

## Table of Contents: Chapter 12 – PCard

|  |    |
|--|----|
| 12.1 Program Summary .....                           | 2  |
| 12.1.1 Services of the PCard.....                    | 2  |
| 12.2 Internal Controls .....                         | 3  |
| 12.2.1 Detailing Segregation of Duties.....          | 3  |
| 12.2.2 Tracking Cardholders.....                     | 3  |
| 12.2.3 Monitoring Program Usage.....                 | 4  |
| 12.2.4 Reconciliation of Accounts.....               | 4  |
| 12.3 PCard Administration .....                      | 4  |
| 12.3.1 General Usage .....                           | 5  |
| 12.3.2 Who Should Have a PCard? .....                | 5  |
| 12.3.3 Steps for Enrollment .....                    | 6  |
| 12.3.4 Card Issuance .....                           | 7  |
| 12.3.5 PCard Program Management .....                | 7  |
| 12.3.6 Reports .....                                 | 7  |
| 12.4 Authorized PCard Use .....                      | 8  |
| 12.4.1 Cardholder Responsibilities .....             | 8  |
| 12.4.2 Organization Responsibilities .....           | 10 |
| 12.5 Record Keeping and Reconciliation .....         | 11 |
| 12.5.1 Record Keeping .....                          | 11 |
| 12.5.2 Billing and Reconciliation .....              | 12 |
| 12.6 Card Security .....                             | 13 |
| 12.6.1 Cardholder Responsibilities .....             | 13 |
| 12.6.2 Organization Responsibilities .....           | 14 |
| 12.6.3 Lost or Stolen Cards.....                     | 14 |
| 12.7 Disputed Transactions.....                      | 15 |
| 12.7.1 Cardholder Responsibilities .....             | 15 |
| 12.7.2 Organization Responsibilities .....           | 15 |
| 12.7.3 Division of Accounting Responsibilities ..... | 15 |
| 12.8 Fraud .....                                     | 16 |
| 12.8.1 Cardholder Responsibilities .....             | 16 |
| 12.8.2 Organization Responsibilities .....           | 16 |
| 12.8.3 Division of Accounting Responsibilities ..... | 17 |
| 12.9 Cardholder Separation/Transfer.....             | 17 |

## Chapter 12 – PCard

### 12.1 Program Summary

The State of Delaware, through Division of Accounting (DOA), has contracted with JPMorgan Chase (JPMC) to provide State Organizations with a VISA card program for purchasing and travel. JPMC's online card administration software (PaymentNet) allows the management of the PCard program at the State level via the following link: <https://www.paymentnet.jpmorgan.com>.

The State of Delaware is liable for the use of the PCard. The card is backed by the full faith and credit of the State, not the credit of the employee. Only State employees are eligible for participation in the PCard program. State employees are defined as individuals who receive a paycheck through the Payroll Human Resource Statewide Technology (PHRST) system.

State employees, with appropriate approvals from their Organization, can obtain a card without a personal credit history check. However, in accordance with OFAC (Office of Foreign Assets Control, U.S. Department of Treasury), personal information (e.g., date of birth, country of citizenship, home address) is required. Employees must enroll in the program online via the Account Request Manager (ARM) application. Employees are only authorized to carry one card, allowing for better control. The cardholder may have access to PaymentNet to review card information.

#### 12.1.1 Services of the PCard

For travel, the card provides:

- Primary coverage auto rental insurance – Call the VISA Benefit Administrator at 1-800-VISA-911 for assistance with this coverage or to file a claim. If outside the United States, follow the instructions on the back of the PCard.
- Travel and Emergency Assistance Services – These services are accessed by calling the VISA Benefit Administrator at 1-800-VISA-911 any hour of the day or night. If outside the United States, follow the instructions on the back of the PCard. These services provide assistance and referral only. The cardholder is responsible for the cost of any actual medical, legal, transportation, or other services or goods provided.
- Travel Accident Insurance – The **cardholder** is automatically insured against accidental loss of life, limb, sight, speech, or hearing while riding as a passenger in, entering, or exiting any licensed common carrier.

