



**DEPARTMENT OF CORRECTIONS  
General Services Division**



<b>Title:</b>	<b>Small Purchase Order Transaction System (SPOTS) Card Program</b>	<b>DOC Policy: 30.3.2</b>
<b>Effective:</b>	<b>5/1/12</b>	<b>Supersedes: 9/1/09</b>
<b>Applicability:</b>	<b>DOC employees</b>	
<b>Directives Cross-Reference:</b>		
<b>Rules:</b>	<b>Purchasing – Work Programs – Chapter 291, Division 163 Purchasing – Chapter 291, Division 164</b>	
<b>Other:</b>	<b>DAS Purchasing and SPOTS Credit Card Policies ORS 164.015 – 164.125; ORS 162.415; ORS Chapter 244; Oregon Accounting Manual, Sections 55.30.00.PO; 55.30.00.PR; 96 14 01.FO; 96 14 03.FO; and 97 00 00.DE.</b>	
<b>Attachments: Attachment A – Procedures for Application and Use Purchase Card Application, Justification and Agreement</b>		

**I. PURPOSE**

The purpose of this policy is to specify permission and use of the Small Purchase Order Transaction System (SPOTS) within the Department of Corrections (DOC). It is the policy of DOC to use SPOTS cards when appropriate. The SPOTS cards are not to circumvent DOC or Department of Administrative Services (DAS) procurement rules but to be used in conjunction with DOC and such policies.

**II. DEFINITIONS**

- A. Department of Corrections (DOC) Employee: For purposes of this policy only and in accordance with the Oregon Accounting Manual (OAM), an individual who is hired directly by DOC as a permanent employee (including limited duration employees) and is included on its payroll. DOC provides purchasing and fiscal support for the Board of Parole and Probation (BOPP) and for the purpose of this policy; BOPP staff members are considered DOC employees. This does not include such individuals as temporaries hired by DOC or through a service, interns, and job rotations with outside agencies or contractors.
- B. SPOTS (Small Purchase Order Transaction System) Credit Card Purchase Program: A credit program established by the Department of Administrative Services (DAS) for small purchases; also known as the purchase card.
- C. Measure 17 Purchases: Prison work programs that are exempt from competitive bidding statutes.
- D. Stored Valued Cards: Cards from specific vendors that allow the purchase of the value of the cards for good or services from the vendor. Although the card may be labeled a “gift” card, it is not considered a “gift card” unless the purpose of the card is a gift. SPOTS cards should not be used to purchase “gift” cards.

### III. POLICY

- A. DOC charge card purchases shall comply with DOC rules on **Purchasing** (OAR 291-164-00025 through 0140) and **Purchasing – Work Program** (OAR 291-163-0010 through 0090) and DAS Controller's Division Small Purchase Order Transaction System (SPOTS) credit card purchase policies and procedures.

### IV. GUIDELINES

- A. **Purchasing Requirements:** DOC employees that use the SPOTS card shall comply with all public contracting code, including but not limited to:

1. Securing three competitive bids for purchases of more than \$5,000;
2. Use price agreements when appropriate;
3. Do not fragment or separate purchases to get around solicitation requirements;
4. Spots card purchases cannot replace a purchase order where one is necessary.

- B. **Small Purchase Order Transaction System Card Use:** A SPOTS card can only be used for authorized purchases that further the business of the State. The SPOTS card should be used for small one time and emergency purchases to help expedite the process. Examples of authorized purchases include:

1. Dues and subscriptions
2. Office and miscellaneous supplies
3. Equipment or maintenance parts
4. Food, Meals, Refreshment and Beverages:
  - a. Food used in the preparation of meals for the food services program.
  - b. Meals used in official working meetings or trainings that are conducted over a normally scheduled meal period, last a minimum of three hours, have an approved agenda, and attendee list with a minimum of 25 participants in accordance with OAM 10.40.10.PO. A copy of the agenda and attendee list must be included with the monthly statement and activity log.
  - c. Refreshments for business meetings that last four hours or longer that include beverages and fruit, pastries, cookies, etc.
  - d. Beverages for the benefit of the agency where water is not available.
5. Small equipment purchases:
  - a. Allowed: Power tools, small compressors, fans or equipment that is transportable.
  - b. Not Allowed: Computer hardware (i.e., keyboards, mouse, flash drives and laptops) and software can only be purchased through the Purchasing Unit with authorization through Information Technology Services (ITS).

