



WISCONSIN ACCOUNTING MANUAL

Department of Administration – State Controller’s Office

Section	05	ACCOUNTS PAYABLE, INTER AND INTRA UNIT PAYMENTS	Effective Date	07/01/2015
Sub-section	04	Purchasing Card (“P-Card”)	Revision Date	05/02/2023
SAM Ref	5-13			

BACKGROUND

In 1996, the Department of Administration (DOA) began the implementation of a Purchasing Card (“P-Card”) program that allows state employees to use credit cards as a purchasing mechanism, rather than purchase orders, to make low-dollar purchases for state business purposes. The P-Card program has since expanded to authorize the use of credit cards, referred to as P-Cards, for individual transactions up to and including the level where bids are required. Enterprise responsibility for the P-Card program is jointly administered by DOA through the State Bureau of Procurement (SBOP) and State Controller’s Office (SCO). The authority for an agency to participate and administer their own P-Card program is made through the agency’s procurement delegation agreement with SBOP.

While certain elements of the P-Card program may vary from agency to agency – such as individual credit limits, P-Card single purchase limits, and P-Card cycle limits—in order to ensure the overall effectiveness of the State’s P-Card program, the policies and procedures outlined in this *Wisconsin Accounting Manual* section represent the minimum standards and requirements that must be followed by *all* agencies using P-Cards.

DEFINITIONS:

In this *Wisconsin Accounting Manual* section, the below terms have the following meanings:

1. **P-Card** - a credit card issued to an authorized state employee (the “cardholder”) through SBOP’s P-Card Contract.
2. **Cardholder** - a specific, individual, state employee who has been issued a P-Card by an agency, usually by the Agency’s P-Card Administrator. A cardholder must have an employee ID number in STAR.
3. **Supervisor** - the individual to whom the cardholder reports and submits the P-Card log and receipts for review. The individual who signs the log or statement to acknowledge that the purchases made are work-related and reasonable before forwarding to the accounting office for post-audit.
4. **Agency P-Card Administrator** - the individual appointed by the agency head to manage, coordinate, and control P-Cards within their respective agency.
5. **Original Receipt** - the itemized record indicating each individual item purchased, and the per item purchase price. *Note:* A credit card slip denoting the total amount charged to the P-Card does not qualify as an original receipt. Any inability to obtain an original receipt should be documented by the cardholder – including a brief narrative on why an original receipt could not be obtained, and any details including the individual item(s) purchased and their per item price. The original receipt will vary depending on the method by which the P-Card is utilized, including but not limited to:
 - a. For in-person purchases – the receipt received by the cardholder at the time of purchase, usually the “customer copy” receipt.
 - b. For phone or fax orders – the receipt sent by the supplying vendor to the purchaser with the shipment of goods, the cardholder should annotate on the receipt that the order was placed by phone or fax.



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- c. Online – an electronic receipt, either downloaded by the cardholder or e-mailed to the cardholder by the vendor.
- 6. **Statement** – the statement of charges that is provided to the cardholder by the Contractor Bank.
- 7. **P-Card Log** – an optional log or listing of P-Card charges that agencies may use in conjunction with statements to track P-Card charges and evidence of review and approval by the cardholder and supervisor.
- 8. **P-Card Cycle** – the two-week billing cycle in which charges are aggregated and grouped for billing purposes. Outlined in the P-Card Calendar.
- 9. **Contractor Bank (“Bank”)** – the financial institution that the State of Wisconsin has entered into a contractual relationship with for commercial card services. As of 2023, the contractor bank for the State of Wisconsin is U.S. Bank.