- Baggage insurance – The traveler is automatically insured when travel reservations are booked on the traveler’s card. Coverage ONLY applies to the cardholder.

## 12.2 Internal Controls

Organizations’ written PCard Internal Control Policies and Procedures must address the following topics:

- Detailing segregation of duties
- Tracking cardholders
- Monitoring of program usage
- Reconciling accounts

A PCard Roles and Internal Control Form ([PO012](#)) and a Sample PCard Internal Control Policies Form ([PO014](#)) for small and large Organizations are available for guidance in establishing PCard Internal Controls.

### 12.2.1 Detailing Segregation of Duties

Segregation of duties standards for PCard usage and administration must be strictly enforced when assigning job roles. A list of roles and responsibilities, by employee, should be listed within the PCard Roles and Internal Control Form ([PO012](#)) and further detailed within each Organization’s PCard internal control policy. As detailed in the form, the roles must specify the duties of each employee as they relate to each Organization’s PCard processes.

The duties and responsibilities for all roles are located in the job Role Handbook on DOA’s extranet website [http://extranet.fsf.state.de.us/training\\_jobrole\\_handbook.shtml](http://extranet.fsf.state.de.us/training_jobrole_handbook.shtml).

See **Chapter 2 – Internal Controls, Section 2.1.1 Sample Internal Control Plan Elements** for additional guidance on segregation of duties.

### 12.2.2 Tracking Cardholders

As part of the PCard Internal Control Policies and Procedures, Organizations must indicate their procedures for:

- Implementing and enrolling new cardholders
- Handling changes to cardholders
- Deleting cardholders
- Implementing cardholder security requirements
- Managing misuse of the card by employees

Changes in Organizational processing or approval structure will require an update to the Organization's policy.

### **12.2.3 Monitoring Program Usage**

Organizations must indicate how program participants and usage are monitored. In addition to monitoring the usage of specific accounts, Organizations should describe the management of card usage throughout their various reporting groups.

Although there may be various control practices in use, the following cardholder internal control options must be considered. Organizations may implement more stringent policies when developing the PCard Internal Control Policies and Procedures.

- Holding all cards centrally and distributing the card to the appropriate individual(s) with each approval to purchase a good or service or travel.
- Closing the account and destroying cards that may only be used one time for special travel needs.
- Having authorized staff carry cards independently with suitable controls (e.g., lower spending and transaction limits and verification of possession of the card, to be performed no less than quarterly).
- Monitoring the spending limit of each card. The spending limit should be based on the spending history of the card. DOA will provide the spending limit and available credit to the Organization on an annual basis. The Organization must determine if the spending limit needs to be modified.
- Organization Head or Designee review of card transactions on a periodic basis.

### **12.2.4 Reconciliation of Accounts**

Organizations must indicate procedures for account reconciliation, including the frequency of reconciling transactions (recommended weekly, at a minimum on a monthly basis).

## **12.3 PCard Administration**

With PaymentNet, DOA, under the guidance of the Organization, can control the funds available on a card and the types of places where individual employees can purchase goods or services or travel. These controls enable the Organization to reduce risk, while providing employees the spending power they require.

Transaction information is posted daily to the State's financial management and accounting system, enabling Organizations to reconcile transactions as the receipts and invoices are presented, rather than waiting until the end of the billing cycle.

### 12.3.1 General Usage

1. General – Regardless of the reason or type of purchase, all PCard receipts must be kept for reconciliation purposes.
2. Travel – See **Chapter 11 – Travel Policy**
  - a. The PCard should be used for all common carriers (airlines, rail, or bus), car rental, lodging, occupancy tax, and any authorized miscellaneous expenses.
  - b. The PCard should be used for meals (food, beverage, tax, and tips) while traveling on official State business.
  - c. The PCard may be used for gasoline purchases for State fleet vehicles if the traveler is in a location where the Fleet Services fuel access card is not accepted and the expense is reimbursable. If an employee is approved to use their personal vehicle for travel, the PCard cannot be used to purchase fuel. The employee must submit a Personal Expense Reimbursement Form ([AP003](#)) for the mileage.

See **Chapter 11 – Travel Policy, Section 11.3.2 Privately-Owned Vehicles** for additional information regarding the use of personal vehicles.