6. Training registration:
  - a. Allowed: After receiving proper approval to attend training, SPOTS cards may be used for registrations for classes, training or seminars presented by specialty training groups or business related organizations, online classes (except as noted in part (b) below), and State sponsored training.
  - b. Not Allowed: Continuing education of college level classes for which the student receives credit and are sponsored by a community college, college, or university. These educational assistance payments are done on a reimbursement basis and need to be paid through payroll (OAM 50.10.00).
7. Price agreement purchases in accordance with OAM 55.30.00.PO.
8. Fuel for state owned non-fleet vehicles and power equipment (i.e., lawnmower, leaf blower, tractor, etc.)
9. Clothing items, for inmate only, may be allowed by exception.
10. Servicing or repairing of equipment in an emergency. An explanation must be included with the monthly statement and activity log.
11. Services or goods for inmate welfare activities (i.e., monthly movie rentals, popcorn)

**C. Examples of UNAUTHORIZED purchases include, but are not limited to:**

1. Any good or service for personal purpose of any kind.
2. Clothing items for use by DOC employees (i.e., work boots, belts, jackets, work pants, etc.).
3. Food and beverages for regularly scheduled meetings as noted in OAM 10.40.10.PO.
4. Related items such as:
  - a. Decorations;
  - b. Indoor plants or flower arrangements;
  - c. Retirement, Thank You and Bereavement cards, gifts or favors; or
  - d. Kitchen and bathroom supplies.
5. Travel related expenses for employees or on behalf of another (includes airfare, lodging, car rentals, meals, taxis, etc.).
6. Cash advances.
7. College tuition (see training IV.A.6(b) above for more information).
8. Food and beverages for personal consumption.

9. Fuel for fleet or personal vehicles.
10. Services other than registrations (See above for emergency services).
11. Cash refunds for returned purchases made with a credit card.
12. Back orders (Exception: SPOTS Cards may be used to place orders for items on back order if charges are not applied to the card until after the item is shipped.)

**D. Responsibilities:**

1. The DOC's Director appoints an approving officer.
  - a. The approving officer is responsible for DOC's SPOTS card program, including but not limited to monitoring the use of the SPOTS cards.
  - b. The approving officer authorizes employees to use the SPOTS card for purchasing services and supplies. The approving officer will not issue a SPOTS card to an employee on trial service unless the SPOTS card is necessary for the position.
  - c. DAS shall be sent a request for change of DOC's approving officer. A memo must be sent identifying the name, telephone number, and email of the new approving officer; and the effective date.
  - d. The approving officer will appoint a DOC SPOTS coordinator.
2. SPOTS Coordinator Responsibilities:
  - a. The SPOTS Coordinator will:
    - 1) Receive applications for SPOTS cards from the DOC employee's manager/cost center approver and forward the application to DOC's Approving Officer for approval.
    - 2) Provide training to new users and their manager/cost center approver on the use of SPOTS cards after getting an approval from the approving officer and before a new account is set up online. Provide all DOC employees that use or approve SPOTS cards refresher training biennially or within a year of a change in policy by DAS.
    - 3) Keep all the signed application and agreement forms for all SPOTS cards issued in a locked cabinet.
    - 4) Monitor SPOTS card use and take corrective action as needed.
    - 5) Not be issued a SPOTS card unless DOC can demonstrate a substantial business need and the approving officer monitors the SPOTS coordinator's card use.
  - b. The SPOTS coordinator is a member of the Fiscal Services, Accounting Unit.
3. Cardholder Responsibility:

- a. Each cardholder using the SPOTS card must make sure their purchases comply with applicable laws, rules, or policies including the use of existing price agreements. All purchasing guidelines issued by DOC and DAS must be followed (Refer to Reference Section).
- b. Every cardholder and SPOTS card approver must attend a DOC training session on the use of purchase cards prior to using the card. Every cardholder must have a refresher training at least biennially.
- c. SPOTS cards must be kept secured – in a locked drawer or cabinet, or in the cardholder’s possession at all times. Cardholders are responsible for card security.
- d. Telephone orders and the SPOTS card number may be given over landline telephones to companies you have contacted for purchase. Card numbers should not be given over portable or cellular telephones. The SPOTS card number is a confidential State asset. Extreme caution must be used when faxing documents with the SPOTS account number on it. Faxing redacted SPOTS card numbers is preferred. When faxing a copy of the signature on the back of the card, redact the three-digit code from the copy before faxing.
- e. The cardholder must immediately notify the issuing bank and the SPOTS Coordinator if the card is lost or stolen or if it is suspected that the card has been used for fraudulent purposes.
- f. The cardholder is responsible for downloading relevant bank statement(s) and forwarding approved statement(s) and supporting documentation to the SPOTS Coordinator so that it is received by the 14<sup>th</sup> of each month.
- g. SPOTS card use on the internet must meet the following criteria:\*)
  - 1) The vendor’s return of goods policy must be verified, if the vendor does not have a policy they should not be used.
  - 2) A receipt/purchase confirmation on-line must be available with the vendor’s name, item purchased, quantity, price per unit, date of purchase, and approximate date of delivery.
  - 3) The cardholder must keep a printout of the receipt/purchase confirmation with the purpose of the purchase and object/subject codes added.
  - 4) The internet receipt or screen printout must be attached to the cardholder’s SPOTS statement.
  - 5) Attach packing slip, confirmation of training registration, or other proof of receipt to cardholder’s SPOTS statement. In the absence of such documentation, the manager’s approval signature serves as the confirmation of receipt along with a written explanation.
- h. NOTE: SPOTS cards **do not** have ATM capabilities.

\*Use only agency approved or reputable vendors with acceptable terms and conditions.

**E. Limitations/Criteria:**

1. For the protection of individual SPOTS card users, a \$2,500 limit shall be set for each card per month and a daily limit of \$300 per transaction. DOC administrators or manager/cost center approvers may contact the SPOTS coordinator to request a change of either the per-transaction or monthly limit. It is the manager's responsibility to evaluate card and transaction limits. Card limits may be set higher when there is business justification to do so.
2. All purchases made with SPOTS cards must comply with ORS 293.295 which contains the following criteria for payment made by the State Treasurer:
  - a. When a manager signs off approving the employee's SPOTS card application, they are in essence delegating purchase authority to the employee.
  - b. The expenditure/obligation of money must relate to a legally authorized activity of the agency.

**F. SPOTS Audit Team:**

1. The SPOTS Audit Team will receive a monthly activity log and review the log for compliance with DOC and DAS procurement rules and policies. Results of the audit will be forwarded to the SPOTS coordinator.
  - a. The SPOTS Audit Team shall conduct an annual compliance review of DOC's SPOTS card program. The SPOTS Audit Team shall consist of individuals with the appropriate expertise, who serve in a role independent from DOC's cash receipt and disbursement functions. The review must include a random sample of SPOTS card transactions and an assessment of compliance with statewide SPOTS card policies and procedures, DOC SPOTS policies and procedures, and state purchasing rules. DOC shall document the review and include a corrective action plan and follow-up actions, if applicable. The Secretary of State's Audits Division and DAS may request to examine the review.
  - b. Throughout the year, the approving officer will review the agency's SPOTS card program to ensure it operates appropriately. The approving officer may delegate the following tasks to appropriate staff:
    - 1) Verify that all authorized users have signed the appropriate agreement and all agreements are on file.
    - 2) Verify that authorized users and managers received appropriate training before using the SPOTS card and within a year of SPOTS OAM revisions or every other year. Agencies must document that training occurred.
    - 3) Review the accuracy and completeness of documentation for SPOTS card transactions. (See **OAM 10.15.00**, Transaction Documentation Requirements, and **OAM 10.40.00**, Internal Control – Expenditures, for additional information.)

- 4) Weekly DOC shall conduct compliance reviews of all transactions over \$5,000. Scan the bank's online transactions list and make appropriate inquiries of DOC personnel. Also, scan the vendor names and dollar amounts of transactions under \$5,000 for reasonableness.
  - 5) Investigate, document and perform appropriate follow-up on SPOTS card misuse and abuse. Watch for examples of employees sharing a card.
  - 6) Pay all SPOTS card invoices promptly. Watch for late charges or finance charges as indicators of slow payment.
  - 7) Review individual cardholder activity. If the cardholder has not used the card for 90 cycle days or more, determine if the card is still needed.
  - 8) Analyze DOC's overall SPOTS card transaction volume and the number of cards in use to determine if increased use would generate more savings.
- c. DAS will periodically review agencies' SPOTS card programs to ensure compliance with statewide guidelines. DAS will:
- 1) Review SPOTS cards not used within 90 cycle days and ask the approving officer to justify the card's active status.
  - 2) Review all transactions over \$5,000 and, when appropriate, ask for an explanation.
  - 3) Twice per year, DAS will ask approving officers to verify the agency's approved cardholders. DAS will distribute a list of cardholders for approving officers to verify and return to DAS within 45 days.

