



**DEPARTMENT OF CORRECTIONS  
Chief Financial Office**



<b>Title:</b>	<b>The State P-Card of Oregon Transaction System (SPOTS) Card Program</b>	<b>DOC Policy: 30.3.2</b>
<b>Effective:</b>	<b>7/6/22</b>	<b>Supersedes: 11/16/20</b>
<b>Applicability:</b>	<b>All DOC Employees</b>	
<b>Directives Cross-Reference:</b>	<b>Oregon Accounting Manual</b> <b>ORS Chapter 279 – Public Contracting Code</b> <b>ORS Chapter 291 – State Financial Administration</b> <b>ORS Chapter 293 – Administration of Public Funds</b> <b>ORS Chapter 200 – Disadvantaged and Minority Owned Businesses</b> <b>ORS 244.025 – Gift Limits</b> <b>ORS 244.040 – Prohibited Use of Official Position or Office</b> <b>OAR 291 Div. 156 – Inmate Welfare Fund</b> <b>Policy 30.3.4 – Procurement Policy Executive</b> <b>Order 12-05 – Green Purchases</b> <b>IRS rule 62 pp. 1663</b>	
<b>Attachments:</b>	<b>Appendix A – DOC Blocked MCC Code Listing</b> <b>Appendix B– DOC SPOTS Card Reconciliation Log</b> <b>Form – DOC SPOTS Card Application and Credit Limit Increase (75.55.02.FO. 1)</b>	

**I. PURPOSE**

The Department of Corrections (DOC) State P-Card of Oregon Transaction System (SPOTS) card program is designed as an expedient and efficient tool for purchases of qualifying goods or services specific to DOC.

**II. DEFINITIONS**

- A. Access Online: US Bank’s proprietary system used for SPOTS card management.
- B. Card Custodian: The DOC employee responsible for safeguarding the assigned department card.
- C. Cardholder: A permanent DOC employee with an individually assigned card in their name.
- D. DOC Facility: Any Department of Corrections institution, administrative office, or correctional facility, including but not limited to a facility for housing adults in custody (AIC).
- E. Department Card: A card issued to a functional unit for an agency program, division, department, or other segment and assigned to a card custodian.
- F. Designated Card User: A DOC employee authorized to use an agency department card, rather than a cardholder of an individually assigned account.

- G. Designated Procurement Officer (DPO): A person authorized by an agency head, as designated by the State Chief Procurement Officer (State CPO), to conduct procurements or contracts on an agency's behalf, within its delegated authority, rather than through the central contracting authority of Department of Administrative Services (DAS) Procurement Services.
- H. Event Pass Through Account (EPTA): An administrative trust account that is created and approved by Central Trust, located in the AIC financial system, that acts as a temporary holding account for club fundraising events and at-cost events (whether sponsored by a club or not). An EPTA should be used for any situation that necessitates a SPOTS purchase on behalf of an AIC. Funds collected from AICs are placed into this account until expenses and revenue (if applicable) are reconciled and distributed.
- I. Financial Business Systems (FBS): A division within DAS that oversees the statewide SPOTS card program, including overarching policies, requirements, and participation standards.
- J. Fragmenting: Purposely splitting purchases at the point of sale to avoid procurement requirements or established transaction limits.
- K. Functional Unit Manager: Any person within the Department of Corrections who reports to the Director, Deputy Director, an Assistant Director, or administrator and has responsibility for delivery of program services or coordination of program operations.
- L. Itemized Receipt: Proof of purchase from a merchant given to a consumer following successful payment. The receipt must clearly indicate the following:
  - a. Business name;
  - b. Description of item(s) purchased, or services rendered;
  - c. Quantity of items and item costs;
  - d. Total amount paid; and
  - e. Point of delivery.
- M. Price Agreement: Master contracts between the state and supplier(s) for products or services which set the terms of the agreement, often pricing, to be used by all state entities.
- N. Purchase Order: An official document issued by a procuring agency to a supplier that formalizes all the terms and conditions of the proposed transaction, such as a description of the requested item(s), delivery schedule, terms of payment, transportation, etc.
- O. SPOTS Approving Officer: DOC employee designated by the Director or designee to be responsible for the agency's SPOTS card program.
- P. SPOTS Auditor: DOC, DAS, or Financial Business Services (FBS) employee responsible for reviewing SPOTS logs to ensure procurement rules are met.
- Q. SPOTS Coordinator: DOC employee responsible for maintenance of the purchase card accounts, assists with development of agency-based policies and procedures, provides training, and monitors policy compliance.
- R. SPOTS Card Approver: The manager who reviews and approves SPOTS card logs and ensures coding is accurate and that all policies are followed.