3. Purchasing – All PCard transactions must comply with accounting procedures and State laws governing purchases.
  - a. Purchases of \$10,000 or less
    - The PCard can be used as Direct Payment for all fund types.
  - b. Purchases over \$10,000
    - All current purchasing and accounting procedures remain in effect for purchases over \$10,000. Funds must be encumbered, and Purchase Orders (PO) are required for all general fund purchases.

### 12.3.2 Who Should Have a PCard?

PCards may only be issued to State employees. The Employee ID is required and verified during enrollment. Organizations can request cards for those individuals who have a

reasonable need (i.e., individuals who travel on official State business or individuals who make official State purchases). Only one PCard may be issued per employee, regardless of the number of departments for which the employee will be making purchases.

### 12.3.3 Steps for Enrollment

1. Organizations may enroll in the PCard Program by submitting the Organization's PCard Internal Control Policies and Procedures. The Sample PCard Internal Control Policies Form ([PO014](#)) may be used as a guide for the Organization's PCard Internal Control Policies and Procedures.
2. Organizations must designate on the PCard Internal Controls Form ([PO012](#)), which must be signed by the Organization Head, the following:
  - a. PaymentNet Coordinator and Back-up Coordinator
    - Individuals must have completed PaymentNet training
  - b. PCard Coordinator/Reconciler and PCard Approver
    - Individuals must have completed Procurement Card training
  - c. AP Business Manager
  - d. PCard Manager Report Designee and Report Reviewer
3. DOA reviews the PCard Internal Control Policies and Procedures and, when approved, a copy is returned to the Organization.
  - a. DOA performs periodic reviews of Organizations' PCard Internal Control Policies and Procedures.
  - b. PCard Roles and Internal Control Form ([PO012](#)) are required to be updated as changes occur and submitted to DOA annually.
  - c. Changes made between annual reporting periods must adhere to Internal Control guidelines and ensure segregation of duties.
4. Organizations must designate the authorized signatories and designees on the PCard Authorized Signature Card Form ([PO013](#)) when someone other than the Organization Head may approve new cards or change requests.
5. Employees must enroll online via the ARM application.

### 12.3.4 Card Issuance

The following process is applicable for the issuance of all PCards, including new cards and replacement cards.

1. JPMC delivers the PCard to DOA within seven to ten business days of issuance.
2. DOA notifies the Organization when the card is available for pick-up by the Organization's designated personnel or when the card is being mailed to the PCard Coordinator/Reconciler via State mail.
3. The Cardholder or PCard Coordinator/Reconciler emails the JPMC Credit Card Confirmation to DOA at [p.card@delaware.gov](mailto:p.card@delaware.gov).

**NOTE:** DOA will deactivate the card if the JPMC Credit Card Confirmation has not been received within ten days of notification. A PCard Change Request Form ([PO003](#)) must be submitted to reactivate the card.

### 12.3.5 PCard Program Management

1. The ARM application is administered by DOA to promote accountability and to ensure adherence to policies and procedures.
2. Cardholders are assigned profiles in PaymentNet. The PaymentNet Coordinator has a profile that provides access to view the activity of all cardholders within the organizational structure.
3. **Organizations must review the following annually (at a minimum).** The review is documented and signed by the PaymentNet Coordinator/Back-up Coordinator and Organization Head/Designee and maintained at the Organization for audit purposes.
  - a. Usage – frequency, spending patterns, etc.
  - b. Credit Limits – the Cardholder Status Report, in PaymentNet, may be used to identify cardholder account limits.