POLICIES

General Policies

1. Issuance of P-Cards to cardholders must be based on relevant job duties and for the purpose of making purchases for official state use only.
2. Cardholders must be permanent full-time or part-time state employees. P-Cards must not be issued to a contractor or other non-state employee unless specifically approved by SBOP.
3. The agency must have a completed *Purchasing Card Application and Use Agreement* (Form DOA-3584) or agency-specific equivalent application form on file for all cardholders and retained in accordance with the applicable Records Disposition Authorization (RDA) schedule.
4. P-Cards must not be photocopied or loaned to other individuals.
5. The P-Card must not be used for any personal transactions. In the event that a personal transaction is inadvertently charged, the item must be returned to the merchant for full credit; or, the cardholder must fully reimburse the state, including any applicable state, county, or local sales taxes. Even if the merchant does not charge these taxes, the agency must remit these taxes to the Department of Revenue.
6. Changes in reporting requirements have made it the responsibility of the Bank to report 1099 reportable services charged to a P-Card. Therefore, 1099 reportable services may be charged to a P-Card.
7. Pursuant to s. 16.55, Wis. Stats., agencies shall immediately report any suspected fraudulent use to DOA. Disputed purchases resulting from stolen P-Card information should be handled as prescribed in policy 12. *Non-routine* fraudulent purchase disputes that do result in, or have a high probability of resulting in, a loss to the State must be reported to DOA.

P-Card Issuance

8. Consult the *P-Card Manual* and relevant *STAR Job Aids* within the Additional References section at the end of this document for details on ordering a P-Card from the bank, adding a cardholder profile in STAR, and assigning proxy users.



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Default Distribution Chartfields

9. Within the STAR Cardholder Profile, a default distribution can be set that will assign a default set of chartfields to new transactions loaded into STAR from the Bank. In other words, the default GL Unit, Fund, Appropriation, Department, Account Code, and other chartfields can be established. Because the nature of a purchase made with a P-Card may vary (e.g., supplies vs. services vs. travel, etc.) agencies may elect to use Account Code 8085000 – *Procurement Card Purchases* as an initial default.

Account Code 8085000 – *Procurement Card Purchases* acts as a clearing account, and expenditures must be subsequently re-distributed into their appropriate expenditure classification. Similarly, any changes to other default chartfields should be re-distributed to reflect the proper fund, appropriation, department, etc. The chartfields assigned at the close of the P-Card cycle will be built into the payment vouchers and posted into the general ledger.

Evidence of Approval Documentation

10. Daily, the state receives a file from the Bank that is loaded into STAR which “builds” all of the P-Card charges within the STAR Procurement Subsystem. In order for the Bank to be paid, approval is required in STAR for each P-Card transaction. Contractually, the state must pay the Bank the amount billed, with any subsequent adjustments and disputes being resolved on subsequent billings. As a result, all P-Card transactions, and the resultant P-Card vouchers, must be approved in a strict and timely fashion to meet the contractual date payment is due to the Bank.

Within STAR, approval to P-Card transactions can be applied by users with the *Agency P-Card Approver*, *Agency P-Card Administrator*, or *State P-Card Maintainer* security role(s). P-Card transaction approvals do not have an approval workflow similar to vouchers or requisitions and only one approval is required in STAR to process the payment. Additionally, because of the strict and timely fashion in which approvals within STAR must be obtained, it is likely that STAR approvals will be needed and applied before all supporting documentation is available to perform a proper review of P-Card transactions.

As a result, the indication of an approval within the STAR system **DOES NOT** constitute or signify that the transaction has been reviewed, that all supporting documentation is available, and that all charges are appropriate.

Both cardholder and supervisor are required to review and approve P-Card transactions. Proper documentation of review and approval may include acknowledgement (i.e., hand-written or electronic signature) on P-Card statements or P-Card Logs; or may include electronic documentation of review (i.e., e-mail acknowledging review and approval of specific transactions in a P-Card cycle). Simply forwarding an e-mail or document does not constitute proper documented evidence of review and approval. Agencies may obtain approval from SCO to use an alternative process for capturing evidence of review and approval by cardholders and supervisors as long as all of the required elements are documented in this process.



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Travel Related Expenses

11. While the P-Card Program was not initially intended to allow travel related expenses, the SBOP and SCO subsequently determined that *certain* travel related expenses would be allowable to charge to a P-Card. The travel related expenses outlined further below were determined to be allowable to charge to a P-Card because: (1) they were non-taxable reimbursements to employees, (2) compliance with state travel guidelines (i.e., the Uniform Travel Schedule Amounts [“UTSA”]) could be easily determined without requiring a significant amount of additional information, and (3) they represented some of the more costly travel related expenses.

Travel related expenses that may be charged to a P-Card, subject to the maximums, limits, and rules of the UTSA, include: **airline tickets, lodging, car rentals, hotel and airport parking, and rental car gas**. In addition to the general P-Card merchant category code specification, a separate merchant category code grouping exists that will allow charges for the allowable travel costs outlined above.

