMENT OF ADMINISTRATION

LEGISLATIVE RULE TITLE: 148

1. Authorizing statute(s) citation §12-3-10a

2. a. Date filed in State Register with Notice of Hearing
JULY 2, 1997

- b. What other notice, including advertising, did you give of the hearing?
NONE

- c. Date of Hearing(s) _____

- d. Attach list of persons who appeared at hearing, comments received, amendments, reasons for amendments.
Attached _____ No comments received _____

- e. Date you filed in State Register the agency approved proposed Legislative Rule following public hearing: (be exact)
AUGUST 1, 1997

- f. Name and phone number(s) of agency person(s) to contact for additional information:
CRYSTAL LUSK 558-4331

3. If the statute under which you promulgated the submitted rules requires certain findings and determinations to be made as a condition precedent to their promulgation:

a. Give the date upon which you filed in the State Register a notice of the time and place of a hearing for the taking of evidence and a general description of the issues to be decided.

N/A

b. Date of hearing: _____

c. On what date did you file in the State Register the findings and determinations required together with the reasons therefor?

d. Attach findings and determinations and reasons:

Attached _____

148 CSR 7

TITLE 148
DEPARTMENT OF ADMINISTRATION
PURCHASING DIVISION
and
STATE AUDITOR

SERIES 7
STATE PURCHASING CARD PROGRAM

STATEMENT OF CIRCUMSTANCES REQUIRING THIS RULE

West Virginia Code §12-3-10a requires the State Auditor and the Director of the Purchasing Division, Department of Administration, to jointly propose this rule to govern implementation of the Purchase Card Program. Failure to file this rule would prohibit implementation of the program.

148 CSR 7

TITLE 148
DEPARTMENT OF ADMINISTRATION
PURCHASING DIVISION
and
STATE AUDITOR

SERIES 7
STATE PURCHASING CARD PROGRAM

BRIEF SUMMARY OF PROPOSED RULE

This Legislative Rule is an explanation and clarification of the procedures for the State Purchasing Card Program, authorized by West Virginia Code §12-3-10, §12-3-10a and §12-3-10b. The program provides an efficient and alternative process for the purchase of and payment for goods and services which do not exceed the transaction limit. The program will provide prompt payment to vendors through consolidated multiple vendor invoices and expedite receipt of small purchases through use of a Purchasing Card.

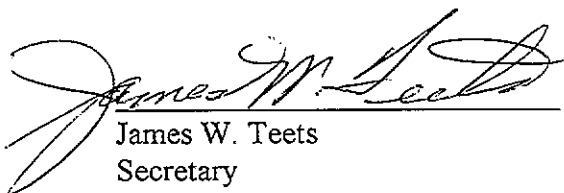
The State Auditor and the Director of the Purchasing Division have jointly proposed this rule.

148 CSR 7

**TITLE 148
DEPARTMENT OF ADMINISTRATION
PURCHASING DIVISION
and
STATE AUDITOR**

**SERIES 7
STATE PURCHASING CARD PROGRAM**

APPROVAL OF FILING BY CABINET SECRETARY



James W. Teets
Secretary
Department of Administration

APPENDIX B

FISCAL NOTE FOR PROPOSED RULES

Rule Title: STATE PURCHASING CARD PROGRAM

Type of Rule: Legislative Interpretive Procedural

Agency: STATE AUDITOR AND PURCHASING DIVISION,
DEPARTMENT OF ADMINISTRATION

Address: Building 1, Room E-119
1900 Kanawha Blvd., East
Charleston, WV 25305

1. Effect of Proposed Rule

	ANNUAL FISCAL YEAR				
	INCREASE	DECREASE	CURRENT	NEXT	THEREAFTER
ESTIMATED TOTAL COST	\$	\$	\$120,000	\$ 0	\$ 0
PERSONAL SERVICES			47,153	0	0
CURRENT EXPENSE			72,847	0	0
REPAIRS & ALTERNATIONS			0	0	0
EQUIPMENT			0	0	0
OTHER			0	0	0

2. Explanation of above estimates:

See Attached

3. Objectives of these rules:

TITLE 148
DEPARTMENT OF ADMINISTRATION
PURCHASING DIVISION
and
STATE AUDITOR

SERIES 7
STATE PURCHASING CARD PROGRAM

§148-7-1. General.

1.1. Scope. - This Legislative Rule is an explanation and clarification of operative procedures for the State Purchasing Card Program. This program provides an alternative process for the purchase of and payment for goods and services in ~~transactions~~ Transactions which do not exceed ~~\$500.00~~ the Transaction Limits.

1.2. Authority. - West Virginia Code §12-3-10a.

1.3. Filing Date. - _____, 1997.

1.4. Effective Date. - _____, 1997.

§148-7-2. Definitions.

2.1. "Auditor" means the Auditor of the State of West Virginia.

2.2. "Director" means the Director of the Purchasing Division of the Department of Administration.

2.3. "Goods" means commodities, supplies, materials, printing, equipment, and any other articles or items used by or furnished to a spending unit.

2.4 "Maintenance" means services to maintain an item of equipment or computer software, including parts incidental to providing the service.

2.4.2.5. "Point of Sale Vendor" means the point of sale or supplier of goods or services purchased with the Purchasing Card, not the State Purchasing Card Provider.

2.5.2.6. "Purchasing card" or "card" means the charge card authorized by the Director to provide payment for ~~good and services~~ Transactions.

2.6.2.7. "Purchasing Card Administrator" or "Administrator" means the individual designated by the Director to coordinate the State Purchasing Card Program.

2.7.2.8. "Purchasing Card Coordinator" or "Coordinator" means the individual designated by the spending officer to coordinate the State Purchasing Card Program.

