

Utilization of Credit Cards for Small Order Purchases

The Division of Children and Family Services is authorized by 19-4-1007 of the Arkansas Code Annotated and DHS Policy 1097.0.0 to use division issued credit cards to pay for initial clothing orders, non-professional services and other small purchases (under \$1,000 per commodity group). Professional or consultant services may not be purchased with the credit card. Only the DCFS Office of Finance and Administrative Support Section (Slot S561) is authorized to apply for credit accounts or cards.

In accordance with statute and policy, DCFS will closely monitor the use of credit cards for official state business by its employees. Each card will be maintained by the credit Cardholder (whose signature is on the card) or his/her designee. Credit cards will only be issued to DCFS staff who has received prior approval from the division

All DCFS staff authorized to make credit card purchases or to process payments for credit card purchases must receive and read a copy of DHS Policy 1097.0.0. Signatures of DCFS staff who have received a copy of DHS Policy 1097.0.0 will be maintained in a permanent file and a copy forwarded to the DCFS Chief Fiscal Officer at Mail Slot S561.

NOTE: Any DCFS employee who does not immediately turn in an unauthorized DCFS credit card will be held responsible for the payment of any debts resulting from any purchases (merchandise or services) with that credit card.

Application for Credit Cards

The DCFS Office of Finance and Administrative Support Section (Slot S561) is responsible to apply for, receive, sign for and distribute all DCFS credit cards.

Requests for a new credit account, an increased account limit or additional credit cards must be made, in writing, through the appropriate approving Assistant Director to the DCFS Assistant Director, Office of Finance and Administrative Support Section, (Slot S561).

Utilization of Credit Cards

DCFS staff may only use division credit cards issued through the authorization of an Approving Authority (Assistant Director). DCFS credit cards received through any other means (mail, store staff, etc.) must immediately be turned in to an appropriate manager or supervisor.

- Credit cards will only be used for purchases under \$1,000 per commodity group and for state related business (**no professional or consultant services**).
- All DCFS staff members responsible for initiating or processing credit card purchases will be issued a copy of DHS Policy 1097.0.0 "Utilization of Credit Cards for Small Order Purchases" and will **sign** a receipt acknowledging receipt of their copy.
- The original receipt-of-policy signatures will be forwarded to the DCFS Chief Financial Officer and a copy maintained in the appropriate Area Office or Central Office Unit.
- Abuse or misuse of a DCFS credit card will be dealt in accordance with:
 - DHS Policy 1084, "Employee Discipline"
 - DHS Policy 1085, "Minimum Conduct Standards for DHS Employees"

The **DCFS Director** will:

- Appoint, in writing, an appropriate DCFS staff member to apply for, receive and sign for all credit cards and issue them to Approving Officials (Assistant Directors).
- Authorize, in writing, each Assistant Director to serve as the credit card Approving Authority for his/her division section.
- Rescind any DCFS staff member's credit card related authority if that person has violated pertinent DHS/DCFS policy or abused/misused a DCFS credit card.

The **Approving Official** (Assistant Director) will:

- Authorize a DCFS employee(s) (Area Manager, County Supervisor or Central Office Unit Manager) to be a **Cardholder** (the person who signs the back of the credit card) by signing and having the employee sign a Memorandum of Agreement (DHS-9823).
 - The original DHS-9823 will be kept in the Office of Finance and Administrative Support Section (Slot S561) and a copy provided to the Cardholder.
- Ensure that each DCFS employee authorized to be a Cardholder has signed a DHS-9823.
- Rescind the authority of a Cardholder for violating pertinent DHS / DCFS policy or abusing or misusing a credit card.