### 12.3.6 Reports

1. An electronic Commercial Card activity report reflecting all cardholder transactions is available to the PCard Manager Report Designee for review on a monthly basis.
2. The PaymentNet Internet site (<https://www.paymentnet.jpmorgan.com>) offers secure reporting to Organizational users. The use of the site is highly recommended and is a valuable Internal Controls tool. The site provides a list of available reports along with a

description of the information provided in the reports. Users may view and download a variety of merchant, cardholder, transaction and administration reports to monitor and analyze program participation. The following are examples of how the standard reports can assist the user:

a. Transaction Reports:

- **Transaction Detail Hierarchy** reporting summarizes the number of transactions and total dollar amount for each account and hierarchy level. It is used by the PCard Coordinator/Reconciler to reconcile accounts at the end of an accounting period, or more frequently if deemed necessary.

b. Cardholder/Account Information Reports:

- **Cardholder Profile** enables PCard Coordinators/Reconcilers to manage cardholder information. The report includes Cardholder Name, Address, Phone, E-mail, Account Status, Account Status Reason, Compromised Indicator, Hierarchy Levels, Account Limits, Account Open and Close Dates, Last Transaction, and Expiration Dates.
- **Cardholder Status Report** enables PCard Coordinators/Reconcilers to identify cardholder account limits and account status (e.g., Closed, Not Activated, Active, or Suspended).

c. Administration Reports:

- **Unusual Activity Analysis** enables PCard Administrators to monitor unusual transaction activity and to determine if the transactions are business-related.

Ad hoc reporting is available for all users with virtually no lead time. These online demand reports may be saved within the user's own separate login and may be run at any time. PaymentNet Coordinators and Back-up Coordinators may limit access to reports based on cardholders' security privileges.

## 12.4 Authorized PCard Use

### 12.4.1 Cardholder Responsibilities

1. The PCard is embossed with the cardholder's name and must **only** be used by the cardholder or authorized proxy (**for travel only**). The cardholder is responsible for all charges to the card. Organizations should refer to **Chapter 11 – Travel Policy** for more information regarding combining travel expenses on a PCard.



- a. All travel arrangements MUST be booked on the traveler's card. Insurance coverage on VISA for traveling ONLY applies to the cardholder. See Section **12.1.1 Services of the PCard** for more information regarding the VISA benefits.

In certain situations, a traveler utilizing the State's PCard may rely on an administrative liaison to transact and manage travel arrangements. Typically, such relationships are limited to Organization Heads and other officials who are assigned administrative support. If a traveler needs another individual to make travel arrangements on their behalf utilizing the State's credit card, the delegation of responsibility must be memorialized through the proxy process in JPMC's PaymentNet system via DOA. Once assigned the role of proxy, delegates have the ability to perform certain functions on behalf of the traveling cardholder such as activate a card, authorize card transactions, and report a card lost or stolen. All proxies must meet the same policy requirements established for becoming a cardholder and must adhere to the same policies and procedures as a cardholder.

**Only one proxy may be assigned to a cardholder. To assign a proxy, the PCard Proxy Request Form (PO004) must be completed and submitted to DOA.**

- b. All items purchased "in person, over the counter" must be immediately available at the time of credit card use. The PCard shall not be charged for merchandise that must be back ordered for later delivery.
2. The PCard may be used only by authorized State employees and must **not** be used for personal or unauthorized purposes, in accordance with (**29 Del. C. §5112**) including, but not limited to:
    - a. Alcoholic beverages.
    - b. Entertainment, not included in the cost of the conference.
    - c. Other expenses noted in **Chapter 7 – Purchasing and Disbursements, Section 7.2.2.**

In the event an unauthorized transaction occurs, the employee must submit reimbursement within 30 days of the transaction. If the employee has not complied with the 30-day threshold, the Organization Fiscal Officer notifies the Organization Payroll Officer of the requirement to escalate the collection of the unauthorized/unallowable transaction(s) with the assistance of the Payroll Compliance Group.

The Payroll Compliance Group will assist the Organization with the following:

- Full reimbursement by personal check/money order
  - Full repayment via an after-tax payroll deductions(s)
3. Employees may not use the PCard to charge expenses for others (including family members) not on official State business, even with the intent to reimburse the State. In certain circumstances, Organizations may approve a traveling companion if deemed medically necessary.

**NOTE:** Failure to comply with these policies may result in disciplinary action (including dismissal by the Organization) and possible criminal action (by the Delaware Department of Justice or federal or local regulatory and enforcement entities).

### 12.4.2 Organization Responsibilities

Organizations may place more stringent restrictions on card use.