### III. POLICY

#### A. General Provisions:

1. DAS FBS (Financial Business Systems) will remove an agency from participation in the SPOTS card program if the agency does not comply with Oregon Accounting Manual (OAM) Policy 55.30.00. All SPOTS rules and policies must be followed to remain in the program.
2. Expenditure Authority: Payments made through the SPOTS card program must comply with ORS 293.295 when claims against moneys in State Treasury may be paid. A claim for payment from any moneys in the State Treasury may not be paid unless:
  - a. The claim is supported by the approval of the state agency that incurred the obligation or made the expenditure on which the claim is based;
  - b. Provision for payment of the claim is made by law and appropriation;
  - c. The obligation or expenditure on which the claim is based is authorized as provided by law; and
  - d. The claim otherwise satisfies requirements as provided by law.

#### B. Purchasing Requirements:

Cardholders must follow DOC's Procurement Policy 30.3.4 as well as the Public Contracting Code. Infractions may be issued when procurement rules and regulations have been violated. For egregious or repeated issues, SPOTS cards may be suspended or deactivated. The code includes the following requirements:

1. A procurement of goods or services not exceeding \$10,000 is awarded in any manner the contracting agency deems practical or convenient, including by direct selection or award, however, DOC employees are encouraged to obtain three bids whenever practicable to make sure DOC is receiving the best value.
2. For all procurements with a value of \$10,000 or more, ORS 200.035 requires DOC to provide timely notice and information to the Governor's Advocate for Minority, Women and Emerging Small Business, (also known as the Director of Economic & Business Equity) regarding bids, solicitations, and contract awards.
3. Buy Decision priority: SPOTS card purchases must consider this sequence of priority when determining an appropriate source for a procurement need:
  - a. Surplus Property
  - b. OregonForward
  - c. AIC Labor (Oregon Corrections Enterprises (OCE))
  - d. Statewide Price Agreement
  - e. Open Market
4. The Certification Office for Business Inclusion and Diversity (COBID) policy (DAS Statewide

Policy #107-009-0030-PO) and the OregonBuys procurement system requires posting of opportunities that exceed \$10,000. Cardholders must work with a procurement specialist if a purchase exceeds \$10,000.

5. Cardholders may use the SPOTS card to make purchases on state price agreements. The state may require a purchase order to purchase some items on a price agreement. The terms and conditions of the price agreement take priority. Use of the SPOTS card must not replace a purchase order where one is required. Products purchased with the SPOTS card must reflect the same price, terms, and conditions as those listed in the price agreement, unless contract language grants additional consideration to a vendor. In cases where a vendor receives additional consideration for accepting SPOTS cards, the modified contract terms will prevail. An agency must not use a SPOTS card to avoid the requirements to use a state price agreement.
6. DOC employees must not fragment or separate purchases to get around solicitation requirements. Fragmenting a purchase using a SPOTS card is unauthorized.
7. Green Purchases: DOC employees shall comply with Executive Order 12-05 when purchasing janitorial supplies, industrial paper products, and janitorial equipment, and are to use all required price agreements when making these purchases.
8. SPOTS purchases made on behalf of AICs for programmatic or activity purposes require funds be deducted with a Request for Withdrawal of Funds form (CD28 or CD28P) from the AIC's trust account prior to any purchase being made, unless funds are already available in an EPTA account.

### **C. Access Online**

DOC uses Access Online on the US Bank website for management and oversight of SPOTS cards. System training is available online in various formats.

1. Users can view real-time pending transactions, credit limits, available credit, account status, payment history, billing cycle statements, and other account profile information.
2. Functions include account setup and maintenance, reporting, transaction management, financial extracts, and data exchange.
3. Management reporting provides historical transaction data. Basic reports include transaction detail, account list, declined transaction authorizations, and system user list.

### **D. Roles and Responsibilities**

#### **1. Statewide Program Administrator**

Two divisions of the Department of Administrative Services (DAS) have responsibility for the SPOTS card program: The Chief Financial Office (CFO) and Enterprise Goods and Services (EGS). Within EGS, two units have responsibility: Procurement Services (PS) and Financial Business Systems (FBS). The CFO will issue overall policy guidance. EGS and FBS will coordinate with participating agencies and the card provider and assist agencies in establishing their SPOTS card programs. EGS and PS will negotiate, prepare, and sign the master agreement with the bank.

#### **2. Agency Head**

- a. The DOC Director must appoint an approving officer and, if appropriate, an alternate.
- b. To change an agency's approving officer, the DOC Director or designee must send a memo or email to FBS Management which includes the name of the outgoing person, and the name, telephone number, and email address of the new approving officer, and the effective date.

### **3. Approving officer**

- a. The approving officer authorizes and may select DOC employees to use the SPOTS card for purchases of services and supplies. When DOC issues a department card, the approving officer authorizes the designated card custodian and, if appropriate, an alternate. The approving officer should keep in mind the relationship between the SPOTS card user's employment classification and the spending limit of the card. DOC will perform LEDS background checks on all DOC employees participating in the SPOTS card program. The approving officer is not authorized to be a cardholder, card custodian, or designated card user.
- b. The approving officer will appoint a SPOTS Coordinator and, if appropriate, an alternate.
- c. To change an agency's SPOTS Coordinator, the approving officer must send a memo or email to the FBS Manager which includes the name of the outgoing person, and the name, telephone number, and email address of the new SPOTS Coordinator, and the effective date.
- d. The approving officer grants restricted system access to Access Online. Only the SPOTS Coordinator can open accounts and change credit limits. The approving officer may grant users view only access or transaction management access. Users must not allow other individuals to use their password.