The **DCFS Area Manager, Central Office Unit Manager or designee** will:

<p>NOTE: * An Area Manager may designate, in writing, a Financial Coordinator or County Supervisor to assume the responsibilities listed below in his/her county. * A Central Office Unit Manager may delegate, in writing the responsibilities listed below to an appropriate unit staff member.</p>
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- Ensure compliance with DHS Policy 1097.0.0.
- Ensure all purchases made with a credit card are in accordance with DHS Policy 1045, Procurement/Purchasing Policy and Part IV – DHS Administrative Procedures Manual.
- Operate and monitor the issuing, returning and using of DCFS credit cards.
- Maintain a list of employees in the Area or Central Office Unit who are authorized to use DCFS credit cards. Include the employee's [1] NAME, [2] JOB TITLE, [3] WORK LOCATION (county, office for a single county area, or the Central Office Unit) and [4] WORK PHONE NUMBER.
 - Sign (email signature acceptable) the list of authorized users and forward a copy of the list to Office of Finance and Administrative Support Section (Slot S561)
 - Update the list immediately as information changes (termination, new hire, etc.)
- Sign and date a Memorandum of Agreement (DHS-9823) as a Cardholder.
- Sign the back of each credit card assigned to the Area or Central Office Unit.
- Determine the total number of credit cards needed (not to exceed 99 per account).
- Notify the DCFS Office of Finance and Administrative Support Section (Slot S561) immediately of any lost, stolen or otherwise misplaced credit card(s).
- Provide requested information for the DCFS Office of Finance and Administrative Support Section (Slot S561) to use in monitoring established credit card accounts.

The **DCFS Office of Finance and Administrative Support Section** (Slot S561) will:

- Maintain a signed Memorandum of Agreement (DHS-9823) for each DCFS Cardholder / designee.

- Apply for, receive, sign for and distribute DCFS credit cards.
- Consider requests for new accounts, an increased account limit or additional credit cards when approved by the Approving Authority.
- Ensure that notification of cancellation is made to the credit card company/vendor immediately when:
 - a DCFS employee is terminated, quits or moves to a job outside of the division
 - a credit card is reported lost, stolen or otherwise misplaced.

The **DCFS County Supervisor, Central Office Unit Manager or ILP Program Coordinator** will:

- Carry out all credit card related duties assigned or delegated to him/her.
- Review and approve a DHS 1914 (Request for Purchase Order) identifying the necessary purchase(s)
- If assigned to be the Cardholder:
 - sign his/her name on the back of each credit card assigned to that county or unit
 - sign a DHS-9823 co-signed by the Approving Authority
 - issue credit cards to DCFS Users (the person who will make the purchase) by:
 - Filling in section I. on the “Authorization Memorandum”
 - Having the User sign and date the same “Authorization Memorandum” in section II.
 - Signing and dating the same “Authorization Memorandum” in section II. and retaining it while the User is in possession of the credit card.
 - Receive credit cards back from Users by:
 - Signing and dating section III. of the appropriate “Authorization Memorandum” **after** the credit card is returned.
 - Providing the User with a copy of the completed “Authorization Memorandum”
 - Surrender all credit cards to the appropriate Area Manager, Assistant Director or designee immediately upon termination of employment with the division.

The **DCFS Family Service Worker, Central Office Unit member or ILP Field Coordinator** will:

1. Complete and submit to the County Supervisor, Section Supervisor or ILP Program Coordinator for approval a DHS 1914 listing the items to be purchased.

EXAMPLE:

INITIAL CLOTHING ORDER	1 ea.	\$110.00
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Pants
Socks
Dress
Underwear
Shoes

Total Purchase Not to Exceed \$110.00 before taxes

2. Request the use of a credit card:
3. Sign and date (as the card User) section II. of “Authorization Memorandum” **after** the Cardholder or designee has filled out section I.
4. Receive the **specific** DCFS credit card identified in section I. of the “Authorization Memorandum.”
5. Receive the approved DHS 1930 (Purchase Order).
6. Make the necessary purchase(s) with the credit card.
7. Submit all **original** invoices/receipts with copies of the DHS 1930 and APPROVED DHS 1914 to the Financial Coordinator for their Area within 1 working day of purchase.
8. Return the credit card to the Cardholder or designee on the first business day after its use.
9. Receive a copy of the completed (section III. is signed and dated) the “Authorization Memorandum” as proof of having returned the credit card.

Initiating Purchases and Reconciling Invoices to Purchase Orders

Each Area Manager will ensure that the Financial Coordinator for their Area submits reconciled statements with supporting documents (original receipts, DHS 1930, Approved DHS 1914’s) to the DCFS Office of Finance and Administrative Support Section, Slot S561 in a timely manner to ensure credit accounts are paid in accordance with terms of the credit card agreement.