2.8.2.9. "Purchasing Card Provider" or "Provider" means the entity providing the State with Purchasing Card services.

2.9.2.10. "Services" means the furnishing of labor, time or effort by a contractor, not involving the delivery of a specific end product other than reports which are merely incidental to the required performance, which include maintenance and utilities, but does not include tax reportable services.

2.10.2.11. "Spending officer" means the executive head of a spending unit, or a person designated by him or her.

2.11.2.12. "Spending unit" means a department, agency or institution of State government for which an appropriation is requested, or to which an appropriation is made by, the Legislature.

2.12.2.13. "State Purchasing Card Program" or "program" means the purchase of and payment for ~~goods and services in transactions~~ Transactions which do not exceed ~~\$500.00~~ the Transaction Limits through use of the Purchasing Card.

2.14. "Transactions" means the purchase of and payment

for:

- (a) Goods not exceeding the Transaction Limit;
- (b) Services as follows:
 - (i) Maintenance---no Transaction Limit;
 - (ii) Utilities---no Transaction Limit; and
 - (iii) Any other Services not exceeding the Transaction Limit which are not tax reportable.

2.15. "Transaction Limits" means the maximum dollar amount permitted in any single Transaction as follows:

(a) For the period ending June 30, 1998, the maximum dollar amount is \$500.00, except for maintenance and utilities which are unlimited; and

(b) For the period beginning July 1, 1998, the maximum dollar amount is \$1,000.00, except for maintenance and utilities which are unlimited.

2.16. "Utilities" means electricity, gas, heating oil, telephone, television cable, water, sewage, garbage collection, and similar services.

§148-7-3. Applicability.

3.1. This legislative rule applies to all spending units of State government except those statutorily exempted. Exempted spending units may elect to follow the provisions of this rule.

§148-7-4. Power and Authority.

4.1. The Director has the power and authority to:

(a) ~~Allow card purchases of goods where each transaction does not exceed \$ 500.00~~ Transactions not exceeding Transaction Limits;

(b) ~~Allow card purchases of services where each transaction does not exceed \$500.00 _____, if authorized by both the Auditor and Director;~~

~~(e)~~ Establish the manner in which spending units may purchase supplies directly from the State's central storerooms or other spending units using the program;

~~(d)~~ Prohibit use of the card for cash advances;

~~(e)~~ Ensure goods and services purchased are received in advance of or simultaneously with use of the Purchasing Card;

~~(f)~~ Ensure cards are used for official state purchases only;

~~(g)~~ Review spending unit records of card purchases;

~~(h)~~ Resolve questions and conflicts regarding contractual and procedural matters related to the implementation and administration of the card; ~~and~~

~~(i)~~ Revoke authority to use a ~~Purchasing Card~~ card at any level of use if the Director determines a spending unit is in violation of this rule; and

(i) Administer the Purchasing Card Administration Fund.

4.2. The Auditor has the power and authority to:

(a) Establish procedures for documenting, reconciling and paying invoices for card purchases;

(b) Establish the manner of inspecting all records and reconciling documents involving card purchases;

(c) Establish the manner in which spending units document purchases and reconcile invoices prior to submission of the invoices to the Auditor for payment;

(d) Approve the format of Purchasing Card Provider invoices; and

~~(e) Receive and deposit to the credit of the general revenue fund all rebates and other revenue generated by the program. In cooperation with the State Treasurer, assess penalty fees against spending units for failing to utilize the card for~~

purchases that qualify for the program, and deposit the fees in the Technology Support and Acquisition Fund.

4.3. The Purchasing Card Administrator has the authority to direct the Purchasing Card Provider to restrict the Point of Sale Vendor from using the program when the restriction is in the best interest of the State.

4.4. Purchasing Card Coordinators

(a) Each spending unit's procurement administrator or his or her designee shall serve as the spending unit Purchasing Card Coordinator and shall determine to whom cards will be issued based upon the purchasing authority of each individual.

(b) Purchasing Card Coordinators may restrict usage of the card consistent with the needs of the spending unit.

§148-7-5. Point of Sale Vendor Participation.

5.1. Each Point of Sale Vendor desiring to participate in the program is solely responsible for contracting or enrolling with the Purchasing Card Provider under the terms and conditions set forth in the agreement between the Purchasing Division and Purchasing Card Provider.

§148-7-6. Purchasing Methods.

6.1. The provisions of West Virginia Code §5A-3-1 et seq., and the Purchasing Division Purchasing Rules, 148 CSR 1, ~~and the Department of Tax and Revenue Preference for Determining Successful Bids Rule, 110 CSR 12C,~~ shall apply to purchases made with the card.

6.2. The cards are to be used in the State's best interest ~~for purchases of goods and services with a per transaction limit of \$500.00.~~

6.3. The card may be used as a payment method for releases (orders) against statewide contracts, blanket orders and price agreements.

§148-7-7. Itemizing Claims for Payment.

7.1. A spending unit is not required to submit individual itemized vendor invoices for purchases made with the card that do not exceed ~~\$500.00~~ the Transaction Limits.

7.2. The Purchasing Card Provider shall provide a consolidated multiple vendor invoice to the spending officer of each spending unit, as required by the Auditor. A spending officer may consolidate payments into one monthly payment to the Purchasing Card Provider. Each spending unit may require changes in the format of invoices to meet its needs, with the approval of the Auditor.

§148-7-8. Violations

8.1. Any person who authorizes or approves a purchase or contract payment in a manner in violation of this rule or the West Virginia Code is guilty of a felony, pursuant to West Virginia Code §12-3-10b.

A: PURCHASING CARD-6/1/97\P-CARD-1\24Jun97