### **4. SPOTS Coordinator**

- a. The SPOTS Coordinator uses Access Online to open and close accounts, change account spending limits, update account information, process cardholder infractions, and monitor card activities delegated to them by the approving officer. SPOTS Coordinators need position descriptions that must include specific job responsibilities related to the DOC SPOTS card program, including development of agency-based policies and procedures, training, and compliance monitoring.
- b. The SPOTS Coordinator must act on a SPOTS card when a cardholder leaves the agency, no longer needs the card, or is on extended leave. This includes collecting the physical card and cancelling or securing it immediately. The SPOTS Coordinator maintains the accounts in Access Online using the following actions:
  - I. Closes an account using T9 Terminated (permanent) when the cardholder (whether individual or department card) is no longer authorized to use the card or when the cardholder separates from their position (retirement, employment termination etc.).
  - II. Temporarily closes an account using V9 Voluntarily Closed when the cardholder is out on extended leave for a job rotation, medical leave, seasonal employment, etc.
- c. The SPOTS Coordinator must permanently close a department card when the card

custodian separates from their role as custodian.

- d. The SPOTS Coordinator should not be a card custodian, a designated card user, or a cardholder unless there is a substantial business need, and the approving officer agrees to monitor the SPOTS Coordinator's card use. To request an exception, the approving officer sends a memo or email to FBS Management describing the business need and the additional controls the approving officer will use.

## 5. Card Custodian

Card custodians administer and control the use of the assigned department cards. The card custodians must:

- a. Manage physical custody and security of the SPOTS card and account number;
- b. Maintain records of card check out and check in by designated card users;
- c. Maintain purchase documentation;
- d. Ensure card use complies with DOC policies and procedures;
- e. Reconcile bank transactions with itemized receipts monthly;
- f. Sign SPOTS Reconciliation Log; and
- g. Must be a permanent DOC employee. Card requests for temporary DOC employees must be pre-approved by the approving officer.

## 6. Designated Card User

A designated card user of a department card must:

- a. Check the card in and out from the card custodian.
- b. Use the card in compliance with DOC policies and procedures.
- c. Obtain and submit purchase documentation for each transaction.

## 7. Cardholder:

An individual cardholder must:

- a. Use the card in compliance with statewide and DOC policies and procedures.
- b. Obtain purchase documentation including an itemized receipt or copy of invoice, (must clearly indicate business name, an itemized list of items procured, including quantity and dollar amount per item) proof of delivery (signed bill of lading, package slip etc.), and any approval emails for extenuating circumstances.
- c. Reconcile bank transactions with itemized receipts monthly and retain original receipts for one year.
- d. Complete and sign their own SPOTS Reconciliation Log.
- e. Obtain cost center approver signature.
- f. Submit SPOTS Reconciliation Log, with itemized receipts and proper authorizations to

DOCSPOTSMonthlyReconciliationsOnly@doc.oregon.gov no later than the ninth of every month unless the ninth falls on a weekend or a holiday, then the next business day.

#### **8. SPOTS Card Approver:**

An approver must:

- a. Verify that the purchases made by the cardholder are coded to the correct cost center, object code, and subsidiary code.
- b. Verify purchases were made in accordance with ORS 279 and DOC Policies 30.3.2 and 30.3.4.
- c. Notify the SPOTS Coordinator of a change in position or the name of cardholder under their supervision immediately, within 24 hours.
- d. Notify the SPOTS Coordinator if a cardholder's employment has been terminated or if a SPOTS card has been lost immediately, within 24 hours.
- e. Verify the total on the SPOTS Reconciliation Log matches the total on the US Bank statement.

#### **E. SPOTS Card Training**

Training is an essential element of a successful SPOTS card program. With approval from DAS FBS, DOC will provide their own agency specific training to include:

1. Train cardholders, card custodians, and designated card users prior to issuance of a SPOTS card.
2. Train the managers and supervisors that approve SPOTS card purchases.
3. Document that each of the above has received initial training and training within a year of any changes to the OAM or if no changes then every other year.
4. DOC must suspend the SPOTS card use for any DOC employee who has not taken required training.
5. Card custodians and designated card users are required to complete SPOTS training prior to issuance or use of department cards. A department card must be permanently closed when the card custodian separates from their role as custodian.
6. The SPOTS approving officer and SPOTS Coordinator will attend required annual FBS training. The SPOTS Coordinator may request training from FBS on the use of Access Online. The SPOTS approving officer and SPOTS Coordinator will receive training from FBS when a rewrite of the OAM requires updates to the approved SPOTS training program.

#### **F. Issuing Cards**

1. SPOTS cards may be issued to individuals, agency programs, divisions, and departments. The individual SPOTS card is issued to a specific person. The department SPOTS card is issued to an agency program, division, or department and assigned to a custodian.

