

WEST VIRGINIA
SECRETARY OF STATE
KEN HECHLER
ADMINISTRATIVE LAW DIVISION

Form #6

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OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

**NOTICE OF FINAL FILING AND ADOPTION OF A LEGISLATIVE RULE AUTHORIZED
BY THE WEST VIRGINIA LEGISLATURE.**

STATE AUDITOR'S OFFICE & PURCHASING DIVISION
AGENCY: DEPARTMENT OF ADMINISTRATION TITLE NUMBER: 148

AMENDMENT TO AN EXISTING RULE: YES , NO

IF YES, SERIES NUMBER OF RULE BEING AMENDED: _____

TITLE OF RULE BEING AMENDED: _____

IF NO, SERIES NUMBER OF NEW RULE BEING PROPOSED: 7

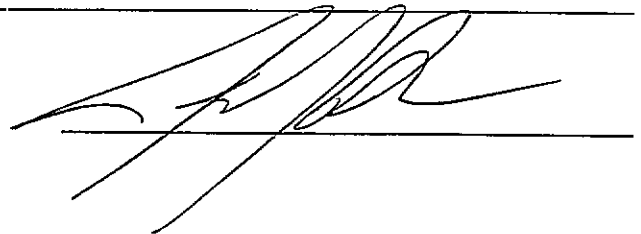
TITLE OF RULE BEING PROPOSED: STATE PURCHASING PROGRAM

THE ABOVE RULE HAS BEEN AUTHORIZED BY THE WEST VIRGINIA LEGISLATURE.

AUTHORIZATION IS CITED IN (house or senate bill number) House Bill #144

SECTION §64-2-1, PASSED ON March 12, 1998

THIS RULE IS FILED WITH THE SECRETARY OF STATE. THIS RULE BECOMES EFFECTIVE ON
THE FOLLOWING DATE: April 1, 1998




LEGISLATIVE 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



**Joseph F. Markus
Secretary
Department of Administration**

FILED

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OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

148 CSR 7

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 which do not exceed the Transaction Limit.

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.

2.5. "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.

2.6. "Purchasing card" or "card" means the charge card authorized by the Director to provide payment for Transactions.

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

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

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

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. Services include maintenance and utilities, but do not include tax reportable services.

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

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.

2.13. "State Purchasing Card Program" or "program" means the purchase of and payment for Transactions which do not exceed the Transaction Limit through use of the Purchasing Card.

2.14. "Transactions" means the purchase of and payment for:
(a) Goods the cost of which do not exceed 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 Limit" 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 may:

(a) Allow card purchases of Transactions not exceeding Transaction Limits;

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

(c) Prohibit use of the card for cash advances;

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

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

(f) Review spending unit records of card purchases;

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

(h) Revoke authority to use a 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 may:

(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) In cooperation with the State Treasurer, assess and collect penalty fees against spending units for failing to use the card for Transactions that qualify for the program, and deposit the fees in the Technology Support and Acquisition Fund. The Auditor and Treasurer shall set the fee in a legislative rule.

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, apply to purchases made with the card.

6.2. The cards are to be used in the State's best interest.

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 the Transaction Limit.

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-2\31Mar98

4144

1487

H. B. 4144

1 Bill-Admin, P

2

(By Delegates Hunt, Linch, Compton, Jenkins,
Faircloth and Riggs)

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[Introduced January 30, 1998; referred to the
Committee on Finance then the Judiciary.]

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9

10 A BILL to amend and reenact section one, article two,
11 chapter sixty-four of the code of West Virginia, one
12 thousand nine hundred thirty-one, as amended, relating
13 to authorizing the department of administration and
14 the auditor to promulgate a legislative rule relating
15 to the state purchasing card program.

16 *Be it enacted by the Legislature of West Virginia:*

17 That section one, article two, chapter sixty-four of
18 the code of West Virginia, one thousand nine hundred
19 thirty-one, as amended, be amended and reenacted, to read
20 as follows:

21 **ARTICLE 2. AUTHORIZATION FOR DEPARTMENT OF ADMINISTRATION
22 TO PROMULGATE LEGISLATIVE RULES.**

23 **§64-2-1. Department of administration and the auditor.**

4144

1 The legislative rule filed in the state register on
2 the ~~thirtieth~~ first day of August, one thousand nine
3 hundred ~~ninety-six~~ ninety-seven, under the authority of
4 section ten-a, article three, chapter twelve of this code,
5 modified by the department of administration and the
6 auditor to meet the objections of the legislative
7 rule-making review committee and refiled in the state
8 register on the ~~sixth~~ eighteenth day of ~~February~~ September,
9 one thousand nine hundred ninety-seven, relating to the
10 department of administration and the auditor (state
11 purchasing card program, 148 CSR 7), is authorized.

12

13 NOTE: The purpose of this bill is to authorize the
14 Department of Administration and the Auditor to promulgate
15 a legislative rule relating to State Purchasing Card
16 Program.

17

18 Strike-throughs indicate language that would be
19 stricken from the present law, and underscoring indicates
20 new language that would be added.

Senate Bill No. 270

148-7

(By Senator(s) Ross, Anderson, Bowman,
Macnaughtan, Boley and Buckalew)

[Introduced January 30, 1998; referred to the
Committee on Government Organization; then to
the Committee on Finance; and then to the
Committee on the Judiciary.]

10 A BILL to amend and reenact section one, article two,
11 chapter sixty-four of the code of West Virginia, one
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