**G. Manager/Cost Center Approver:**

1. The manager/cost center approver of the cardholder must approve the request for a card in writing. They also must receive SPOTS training along with the cardholder. He/she is responsible for validating the purchases by reviewing cardholder statements, supporting documentation, signature on itemized receipt, that the order was delivered, then signing and dating the cardholder's statement.
2. Approved bank statement(s) and supporting documentation shall be sent to the Accounting Unit. All of the documents may be scanned and sent via email or sent in a sealed envelope marked confidential. Originals of scanned documents shall be maintained at the facility. No matter how the documents are sent to the Accounting Unit, they must be received by the 14<sup>th</sup> of the month.

**H. Purchase Card Misuse and Abuse:**

1. The agency's approving officer is responsible for monitoring use of SPOTS cards and, whenever misuse, abuse or fraud is detected or suspected, and must initiate appropriate action, including, when appropriate, notifying the DAS Risk Management Division, Secretary of State, Audits Division, the Department of Justice, DOC Fiscal Services Accounting, DOC Internal Audits and State Controller's Division. If an employee abuses the SPOTS card privilege or

disregards the SPOTS card agreement guidelines, the card must be forfeited and canceled, the cardholder must reimburse the State for all inappropriate purchases, and the employee may be subject to disciplinary action up to and including dismissal.

2. **Misuse** – The simple unintentional act of using the SPOTS card in error.
  - a. The following are a few examples of misuse:
    - 1) The cardholder does not understand state procurement procedures and fails to use a state price agreement.
    - 2) The cardholder is not aware of expenditure restrictions issued by DAS.
    - 3) The cardholder does not understand the specifics of what is unauthorized pertaining to travel.
  - b. The first misuse of the SPOTS card will result in the SPOTS cardholder and manager (cardholder approver) be required to attend/take the SPOTS refresher training or appropriate consultation.
  - c. A second misuse of the SPOTS card will result in the cardholder and manager (cardholder approver) receiving a corrective action plan or cancellation of the SPOTS card.
3. **Willful, Fraudulent Abuse** – If the approving officer or any other DOC employee suspect gross negligence or fraud as defined in the OA 10.40.00 PO he or she must initiate appropriate action.
  - a. Willful or fraudulent abuse of the SPOTS card is cause for immediate cancellation of the SPOTS card.
  - b. The employee is not eligible for restoration of SPOTS card privileges and may be subject to disciplinary action up to and including dismissal.
  - c. The agency will pursue criminal prosecution in all instances of fraud. When appropriate, the Oregon State Police will be contacted. The bank will not reimburse the State for fraudulent use of the SPOTS card, unless the employee has been terminated subsequent to the fraudulent use.
4. In addition to the sanctions described in the preceding paragraphs, the State reserves the right to refer instances of abuse that violate other statutes to the appropriate law enforcement authority. These referrals may include criminal prosecutions for theft, abuse of public office, and violations of the Oregon Ethics in Government Act.
5. Abuse of SPOTS card usage could includes but is not limited to the following:
  - a. Personal purchases
  - b. Unallowable travel purchases
  - c. Failure to keep and submit proper records of SPOTS card use

- d. Failure to approve statements of charges timely
- e. Permitting unauthorized persons to use SPOTS card
- f. Failure to keep SPOTS cards secure
- g. Obtaining cash advances with the SPOTS card

**I. Appropriate Times to Cancel SPOTS Cards:**

If a cardholder terminates state service, is on a job rotation, accepts a new position within DOC, or is dismissed, his/her card must be immediately forfeited, returned to the SPOTS Coordinator, and cancelled with the issuing bank. If a cardholder will be on a leave of absence, the SPOTS Coordinator should be notified to have the card suspended or cancelled. The SPOTS Auditor will also recommend cancellation of the card if misuse occurs.

**J. Extraordinary Circumstances:**

There are times when extraordinary circumstances necessitate purchasing items that may not be authorized for purchase with the SPOTS card. Approval must be requested and received, verbally or in writing, in advance of purchasing the item from the appropriate DOC administrator. All requests and approvals must be documented, signed by the administrator, and attached to the SPOTS statement for processing.

**V. IMPLEMENTATION**

This policy will be adopted immediately without further modification.