2. The SPOTS Coordinator will process new card requests, up to a credit limit of \$4,999 in Access Online based on the approved SPOTS Card Application and Agreement Form 75.55.02.FO. The SPOTS approving officer will review and consider all credit limit requests up to a limit of \$50,000.
3. US Bank will automatically replace active cards prior to the card's expiration date. When a card is activated and not used, it will remain on the bank's system until it is due to expire.
4. Cards inactive for 6 months will be closed.

#### **G. Credit Limits and Card Controls**

1. SPOTS cards are subject to monthly credit limits which are established when issued. The SPOTS approving officer may authorize an increase up to a maximum of \$50,000 or decrease the credit limit based on anticipated need or actual use. The monthly credit limit equals the maximum dollar limit of the total amount spent on purchases during a single billing cycle. The bank restores the monthly credit limit at the beginning of each billing cycle. The SPOTS Coordinator may adjust credit limits using Access Online.
2. In order to increase the credit limit of a SPOTS card above \$50,000, the SPOTS approving officer must submit a new SPOTS Card Application and Agreement for FBS management approval. The request, which can be provided in a memo, must include the reason for the increase, explain internal controls, receipting and storage methods for the items purchased, and explain how DOC will use and store the card. The SPOTS approving officer will receive notification from FBS when FBS forwards the request to the bank and notifies the agency when the increase is complete.
3. DOC's single transaction limit is set at \$4,999 because of specific procurement and capitalization rules that apply to purchases above this amount. For credit limits above \$4,999 and up to \$50,000, cardholders and designated card users must have authorization in writing from the SPOTS approving officer.
4. Cardholders and designated card users must not make purchases for more than the credit limit established for their SPOTS card.
5. Intentionally fragmenting purchases to avoid transaction or monthly credit limits is in direct violation of procurement law. If a cardholder or designated card user is found to have intentionally fragmented a purchase, they will lose their card privileges and may be subject to disciplinary action.
6. Vendors accepting SPOTS cards have a four-digit Merchant Category Code (MCC) used to classify the business by the type of goods or services provided. The SPOTS card has certain MCCs blocked to prevent purchases from inappropriate or high-risk vendors (e.g., casinos, money orders). The approving officer may request an exception from FBS. See Appendix A for the list of DOC blocked codes.
7. The bank may decline transactions for various reasons including but not limited to fraud, blocked MCCs, or a purchase that exceeds the established credit limits of a card. The SPOTS Coordinator should use the declined transaction report available through Access Online to help monitor and train employees on SPOTS card use.



8. Cardholders and designated card users must ensure vendors do not charge the SPOTS card for back orders until the goods have shipped.
9. Cardholders and designated card users must resolve disputes regarding charges for products or services with the merchant or bank as appropriate.
10. When a purchase is returned, cardholders and designated card users must request that the vendor credit the SPOTS card for the purchase. Cardholders and designated card users should not accept a cash refund for a returned purchase initially charged to a SPOTS card. After multiple unsuccessful attempts to credit the SPOTS card, a cardholder or designated card user may only accept a refund check made out to DOC from the vendor.

#### **H. SPOTS Card Security**

1. A SPOTS card must always be secured. The card, card number, and Personal Identification Number (PIN) must be safeguarded against use by anyone other than the cardholder, card custodian, or designated card user.
2. DOC employees should only fax a SPOTS account number, expiration date, and three-digit security code if other purchase methods are not available. If a vendor's fax security is unknown, consider redacting the account information from the form and contacting the vendor by phone to complete the purchase. Secure fax receipts that contain account information.
3. DOC employees must not email a SPOTS card account number, PIN, or three-digit security code.
4. Before entering a SPOTS card account number on a webpage, DOC employees should ensure that the site uses encryption. Signs of encryption include a web address with https ("s" stands for secure) and a closed padlock.
5. If a SPOTS card is lost or stolen, the cardholder, card custodian, or designated card user must immediately call US Bank at 1-800-344-5696. US Bank will require full name, email address, phone number, and security question to issue a new card with a new account number. Immediately after speaking with US Bank, the cardholder, card custodian, or designated card user must contact the SPOTS Coordinator to let them know of the SPOTS card status.
6. If external fraud occurs on a SPOTS card, the cardholder, designated card user or card custodian must immediately contact US Bank at 1-800-344-5696. Follow the instructions provided by US Bank to ensure credit for the fraudulent transaction(s). US Bank will close the compromised account and issue a new SPOTS card with a new account number. Report any fraudulent charges to the SPOTS Coordinator. Sometimes US Bank suggests filing a police report. FBS does not recommend DOC employees follow this suggestion.

#### **I. SPOTS Card Use**

The SPOTS card is a credit card that DOC may use to procure and pay for goods and services for authorized state business. See OAM 10.40.00, Expenditures, for more information on authority related to expenditures.

#### **Authorized Purchases**

Examples include OCE purchases up to \$5,000; supplies; services that include required insurance documentation and vaccination certifications obtained by the SPOTS cardholder, if applicable, for equipment rentals; training registrations; utility bills; non-travel business meals per OAM 10.40.10; non-travel meals and refreshments; client services; and other agency-prescribed items. In some cases, agendas and rosters and other conditions apply for meetings, training and conference meals and refreshments. Consult OAM 40.10.10 before proceeding.