1. If an Organization needs to make changes to a PCard, a PCard Change Request Form ([PO003](#)) must be submitted and will be processed within 24-48 hours.
2. Organizations must monitor the dollar value, the number of transactions, and all other card activity on a regular basis.
3. Billing statement transactions must be reconciled within 30 days of the end of the transaction billing period including approval of the Voucher to avoid the escalation process.
4. Prior to issuing a PCard to an employee, the Organization must ensure the employee is trained and understands Chapter 12 of the Budget and Accounting Manual and the Organization's PCard Internal Control Policies and Procedures.
5. Organizations must have sufficient controls in place and routinely communicate with cardholders to ensure charges are not incurred that will exceed encumbered or available appropriations or other available funds for payment.
6. In instances where an employee reports to one department with expenses charged to a different department, the Organization can request an Inter-Agency Agreement from the PCard team at [p.card@delaware.gov](mailto:p.card@delaware.gov).

7. Organizations must notify DOA for loss or theft of a card or any indication of fraud, misuse, or negligence. See Section [12.4.1 Cardholder Responsibilities](#) regarding the potential disciplinary action.
8. Travel Authorization Forms, receipts, logs, itineraries and invoices must be maintained for audit purposes.

## 12.5 Record Keeping and Reconciliation

### 12.5.1 Record Keeping

1. At the time a PCard purchase is made, either over the counter, by telephone or Internet, an **itemized receipt** for all transactions over \$10.00 unless exempted under the Travel Per Diem exceptions. The receipt must be legible, itemized (reflecting the good or service purchased), and contain the vendor name, date of purchase, and price of each item. A receipt description which only states “Miscellaneous” or “Merchandise”, or only includes a vendor’s stock or item number, is not acceptable. Receipt documentation may be paper or electronic. The Uniform Electronic Transaction Act (UETA) (**6 Del. C. Chapter 12A**) permits copies of receipts, electronic documentation includes pictures of receipts taken with a smartphone or other electronic device.

Under extenuating circumstances, the employee may be unable to obtain an itemized receipt over \$10.00. In this case, the employee must complete an Affidavit for Missing and Non-Itemized Receipts ([AP005](#)). The employee must provide a detailed explanation as to why an itemized receipt is not available. The affidavit must be approved and signed by the employee’s immediate Supervisor and Division Director if \$40.00 or less and the Cabinet Secretary when over \$40.00 but not exceeding \$100.00. The Office of Management and Budget (OMB) and DOA approval is only required for transactions exceeding \$100.00, see the Affidavit for Missing and Non-Itemized Receipts Flowchart ([Exhibit A](#)) When required, the affidavit must be submitted to OMB within 30 days of the transaction to be considered for reimbursement. If the Affidavit for Missing and Non-Itemized Receipts is not submitted as required, reimbursement is expected within 45 days from the transaction date.

For additional information on required travel documentation, please see **Chapter 11 – Travel Policy**.

2. There are times when a cardholder is reimbursed for travel from an external/member organization. In these cases, the cardholder is responsible for notifying the coordinator and documenting on the Travel Authorization Form that the reimbursement will be requested. When the reimbursement is received, it should be credited against the expenditures incurred for that specific trip. A copy of the check and deposit slip should be filed with the traveler's paperwork in case of an audit. For more information on processing refunds/reimbursements to the State, reference **Chapter 9 – Receipt of Funds, Section 9.3.5 Refunds to the State**.

### **12.5.2 Billing and Reconciliation**

1. JPMC submits a monthly billing invoice the day after the close of the billing cycle (the Statement Date) into the State's financial management and accounting system for payment of all charges made against the PCards. DOA pays the JPMC statement.
2. Organizations process PCard transactions daily in the State's financial management and accounting system to reimburse DOA for funds used to pay JPMC.
3. Organizations are required to reconcile and approve the daily transactions in the State's financial management and accounting system against the cardholder receipts within 30 days of each billing date. This includes complete approval of the Voucher.
4. POs for purchases exceeding \$10,000 (individually or in aggregate) are required for transactional details within the State's financial management and accounting system. When using the PO details, all the chartfield requirements and category codes default into the specified fields. The PO must be established before the transactions are incurred with the merchant. For additional information regarding when a PO is required, reference **Chapter 7, Section 7.2 Obligating Funds**.
5. DOA monitors the billing process to ensure timely compliance, using an escalation process. However, if Organizations do not comply with timely payment and reconciliation of PCard transactions in the State's financial management and accounting system, card usage and program participation may be revoked. The responsibility is as follows:

| PCard Transaction Reconciliation Escalation Timeline |   |                 |                |                      |
|--|---|-----------------|----------------|----------------------|
| Days After Billing Cycle End Date                    | Notification Issued To The Organization By: |                 |                |                      |
|  | DOA PCard Team                              | DOA PCard Admin | DOA Management | Secretary of Finance |
| 31   | X   |                 |                |                      |
| 45   |   | X               |                |                      |
| 55-75  |   |                 | X              |                      |
| >75  |   |                 |                | X                    |

## 12.6 Card Security

### 12.6.1 Cardholder Responsibilities

The cardholder must:

1. Safeguard the PCard and account number. The full 16-digit account number must not be mailed, emailed (unless via a DTI approved encryption method), or faxed to merchants.
2. Ensure the card is **only** used for legitimate State of Delaware business purposes and is not used by anyone other than the PCard holder whether or not a State employee.
3. Maintain the card in a secure location at all times.
4. Adhere to the purchase limits and restrictions of the card.
5. Obtain all itemized sales slips, register receipts, purchasing card slips, and/or packing slips and provide the same to the PCard Coordinator/Reconciler **within seven business days of the transaction or completion of travel.**
6. Not accept cash, check, or a merchant credit for returned items in lieu of a credit transaction to the PCard account.
7. Be held responsible for all charges to the card.

**NOTE: Unauthorized use of the card may result in dismissal from the card program, disciplinary action, and/or termination from employment.**

## 12.6.2 Organization Responsibilities

Organizations must:

1. Develop and follow PCard Internal Control Policies and Procedures.
2. Appoint and monitor activities of all PCard personnel.
3. Keep cards secure. Any cards not used on a frequent basis should be categorized with a “Null” Profile in PaymentNet, until needed. This will prevent any purchases from being made with the card during this period. Cards that have had no activity for 18 months will be purged from PaymentNet.
4. Ensure only the PCard holder uses the PCard assigned to the specific PCard holder
5. Monitor activity, reconcile, approve, and allocate transactions for the Organization’s individual cardholders.
6. Reconcile card activity on a regular basis and in a timely manner.
7. Review spending limits. DOA provides the spending limits and available credit to the Organization on an annual basis. The Organization must inform DOA if the spending limits should remain the same or if any need to be modified.

## 12.6.3 Lost or Stolen Cards

In the event of a lost or stolen card, the cardholder must:

1. Immediately notify JPMC at 1-800-270-7760 and advise the representative that the call pertains to a State of Delaware Visa PCard. Bank Representatives are available 24 hours a day, 7 days a week. JPMC will immediately deactivate the card and issue a replacement card, which is delivered to DOA within seven to ten business days.
2. Notify the PaymentNet Coordinator, Back-up Coordinator, or other approving official immediately during business hours or as soon as practical during non-business hours. The Coordinator must notify DOA.
3. Destroy a previously reported lost card that is subsequently found.

## 12.7 Disputed Transactions

A disputed transaction is any transaction that was double charged, charged an inaccurate amount, or charged without corresponding goods or services by the cardholder. A transaction may also be in dispute if items purchased with the PCard are found to be faulty or in error.

### 12.7.1 Cardholder Responsibilities

The cardholder is responsible for attempting to resolve the issue with the merchant as soon as possible. If the merchant has not resolved the issue by the date the cardholder receives the monthly billing statement, the transaction will be in dispute. Cardholders should contact their PaymentNet Coordinator for assistance in resolving disputed transactions with the merchant; however, the cardholder must call the merchant to resolve the dispute as the merchant will only discuss the transaction with the cardholder.

1. Cardholders can dispute any charges in question. Merchants should be the first point of contact for resolution.
2. If a particular transaction is disputed, the employee has 30 days from the end of the billing cycle to notify JPMC. JPMC will assist the State in attempting to obtain reimbursement from the merchant.
3. Organizations should be made aware of all disputed transactions by the time the billing statement is available.