Certified: signature on file  
Birdie Worley, Rules Coordinator

Approved: signature on file  
Mitch Morrow, Deputy Director

**PROCEDURES FOR APPLICATION PROCESS**

<b><u>Step</u></b>	<b><u>Responsible Party</u></b>	<b><u>Action</u></b>
1.	Purchase Card Applicant	Contacts Fiscal Services, Accounting Unit, SPOTS Coordinator to apply for purchase card.
2.	SPOTS Coordinator	Sends purchase card applicant: <ul style="list-style-type: none"> <li>• Purchase Card Application and Agreement</li> <li>• DAS Purchase Card Use Policy</li> </ul> Answers purchase card applicant questions.
3.	Purchase Card Applicant	Completes and signs Purchase Card Application and Agreement. Requests approval and signature from Supervisor/manager for purchase card. Makes and retains copy of signed Purchase Card Application and Agreement. Returns original to Approving Officer/SPOTS Coordinator.
4.	SPOTS Coordinator	Reviews application to ensure all required information is completed. Forward application to the Approving Officer for approval.
5.	Approving Officer	Signs Purchase Card Application and Agreement and returns original to the SPOTS Coordinator. This is the Assistant Director of General Services.
6.	SPOTS Coordinator	Sets up training with the new user and their manager on the proper use of purchase card.
7.	Purchase Card Applicant	Attends training. (Manager also attends training if he/she has not attended before.
8.	SPOTS Coordinator	Processes the application on-line and files the original Purchase Card Application and Agreement.
9.	Issuing Bank	Sends issued purchase card(s) directly to applicant's workstation.
10.	Purchase Card Applicant	Signs the card upon receipt.

**PROCEDURES FOR USE OF CARD**

<b><u>Step</u></b>	<b><u>Responsible Party</u></b>	<b><u>Action</u></b>
1.	Cardholder	Makes appropriate purchases and keeps charge slips, sales receipts, and other supporting documents that identify what was purchased, when, and where. A copy of the catalog page or packing slip should be kept from phone orders.

If a receipt is lost, the cardholder must supply documentation for the purchase that shows:

- Vendor
- Specific item(s) purchased
- Purpose of the purchase
- Date of purchase
- Object/Subject Codes
- A statement that the original charge slips and/or receipts were lost or unattainable
- Signature of cardholder and manager/cost center approver

2. Cardholder

Downloads monthly statement(s) of charges for their purchase card.

- Reviews statement for accuracy.
- Attaches original charge slips, sales receipts, other supporting documents, or an affidavit of lost documentation to the monthly statement.
- Attaches any documentation of incorrect charges or credits.
- Provides coding (cost center/obj/sub) for the total of the charges on the statement. (A log may be helpful in keeping track of coding)
- Signs and dates the statement.
- Forwards all original documentation to Supervisor in an envelope marked confidential.

3. Supervisor/Manager

Reviews statement and documentation. Checks for signature on itemized receipt and that order was delivered. Signs and dates the cardholder's statement. Sends all approved documentation either by scanning it and sending via email or in a sealed envelope marked confidential to the attention of the SPOTS Coordinator to be received by the 14<sup>th</sup> day of each month. If the 14<sup>th</sup> day of the month falls on a weekend or holiday, you shall have this information to the SPOTS Coordinator the day prior to the weekend or holiday.

4. Cardholder,  
Supervisor/Manager

Arrangements shall be made with the SPOTS Coordinator if you will be out of the office or on leave during the time your paperwork is due.

5. SPOTS Coordinator

Pulls a weekly Master Bank Statement for all cardholders, sends request to Accounts Payable to pay the entire amount using default coding. Upon receipt of the coding form cardholders all coding is consolidated and a reclass document is prepared to properly assign the charges. Reviews department and cardholder monthly statements for authorized usage. Reports potential misuse/abuse to the Approving Officer.

6. SPOTS Purchasing Auditor Review statements for misuse or abuse of purchasing rules. Makes inquires to appropriate manager for clarification. After inquiry, if it is deemed to be misuse or abuse, sends warning memo. After 2 warnings, makes recommendation to cancel card.
7. Approving Officer Reports any actual abuse to DOC Internal Audits.
8. DOC Internal Audits Investigates abuse and notifies appropriate authorities.

#### **PROCEDURE FOR CANCELLATION OF CARD PRIVILEGES**

1. Cardholder Returns card to supervisor/manager prior to departure.
2. Supervisor/Manager Calls SPOTS Coordinator to notify of card cancellation. Returns card, cut in half, sealed in envelope marked confidential and to the attention of the SPOTS Coordinator.
3. SPOTS Coordinator Cancels card online and destroys card. Notifies supervisor of cancellation.