All IT Hardware and software purchases must be pre-approved in writing from an IT Manager prior to making a purchase. Please submit your request through the DOC Service Desk [DOC.Helpdesk@doc.oregon.gov](mailto:DOC.Helpdesk@doc.oregon.gov). The approval must accompany the SPOTS Reconciliation Log. IT must be consulted regardless of the source of funding, (i.e., General Fund, Other Funds, AIC club account purchase, or any other).

1. DOC may use a SPOTS card for recurring charges. DOC must monitor the resulting charges. Account number information stored with a merchant is the responsibility of the SPOTS cardholder.
2. DOC may use a SPOTS card for prepayment when necessary.
3. Only approved cardholders may use their SPOTS cards for out of state travel. The expenses must be in accordance with the OAM Statewide Travel Policy. Approval is provided by the SPOTS approving officer. Per IRS rule 62 pp. 1663 an accountable plan's timeliness safe harbor for substantiating expenses is 60 days after travel expenses are paid or incurred to avoid having the cost added to the W-2 as taxable wages. SPOTS expenditures for out of state travel must include the out of state travel authorization form with reconciliation.
4. For fuel for DOC owned vehicles or fuel powered equipment that do not have a fuel card assigned to them. All DAS Fleet owned vehicles must have a card assigned. Fuel for other state-owned vehicles or fuel powered equipment that does not have card is an approved purchase.
5. During a calendar year, DOC employees may receive awards up to but not exceeding \$50 per year. Expenses related to the award may be paid for with a SPOTS card.
6. Essential serving products such as paper plates, cups, and plastic utensils may be purchased with General Fund, only if they meet the guidelines for purchasing meals or refreshments outlined in this policy.
7. Cardholders and designated card users may use a SPOTS card to purchase airline tickets from the travel management contractor Corporate Travel Management (CTM) except for the unauthorized purchases listed in the unauthorized purchases section of this policy.
8. Cardholders and designated card users may use a SPOTS card to purchase airline tickets from another contractor if CTM issues a written waiver prior to the purchase or if the airfare is for authorized non-state business.
9. SPOTS card expenditures may be paid and coded using the Inmate Welfare Fund (IWF). IWF monies may be used to fund a variety of programs, services, and activities benefiting the general AIC population and enhancing AIC activities and programs. Specific uses of the fund may include but are not limited to operation, support, or enhancement of the following programs, services, and activities. Refer to the department's rule on Inmate Welfare Fund OAR 291-156. Examples include:

- a. Education programs;
- b. Alcohol and drug treatment and education programs;
- c. DOC canteens, including AIC copy machine use;
- d. AIC Trust Accounting System;
- e. Provision of postage-paid envelopes for indigent AICs;
- f. Provision of non-prescription, over-the-counter health aids made available for AIC use in housing units at DOC facilities;
- g. DOC facility libraries designated for AIC use;
- h. DOC facility visiting room equipment, supplies, and services; and
- i. AIC activity programs, including:
  - I. Equipment for television viewing (IT approval required);
  - II. Visiting music or entertainment groups;
  - III. Music equipment, if IT approval is received in writing;
  - IV. Activities equipment supplies and services, if IT approval is received in writing;
  - V. Repair of equipment purchased from the IWF;
  - VI. Food or supplies for special occasions. Tipping is not permitted without Functional Unit Manager approval and must not exceed 20 percent, if approved.
  - VII. AIC awards for providing umpires, referees, and maintaining activity equipment and apparel;
  - VIII. AIC tournaments and holiday events; and
  - IX. AIC club activities, entertainment equipment, supplies, and services. Cardholders and designated card users may make purchases on behalf of a club only after having secured the money from the club to reimburse the IWF cost center that will be used to record the expense.

### **Unauthorized Purchases**

1. Do not use the SPOTS card for personal purchases, including Keurig and pods, water coolers, or other personal office items. Government ethics for state employees (ORS 244.040) provides that no DOC employee can gain personally from their employment.
2. Do not use the SPOTS card for cash withdrawals, money orders, traveler's checks, or other monetary instruments.
3. Do not use the SPOTS card to purchase city pair airfares for official state business.
4. Due to potential taxability requirements, do not use the SPOTS card for DOC employee travel

meals.