- An approved DHS 1914 (Request For Purchase) must be initiated to begin the credit card purchase process and it must include:
 - The type of purchase to be made (Example – Initial Clothing Order, Supplemental Clothing Order, etc.)
 - A list of the items to be purchased. (Example – shirts, pants, socks).
 - The total dollar amount of the item(s) to be purchased (before taxes) based on the following:
 - INITIAL CLOTHING ORDER BASED ON FAMILY SERVICE WORKER’S ASSESSMENT OF NEEDS AND COUNTY SUPERVISORS APPROVAL (MAXIMUM ALLOWABLE AMOUNT BASED ON CHILD’S AGE

Age	Amount (Before Taxes)
0 to 5 years	\$ 80.00
6 to 11 years	\$110.00
12 to 14 years	\$140.00
15 years and older	\$150.00

 - SUPPLEMENTAL CLOTHING ORDER ISSUED ONLY WHEN a DHS 1914 APPROVED BY COUNTY SUPERVISOR AND AREA MANAGER.
- Only authorized staff may process/approve a DHS 1914 or a DHS 1930 (Purchase Order).

- Once the DHS 1914 list of items has been approved a purchase requisition can be issued with “lump sum” amounts as follows:

Category	Quantity	Amount
Initial Clothing Order	1 each	\$80.00 (Before taxes)
Supplemental Clothing Order	1 each	\$ (Amount approved by Area Manager and County Supervisor on DHS 1914 list)
Start Up Items (ILP)	1 each	\$ (Amount approved by ILP Program . Coordinator).

- The approved DHS 1930 establishes the:
 - Type of purchase to be made with the card.
 - Total amount of money allowed for all the purchase. (before taxes).
 - After the purchase is completed, the credit card User must return the DCFS credit card to the appropriate cardholder/designee.
- The **original** invoice or receipt must be:
 - matched with the DHS 1930 (Purchase Order) and the approved DHS 1914 (Request for Purchase Order).
 - reviewed (with the DHS 1930 and DHS 1914) by the Area Manager or County Supervisor and approved for payment by the Area Manager, County Supervisor or Central Office Unit Manager.
- The DHS 1930 (Purchase Order) must be:
 - received and approved electronically in the AASIS Financial System.
 - The following documents must be reconciled for accuracy, approved electronically and forwarded to the Financial Coordinator or Program Manager within 1 day of purchase for processing the credit card statement:
 - Copy of the approved DHS 1914 (request for purchase order) list of items
 - Original invoices or receipts
 - DHS 1930 (purchase order with material document number for receiving in AASIS written on it)
- The Financial Coordinator/Program Manager will:
 - Receive the original invoices or receipts, copies of the approved DHS 1914 and DHS 1930 for each purchase utilizing the credit card
 - Review the original invoices or receipts, copies of the approved DHS 1914 and DHS 1930 for each purchase to ensure compliance with the DCFS Procedures
 - Ensure the DHS 1930 contains an AASIS Material Document Posted Number for receiving/approval
 - Receive the credit card statement and review against the back up documentation submitted by the users of the card

- Submit the reconciled billing statement and all necessary backup documentation, complete with a file copy for central office files either by certified mail or hand delivered to the DCFS Office of Finance and Administrative Support Section, Slot S561 no more than three days from their date of receipt. Problems with these accounts or with obtaining the documents necessary to process the billing should be reported to the Area Manager/Assistant Director or appropriate supervisor with a cc: to the Financial Support Unit Manager immediately prior to the billing date on the account for their area/program.
- Refunds or credits following the return of items purchased with a credit card must be credited to the account. **Cash refunds are not allowed.**

Notification of Card Holder/User or Credit Card Cancellation

The Area Manager, Central Office Unit manager or designee must notify the DCFS Office of Finance and Administrative Support Section (Slot S561) **immediately** whenever a Cardholder or Card User is terminated, quits or has his/her authority rescinded.

- The list of authorized credit card Users and Holders will **immediately** be updated and forwarded to the DCFS Office of Finance and Administrative Support Section (Slot S561)
- When a Cardholder is removed from the authorized list for any reason, his/her credit cards will **immediately** be turned in to the Area Manager, Central Office Unit Manager or designee for destruction.
- DCFS Office of Finance and Administrative Support Section (Slot S561) **will** cancel the Cardholder's credit card(s).