Meals and other related travel expenses are subject to certain thresholds outlined in the UTSA and require additional information (e.g., departure/return times) or supporting documentation to be submitted on the travel & expense report that wouldn’t be captured on a purchasing card receipt; therefore, unless specifically identified above, all other travel related expenses **should NOT** be charged to a P-Card.

When possible, it is recommended that an agency travel coordinator be assigned a P-Card and make arrangements for the agency’s travelers. In some cases, it will be appropriate for a traveler to have the P-Card in his or her possession.

Those agencies not subject to the requirements of the UTSA, such as the University of Wisconsin System pursuant to s. 36.11(56), Wis. Stats., and the State of Wisconsin Investment Board pursuant to s. 25.187(4), Wis. Stats., may elect to use a separate or additional credit card (i.e., “travel card” or “OneCard”) to charge travel related expenses, including meals. These agencies are responsible for, at a minimum, the following:

- a. Establishing and documenting travel policies and procedures in accordance with relevant statutory provisions.
- b. Ensuring that their travel policies and procedures are in accordance with relevant IRS guidelines for proper reimbursement of employees (i.e., taxable vs. non-taxable reimbursements).
- c. Ensuring that any card used is appropriately charged in accordance with any thresholds or maximums established in the agencies’ travel policies and procedures.



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Returns, Credits, Sales Tax, and Disputed Items

12. The cardholder is responsible for following-up with the vendor, merchant, or Bank on any erroneous charges, returns, or disputed items as soon as possible. Disputed billings can result from failure to receive the goods charged, defective merchandise, incorrect/different amounts, duplicate charges, credits not processing, as well as fraud and misuse. If the cardholder has a problem with a purchased item, or a billing resulting from use of the P-Card, they should first try to reach a resolution with the vendor or merchant that provided the item. In most cases, disputes can be resolved directly between the cardholder and the vendor or merchant.

- a. Returns - The supplier should issue credit for any item that has been approved for return. The credit should appear on a subsequent statement. Any item purchased with the P-Card that is returned must be credited to the card used for purchase. Do not accept a refund in cash or check. The chartfields used to record the credit on the P-Card should be the same as the chartfield coding initially used. Keep documentation of credits, returns, and exchanges as part of the purchasing record.
- b. Credits - Any credit issued by the merchant must be to the same P-Card used for purchase. In the event that the original P-Card used for purchase cannot be determined, refer to the original receipt or packing slip.
- c. Sales Tax – Pursuant to s. 77.54(9a), Wis. Stats., any agency of the State of Wisconsin is exempt from paying sales and use tax on purchase made for official use. Similarly, pursuant to s. 66.0615(1m), Wis. Stats., an agency of the State of Wisconsin, is exempt from paying room tax. If sales tax or room tax is inadvertently charged, the cardholder should contact the vendor or merchant to recover (i.e., have credited to their P-Card) the sales or room tax.
- d. Disputed Items - When a disputed charge cannot be resolved with a vendor or merchant, complete the U.S. Bank *Cardholder Statement of Questioned Item Form*, and send it to U.S. Bank Financial Services as denoted in the *Wisconsin P-Card Manual* with a copy sent to your agency’s P-Card Program Administrator. This written notice of dispute must be received by the Bank within 60 days of the date that the Bank sent the first statement or transaction file. Transactions may also be disputed using U.S. Bank Access Online. Refer to the U.S. Bank Access Online Cardholder Reference Guide, “Dispute a Transaction Quick Reference” section for more information. During the Bank’s investigation, the Bank will issue a credit to the P-Card account in question for the disputed amount. When the investigation is complete, the cardholder will be notified of the resolution by the Bank. If the cardholder is not satisfied with the resolution, the cardholder should immediately contact their agency P-Card Program Administrator.



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Foreign Emergency Major Medical Expense

13. The State has some employees that, in the course of their official duties, travel to foreign countries. Circumstances may arise that require the employee to seek immediate medical attention. Some medical facilities in foreign countries will not perform the necessary procedure unless the medical bill is paid in advance. They are also reluctant to deal with the required paperwork for making a claim to the employee’s health insurance and demand payment from the employee. The employee usually does not have the capability to pay for an emergency major medical expense out-of-pocket and wait for reimbursement from their insurance company. In addition, travel insurance is not a reimbursable expense and should not be purchased. Due to the above, the Bureau of State Risk Management, SBOP, and SCO have determined that a P-Card may be used to pay foreign emergency major medical expenses. The following procedures provide guidance on use of the P-Card for this type of expense.