5. Any type of State funds may not be used to provide refreshments for:
  - a. Regularly scheduled DOC employee meetings.
  - b. Office social events such as celebrating holidays or birthdays.
  - c. Voluntary social events (either off-site or in the office) such as agency-sponsored retirement celebrations.
  - d. Bottled water or water dispensers for offices, except when water is unavailable. In temporary situations, document the circumstances as justification for the need to purchase water. If water is needed for Occupational Safety and Health Administration requirements, other safety needs, or for dignitary visits, please obtain prior approval from a Functional Unit Manager before making the purchase. Procedures should be in place to ensure water for dignitary visits are secured for the purpose of such visits. Dignitaries could include Director, Deputy Director, executive team members, DOJ attorneys, judges, or legislative members.
6. Do not purchase noncommercial grade appliances. Refrigerators cannot be ordered with ice makers. Industrial ice makers are allowable in institutions only, which does not include administration areas. Microwaves, coffee pots, and refrigerators must be commercial grade if they are in a staff breakroom, or in institutional group I-3 occupancy per the Fire Marshal code or agreement (where AIC's sleep) and must be purchased from a statewide price agreement.
7. Due to potential taxability requirements, do not use the SPOTS card for DOC employee moving expenses.
8. Donations cannot be made with a SPOTS card.
9. Any food and beverages purchased from General Fund for AIC appreciation events must receive preapproval from the Assistant Director of Operations or their designee prior to making the purchase. Tipping is not permitted without Functional Unit Manager approval and must not exceed 20 percent, if approved.
10. Fuel purchases for DAS Fleet owned vehicles is not permitted unless the vendor will not accept the Voyager or Fleet card. A SPOTS card does not provide fuel tax exemptions. If the SPOTS card is used, agencies must contact DAS Fleet for DAS owned vehicles and provide a copy of the detailed receipt. See DAS Fleet and Parking Services Internal Operating Policies for DAS Owned, Rented or Assigned Vehicles.
11. Do not use the SPOTS card for personal vehicle fuel related to DOC employee travel.
12. Personal reward cards or membership cards cannot be used in conjunction with SPOTS cards (e.g., Safeway, Petco, Fred Meyer, Costco, Amazon, etc.). Reward cards are only authorized if they are in the name of the facility or section.
13. All deliveries must be made to official DOC owned locations. Items may not be delivered to personal home addresses.
14. Purchasing security equipment such as firearms, keys, ammunition, chemical agents, hand cuffs, tasers, taser cartridges, or body armor must go through the Procurement unit.

15. Purchasing office furniture, desks, ergonomic equipment (other than from OCE), coffee pots, microwaves, refrigerators, cell phone accessories, gift cards, or items on a price agreement may not be purchased on a SPOTS card. Contact your Procurement Specialist for clarification before you buy. The only exception is for Office Depot office furniture purchases ordered online and approved for payment by a SPOTS card.
16. Purchasing in-state lodging and other miscellaneous in-state travel expenses for DOC employees or on behalf of another DOC employee (includes car rentals, shuttles, taxis, baggage, tolls, etc.) is not allowed without the SPOTS approving officer authorization.
17. Purchasing retirement gifts such as shadow boxes, plaques, flowers, and greeting cards is not allowed. Any exception would need to be approved by the SPOTS approving officer and would be limited to \$50 per person, per calendar year, per ORS 244.025.
18. Indoor house plants, flower arrangements, punch bowl sets or other specialty serving containers purchases are not permitted.
19. Physically going into an OfficeMax, Staples, or Office Depot store to order office supplies is not allowed. They do not honor the government discount rate. The price agreement is for online orders only, which can be paid for on a SPOTS card. SPOTS cards cannot be used for purchases over the phone and by fax.
20. Purchasing office supplies from Amazon is not permitted.
21. Purchasing IT items such as computer hardware and software, including but not limited to printers, phones, gaming consoles, televisions, drones, USB storage devices (flash drives, hard drives etc.), USB mice and keyboards, and any device that has wireless capability must be pre-approved. If a phone application is needed, do not make a purchase until IT has provided approval. A request for pre-approval must be submitted by the Functional Unit Manager to the Service Desk at doc.servicedesk@doc.oregon.gov. Written approval must be included with the SPOTS Log. All requests for USB storage devices must be vetted by ITS Security for approval or denial of the purchase.
22. Paying on a Purchase Order (PO) that has been created or is still active in the system is not permitted. If a PO is issued and subsequently paid with a SPOTS card while the PO is still active in the system, the SPOTS card used will be suspended for three months.

### **Exceptions**

1. Each DOC facility may have one business membership account for Amazon Prime and Costco. The Amazon Business Account is not available for state use currently.
2. Purchases for AIC office supplies, holiday decorations, commercial rated coffee pots, microwaves, and refrigerators are not allowed unless reimbursed through the trust account process.
3. Purchases for bond, federally funded (FEMA), or construction projects are not allowed unless written approval is received by the facilities administrator, FEMA coordinator or designee.
4. In the event an exception is granted for any reason by the SPOTS approving officer or designee, a copy of that approval must be included in the SPOTS reconciliation log.

### **Surcharge**

1. A SPOTS card surcharge, also known as a checkout fee, is a fee that a merchant adds to the cost of a purchase when a customer uses a SPOTS card. The surcharge fee is at the discretion of the merchant. SPOTS card users must be aware of the surcharge when making a purchase.
2. If merchants intend to impose a surcharge on credit card purchases, they are required to notify customers at the store entrance and at the point of sale before customers make an actual purchase. In an online environment, notice must appear on the first page that references credit card brands.
3. Merchants must disclose surcharge fees on every receipt; both in store and online.
4. A surcharge may not exceed 4 percent.