**Note:** If the dispute is not resolved with the merchant within 30 days from the end of the billing cycle, a PCard Change Request Form ([PO003](#)) must be submitted to DOA via email to [p.card@delaware.gov](mailto:p.card@delaware.gov).

### 12.7.2 Organization Responsibilities

1. The PCard Reconcilers ensure transactions are reconciled and disputes and credits are handled in a timely manner.
2. Debits/Credits/Chargebacks must be reconciled with the same coding. Do not use a PO when coding disputed transactions debits and credits.

### 12.7.3 Division of Accounting Responsibilities

1. DOA uses the PCard Change Request submitted by the Organization to populate the necessary dispute information into PaymentNet. The dispute notification is automatically emailed to the JPMC dispute resolution department.

2. DOA verifies the dispute and accompanying credit are received.
3. DOA assists Organizations to resolve the disputed item in a timely manner, as needed.

## 12.8 Fraud

A fraudulent purchase is any use of the PCard which is determined to be an intentional attempt to defraud the State for personal gain or for the personal gain of others. If a transaction appears on the JPMC monthly billing statement that is not recognized, it is considered fraud.

### 12.8.1 Cardholder Responsibilities

1. Immediately notify JPMC at 1-800-270-7760 and advise the representative that the call pertains to a State of Delaware Visa PCard representatives are available 24 hours a day, 7 days a week. JPMC will immediately deactivate the card.
2. Notify the PaymentNet Coordinator, Back-up Coordinator, or other approving official immediately during business hours or as soon as practical during non-business hours. The Coordinator must notify DOA.
3. Destroy the potential compromised card.

### 12.8.2 Organization Responsibilities

1. Organizations must notify DOA that the card was reported lost or stolen due to fraud. A list of the fraudulent transactions must be submitted to DOA via email to [p.card@delaware.gov](mailto:p.card@delaware.gov).
2. All types of fraud must be reported:
  - a. External Fraud, also known as third-party fraud:
    - Unauthorized transactions
    - Purchases made with a lost, stolen or counterfeit card or stolen account information
  - b. Internal Fraud, also known as employee misuse:
    - Transactions outside the parameters of the Organization policy
    - Purchases made for personal gain



3. The PCard Reconciler must reconcile and approve the fraudulent transaction against the provisional credit issued by JPMC.