As a convenience to the employee, the State will initially pay for foreign emergency major medical expense. However, when the traveler returns to the United States, the employee must file a claim with their health insurance company for reimbursement to the agency that paid the medical expenses. If qualified, the claim can be made through the Workers Compensation process. The employee must repay any deductibles or items not covered by insurance to the agency. The Agency P-Card Administrator must follow up with the employee to ensure that an insurance claim is filed. The agency accounting section must reconcile the reimbursement to the balance sheet account.

A separate P-Card should be issued to the foreign traveler to be used only for foreign emergency major medical expenses. This is the only card that is acceptable for foreign emergency major medical expenses. **DO NOT USE A STANDARD STATE P-CARD FOR FOREIGN EMERGENCY MAJOR MEDICAL EXPENSES.** A separate merchant category code specification, MCC Group 11, must be used and only merchant category codes for foreign medical institutions will be available. Those merchant category codes are: 8011, 8021, 8031, 8041, 8042, 8043, 8044, 8049, 8050, 8062, 8071, 8099, 5047, 7280, and 4119.

The Account Code in the accounting string for this card must be 1410000 –*Foreign Emergency Major Medical*. This code needs to be used because of the need to separately isolate and track these costs. This balance sheet account serves as a clearing account as the state agency must be reimbursed for this personal expense as outlined in the following paragraph. The reimbursement of this major medical expense must be credited to Account Code 1410000. When reimbursement is complete the Account Code 1410000 should be \$0.00.



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PROCEDURES

The below procedures outline minimally required practices that should be occurring to properly document, review, and verify P-Card purchases. Because the size, scope, and operating style of agencies can vary, agencies are encouraged to develop additional procedures to supplement these minimally required practices.

Cardholder Responsibilities

Each cardholder is responsible for the following:

1. Obtain and maintain original receipts as defined in the *definitions* section for documentation and forward to supervisor for review.
2. If required by your agency’s policies, review charges in the STAR system routinely and redistribute any chartfield coding as needed. The *Agency P-Card Reconciler* security role is required to review this data in STAR.
3. Receive and review cardholder statements from the bank.
4. Verify cardholder statement agrees with original receipts. Document your review and approval in accordance with your agency’s policies to attest that all purchases are for state business purposes and comply with appropriate rules and regulations. If the cardholder uses an alternative method to attest that purchases are for state business purposes and comply with appropriate rules and regulations, this method must be documented in the agency’s policies and the cardholder statements must still be maintained.
5. Forward the approved cardholder statement (and P-Card Log, if required by your agency) with original receipts to supervisor for review.
6. Complete additional procedural requirements as stipulated by your agency, which may include:
 - a. Completing a P-Card Log and forwarding to your supervisor
 - b. Scanning and attaching original receipts into STAR
 - c. Reviewing and redistributing chartfield coding in STAR
 - d. Adding any business justification comments in STAR
7. Resolve disputes as described in the *Returns, Credits, Sales Tax and Disputed Items* section of this document and the *Wisconsin P-Card Manual*.



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Supervisor Responsibilities

As a supervisor of cardholders, the supervisor is responsible for understanding a cardholder’s responsibilities. Additionally, the following items should be performed by the cardholder’s supervisor:

1. Review information submitted by the cardholder. The extent of review will depend on a number of factors, but the supervisor should, at a minimum, compare original receipts to the cardholder statement (or P-Card Log).
2. Verify purchases are for official use in state business. If personal transactions were inadvertently charged, ensure cardholder is taking steps to resolve them in accordance with policies.
3. Sign on cardholder submitted record to certify that purchases are for state business purposes and comply with appropriate rules and regulations. If the supervisor uses an alternative method to certify that purchases are for state business purposes and comply with appropriate rules and regulations, this method must be documented in the agency’s policies and the cardholder statements must still be maintained.
4. Verify sales tax has not been charged on transactions.
5. For travel related charges, verify travel related charges have been authorized and meet the applicable requirements of the UTSA. Additionally, as applicable, cross-reference the cardholder’s travel & expense report for the applicable trip claims for consistency and to ensure there are no double-charges (i.e., expense paid via a P-Card and subsequently claimed on a travel & expense report).
6. Send signed record, with original receipts, to designated accounting office staff.
7. If it is determined that personal or other unauthorized charges are routinely occurring on the cardholder’s P-Card, then appropriate steps, up to and including dismissal, should be initiated to resolve the misuse/abuse of the card. Consult with your Agency’s P-Card Administrator.