#### **On-Line Purchases**

1. Use caution when making online purchases. Research potential merchants to ensure they are reputable and that any terms and conditions are appropriate. Online purchases must be over a secure connection.
2. DOC may use a SPOTS card with secured online payment services. All SPOTS card policies apply. It is not permissible for DOC employees to share the login and password of the secured online payment site. Procurement Services or the Department of Justice has not reviewed the terms and conditions for online payment services. Therefore, it is the cardholder or designated card user's responsibility to assure the terms and conditions are acceptable.

#### **J. SPOTS Card Misuse**

1. Misuse in the SPOTS program may be any action that is not in accordance with state and DOC policy. It can differ in nature and degree of risk and seriousness. DOC has developed and implemented policies and procedures related to misuse. These policies and procedures clarify for program participants what actions they may be subject to if they violate program policy.
2. Examples of misuse include but are not limited to unauthorized use, personal expenses, prohibited purchases, failure to use existing state price agreements, split transactions, insufficient documentation, incomplete or inaccurate records, and unmet reconciliation or training deadlines.
3. To help DOC employees distinguish between different levels of misuse, review the following inappropriate actions provided in OAM 10.40.00, Expenditures (paragraph 109):
  - a. Negligence is failure to act reasonably under existing circumstances. An employee may incur disciplinary action for expenditures that are negligent or contrary to state or agency policy.
  - b. Gross negligence is wanton or reckless disregard of one's duty of due care. The penalty for gross negligence may include personal financial responsibility and disciplinary action up to and including dismissal.
  - c. Fraud is intentional material misrepresentation or omission when there is a duty to disclose a loss or unlawful diversion of public funds. Theft is intentional diversion of state property to personal use. The penalties for fraud and theft may include personal liability; disciplinary action up to and including dismissal; and criminal sanctions.

4. The approving officer or designee, in consultation with DOC Employee Services, if applicable, is responsible for taking appropriate action in response to SPOTS program misuse. Actions may include:
  - a. When misuse of the SPOTS card is found, the SPOTS Coordinator will send an infraction letter to the cardholder, card custodian, or designated card user, whichever is appropriate, and to the SPOTS approver. The letter must be returned within 10 business days to the SPOTS Coordinator. The SPOTS approving officer may opt to require parties to repeat SPOTS training, or suspend or permanently deactivate any card, if deemed appropriate. SPOTS infraction letters are made out to the responsible cardholder, card custodian, or designated card user, whichever is appropriate, as well as to their supervisor or SPOTS approver to highlight errors related to the following categories. Gross negligence or fraud, as defined above, may result in suspension or permanent removal of SPOTS card.
  - b. The SPOTS Coordinator will immediately terminate SPOTS cards for gross negligence or fraud.
  - c. For gross negligence or fraud, the SPOTS approving officer will immediately notify the DOC Chief Audit Executive who in turn will notify DAS Risk Management, the Secretary of State's Audits Division, and the Department of Justice.
5. If DOC employee fraud occurs on a SPOTS card and discipline is not in accordance with the contract requirements, liability coverage by the bank is limited.
6. Unmet Monthly Reconciliation Log submission deadline is subject to temporary suspension of SPOTS card. (10 calendar days after the due date). SPOTS card will be reactivated upon acceptance of the complete and accurate reconciliation log.

#### **K. Extenuating Circumstances**

1. An extenuating circumstance may occur which necessitates the use of a SPOTS card to make an unauthorized purchase. An extenuating circumstance exists when the following conditions are met:
  - a. The SPOTS card is the only reasonable means of making the purchase.
  - b. The purchase is essential for the operational needs of the department.
2. The Functional Unit Manager must obtain written approval for the purchase from the SPOTS approving officer or designee before making the purchase. A copy of the written approval will accompany the SPOTS reconciliation log when sent to the SPOTS Coordinator.
3. During times of supply chain issues, the delivery of goods may be impacted. If that occurs, purchases must be documented by the cardholder and entered on the SPOTS monthly reconciliation log for SPOTS card approver review. An example of documentation is a shipping confirmation document or similar. If documentation is included in a SPOTS log, it may be considered acceptable.

## **L. Emergencies**

1. In the event of an emergency, an unauthorized purchase may be made before written approval from the SPOTS approving officer or designee is obtained. An emergency purchase may be made when the following conditions are met:
  - a. The conditions of an extenuating circumstance are met.
  - b. The purchase is necessary for the preservation of life or property.
  - c. The Functional Unit Manager or designee approves the purchase.
  - d. The nature of the emergency dictates that the purchase must be made before seeking approval from the SPOTS approving officer or designee.
2. As soon as possible after the purchase has been made, the Functional Unit Manager will document the event and send written notification to the SPOTS approving officer and DPO. Copies of these documents and the response received from the SPOTS approving officer and DPO must accompany the SPOTS reconciliation log when it is sent to the SPOTS Coordinator.