### **12.8.3 Division of Accounting Responsibilities**

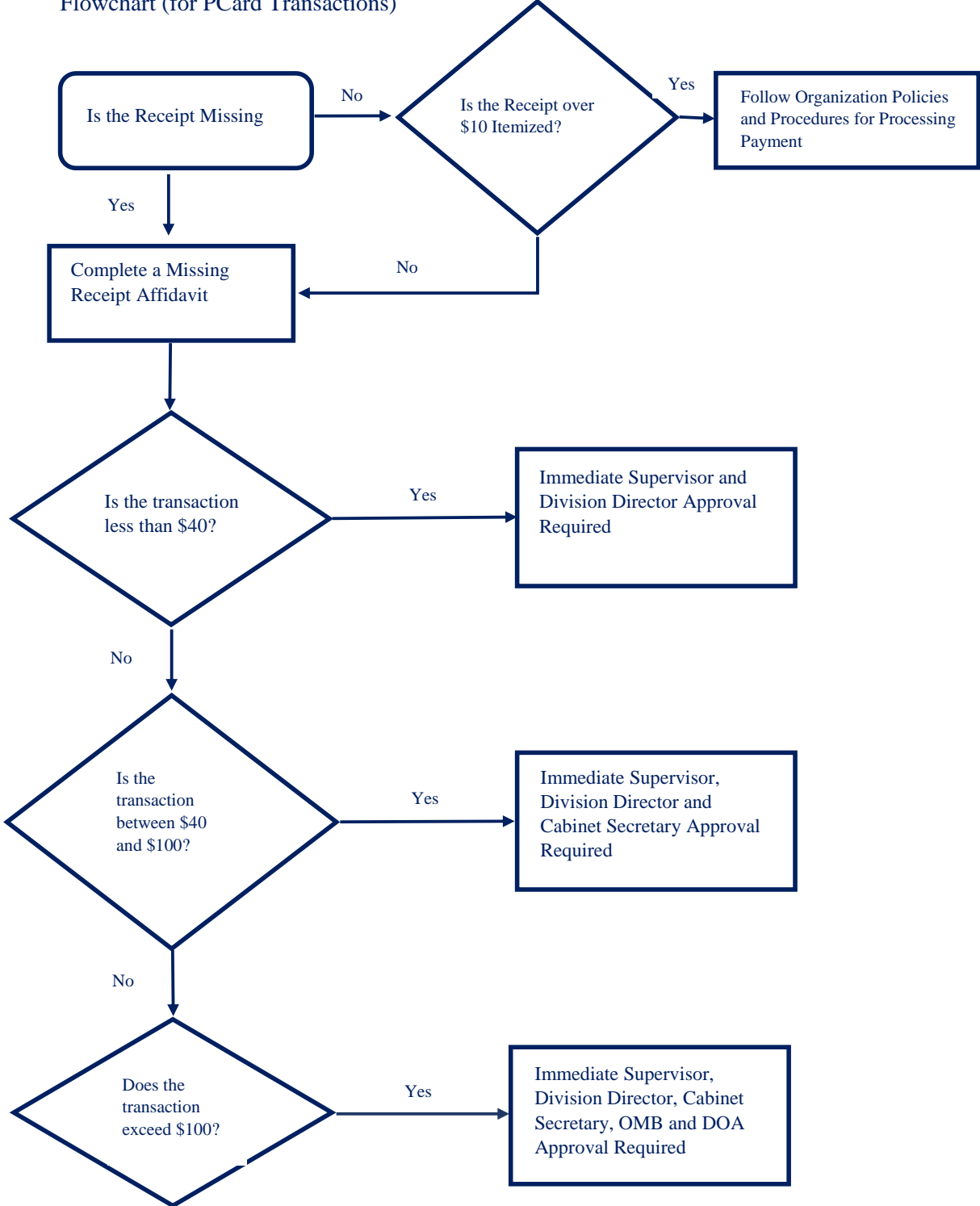
1. Verify the fraud and validates the fraud was reported to JPMC.
2. Monitor the progress of the fraudulent transaction until resolved.
3. Assist Organizations with fraud issues upon request.

## **12.9 Cardholder Separation/Transfer**

1. Employees separating from State employment (including long-term leave of absence) must surrender the PCard and all receipts to the Organization's appropriate PCard personnel or other approving official, prior to separation from State employment. Upon notification of employee separation, the PCard personnel must notify DOA, by email, to immediately close the card account.
2. Employees transferring to another State Organization must have their account closed, their PaymentNet user access deleted, and the card collected and destroyed. The new Organization will request a new card, if needed. This process allows cards to be uniquely identifiable to the employee and the Organization, and allows the billing statement and the State's financial management and accounting system to properly reflect the purchasing activities of each Organization, proxies, and default distribution.
3. Employees transferring between Divisions within the same Organization must have their account closed, PaymentNet user access deleted, and the card collected and destroyed. The new Division will request a PCard, if needed. This process allows the new Division to determine if the employee needs a card and, if so, what the parameters (e.g., type of card, credit limit, etc.) should be.
4. Employees transferring within the same Division must have the credit card profile reviewed by the Organization Head or Designee to determine if any changes are necessary.

**NOTE:** The Organization must notify DOA via email or a PCard Change Request Form ([PO003](#)) when an employee separates from State employment or transfers to another Organization or Division. When an employee transfers within the same Division, any changes to the credit card profile must be submitted to DOA via the PCard Change Request Form ([PO003](#)).

Affidavit for Missing and Non-Itemized Receipts  
Flowchart (for PCard Transactions)



NOTE: All transactions are subject to workflow approvals in the State's financial management and accounting system. Follow the Organization's document processing and record retention guidelines for ALL Affidavits for Missing and Non-Itemized Receipts.