Accounting/Finance Responsibilities

The agency’s accounting/finance section has three areas of responsibility related to P-Cards: (1) Payment, (2) Post-Audit, and (3) Chartfield Coding

1. Payment

The agency’s accounting/finance section must ensure that the Bank is paid for P-Card charges by the due date. This includes resolving any chartfield or voucher errors promptly to ensure timely payment to the Bank. Late payment penalties may be assessed by the Bank under the contract if payment is not made when required.

2. Post-Audit

The agency must have a documented post-audit process to review documentation received from supervisors. When conducting post-audit reviews, the agency may elect to use an acceptable sampling method for certain review items and should also consider using other factors to judgmentally select or flag transactions for additional post-audit review (e.g., transaction amounts, vendor, cardholder, etc.) The agency’s post-audit process should include, at a minimum:



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- a. Reviewing and confirming that the charge has an adequate original receipt.
- b. Review and confirm that both the cardholder and the cardholder’s supervisor have properly documented their review and approval of charges on supporting documentation.
- c. Review and confirm that appropriate accounting chartfields have been charged.
- d. Review and confirm that the amount charged in STAR agrees with the supporting documentation and original receipt.
- e. Review and confirm that the justification for the charge is appropriate, and the purchase is justifiable as necessary for official state business (i.e., propriety of the charge).
- f. Review and confirm that sales taxes were not charged.
- g. Review and confirm that no transactions were over the Single Purchase Card Limit of \$5,000, as established in the *Wisconsin P-Card Manual*, except for instances when a waiver has been granted by SBOP.

In addition to the agency’s post-audit review process, SBOP, SCO, and the Bank may also flag items for additional review or reconciliation. As part of the post-audit responsibilities, agencies may be asked to respond to and resolve the following:

- Reviewing management reports or alerts from the Bank.
- Reviewing flagged transactions by SBOP or SCO.
- Reconcile cardholder record with bank billing file to determine accuracy and appropriateness.
- Reviewing stale or flagged cardholder accounts by SBOP or SCO.

3. Chartfield Coding

As indicated in the *default distribution chartfields* policy, P-Card charges must be re-distributed into their appropriate expenditure classification. This includes re-distributing all charges made to the Account Code 8085000 – *Procurement Card Purchases*. Any chartfield coding not re-distributed prior to the close of the P-Card cycle will be built into the payment vouchers and posted to the general ledger.

The agency should have documented procedures in place to ensure that, at a minimum, the following is occurring:

- a. Chartfield coding originating from P-Card transactions is reviewed and, as appropriate, re-distributed.
- b. The general ledger is reviewed periodically to ensure that any missed re-distributions are subsequently resolved through agency general ledger journals (i.e., Account Code 8085000 is cleared).



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ADDITIONAL REFERENCES

State Bureau of Procurement

For information on procurement rules and responsibilities, refer to the [State Procurement Manual, Section PRO-410](#) and the *Wisconsin P-Card Manual*. Access to the *Wisconsin P-Card Manual*, P-Card Calendar, Master Agreement with the Contracting Bank, and other resources is available through the contract (currently 505ENT-M21-PURCHASCARD-01) on [VendorNet](#).

STAR Job Aids

For information on how to complete tasks in STAR, such as assigning proxies, setting up a card profile, reconciling P-Card purchases, etc., refer to [STAR Confluence](#). P-Card specific Job Aids can be found through the Page Tree Navigation: Learning > Procurement Support Documents > PCard Support Reference

STAR Queries

WI_PCARD_POST_AUDIT_RPT – Post-audit report of P-Card transactions. Can be queried by Business Unit, Billing Cycle, Cardholder Employee ID, and certain chartfields.