## **M. Transaction Documentation**

1. All authorized purchases and credits require an itemized receipt to support the transaction and enable the proper recording of the transaction into the accounting records. Collection of original receipts is preferred and helps to reduce the likelihood of duplicate payments. DOC uses a SPOTS Card Reconciliation Log, as the method for organizing and reconciling SPOTS card transactions. (See Appendix B for an example of a SPOTS card reconciliation log.) Follow the standard requirements set forth in this procedure and OAM 10.15.00, Transaction Documentation Requirements.
  - a. Minimum information on the receipt includes the date of the purchase, the vendor's name, item description, quantity, and the total purchase amount. When the business purpose is not obvious from the item description provide an explanation on the receipt or SPOTS card reconciliation log.
  - b. Receipt examples include but are not limited to a sales slip, cash register receipt, invoice, order form, email acknowledgment or invoice, detailed packing slip, online receipt, order confirmation, or billing statement. In some circumstances, more than one item from the above list may be required to provide all the elements of a receipt.
  - c. Receipts that do not itemize are inadequate documentation. If the receipt includes the total purchase amount only, attach a detailed packing slip, detailed invoice, or alternative documentation.
  - d. Alternate documentation must include the minimum information listed above. If information is not available, contact the SPOTS Coordinator.

## **N. Processing Monthly Statements**

1. US Bank issues account statements after the close of a billing cycle. The standard billing cycle ends on the 25th of each month. When the 25th falls on a weekend or holiday, the billing cycle will end on the following business day.



- a. The SPOTS Coordinator receives a statement that serves as the invoice for all the associated cardholder and department card accounts. It lists the previous outstanding balance, payments, charges, and credits.
  - b. Cardholder and department card accounts receive a memo statement that lists the charges and credits. The cardholder or card custodian reconciles the activity, attaches the transaction documentation, and signs their SPOTS card reconciliation log.
  - c. DOC must maintain the statement documentation according to the state's record retention requirements.
2. DOC must pay their monthly SPOTS card managing account statement in full, timely, and consistent with OAM 10.40.00, Expenditures. DOC must pay the entire statement amount in full even if disputed charges or credits are pending to optimize rebate earnings and avoid late fees. The SPOTS Coordinator will follow up if the next statement does not reflect the proper credit.
  3. Twice a month or weekly payments are encouraged to provide additional rebate earnings for high volume card use.
  4. DOC may use default coding to post all charges if detail coding is not available at the time of payment. When DOC uses the default coding, DOC employees must record adjusting journal entries each month to the appropriate coding as needed.
  5. DOC employees record SPOTS card purchases in the fiscal year in which the agency received the goods or services. DOC must ensure that SPOTS card expenditures do not cause the agency to exceed available spending authority or cash.

#### **O. Monitoring and Reporting**

1. DOC management will develop a method for monitoring the SPOTS card program throughout the year. US Bank provides various electronic management reports in Access Online to monitor account activity. The approving officer may delegate the following tasks to appropriate DOC employees:
  - a. Verify that all authorized users have signed the appropriate agreement and all agreements are on file.
  - b. Verify that authorized users and managers received appropriate training.
  - c. Monitor all transactions at least monthly. Review the vendor names and dollar amounts for reasonableness. Review documentation for questioned transactions and follow up if appropriate.
  - d. Review the accuracy and completeness of transaction documentation.
  - e. Verify timely payment of all SPOTS card invoices.
  - f. Investigate, document, and perform appropriate follow-up on SPOTS card misuse.
  - g. Review card activity levels and adjust spending limits if needed.
  - h. Review usage for inactive or infrequently used accounts and close if appropriate.
  - i. Analyze DOC's overall SPOTS card transaction volume and the number of cards in use to determine if increased use would generate more savings. Notify US Bank of major spending increases.

**P. 1099 Reporting**

DOC is not required to provide a 1099-MISC to any vendor for SPOTS payments.

**Q. Incentive Share Rebates**

1. The master agreement with US Bank provides four incentive share components for SPOTS rebates. Volume sales and prompt payment incentives are the primary components. The rebate period runs from January 1 through December 31 with quarterly payments. Payments are net of any accumulated agency charge-offs. The bank transmits payment by the 60th day following the end of each quarter if the calculated rebate equals or exceeds \$75.00. Refer to the master agreement for the formulas and contract definitions used for calculating each component. For a copy of the US Bank contract, contact the Procurement and Contracts unit.
2. Agencies can increase volume sales by analyzing the payments made with warrants or checks to determine if SPOTS cards could be used instead. Agencies with high dollar monthly purchases may significantly increase prompt pay rebates by scheduling weekly payments.
3. Agencies may treat the SPOTS rebate as a reduction of expense per OAM 20.40.00, Reduction of Expense (paragraph 107a), or as revenue. If federal funds are involved, agencies need to consider applicable requirements of the grant and uniform guidance. Depending on these requirements, an agency may need to reduce its federal draws by the prorated rebate amount or may need to return an equal amount to the federal agency.

**IV. IMPLEMENTATION**

This policy will be adopted immediately without further modification.

Certified: signature on file

Julie Vaughn, Rules Coordinator

Approved: signature on file

Heidi Steward, Deputy Director