

State of New Mexico  
Department of Finance and Administration Financial Control Division  
State Procurement Card or Individual Travel Procurement Card Policies  
and Procedures

- I. Authority: These Policies and Procedures are issued under the authority granted by NMSA 1978, Section 6-5-9.1 to the Financial Control Division (FCD) of the Department of Finance and Administration (DFA).
- II. Limitations: Use and oversight by the Department of Finance and Administration Financial Control Division of the State's Procurement Card program under the state's tax identification number is limited to Agencies that are divisions of the State whose financial activities are captured in the State's Human Resource, Accounting, and Reporting Enterprise system (SHARE).
- III. Definitions:
- A. "Agency" for purposes of this policy means any department, commission, council, board, committee, institution, legislative body, agency, or the judicial branch of the government of the State that will be participating in the Procurement Card Program.
- B. "Agency Head" for purposes of this policy means:
- 1) The cabinet secretary of departments and their administratively attached boards and commissions;
  - 2) The director for other agencies and institutions and their administratively attached boards and commissions;
  - 3) The superintendent of regulation and licensing for boards and commissions attached to the regulation and licensing departments;  
and
  - 4) The chairperson, president, or executive secretary for remaining boards and commissions.
- C. "Agency Program Administrator" means the individual named by the Agency to be responsible for the administration of the Procurement Card Program.
- D. "Card issuer" means the supplier providing the Procurement Card.
- E. "Business Day" means Monday through Friday excluding state and bank holidays.
- F. "Cardholder" means an employee of the State of New Mexico who has been authorized by the Agency and issued a Procurement Card by the card issuer.
- G. "Director" means the Director/State Controller of the Financial Control Division of the State of New Mexico Department of Finance and Administration, or the Director's designee.
- H. "Emergency" means a situation meeting the criteria established pursuant to NMSA 1978, Section 13-1-127, as amended.

- I. “Employee” means an employee of the State of New Mexico.
- J. “FCD” means the Financial Control Division of the Department of Finance and Administration.
- K. “Individual Travel Procurement Card” means a card issued to State employees who frequently travel.
- L. “Procurement Card” means a card entitling the holder to purchase goods and services with the understanding that payment will be made at a later date.
- M. “Procurement Code” means NMSA 1978, Sections 13-1-28 through 13-1-199, NMSA 1978, as amended.
- N. “Procurement Card Program” means the Procurement Card issuance, documentation, reports, interface files, card issuer transaction-management software, transaction processing and all directly related services expressly stated in the card issuer’s Proposal.
- O. “Public Officer or Public Official” means every elected or appointed officer of a governmental entity including but not limited to:
  - 1) The Office of the Governor;
  - 2) Officers of the judicial branch of state government, including judges and justices;
  - 3) Officers of the legislative branch of state government, including legislators; and
  - 4) All board, advisory board, committee and commission members elected or appointed to a board, advisory board, committee or commission specifically authorized by law or validly existing as an advisory committee pursuant to NMSA 1978, Section 9-1-9.
- P. “Purchase Request Process” means the process a cardholder will follow to request the purchase of goods or services through the Procurement Card Program.
- Q. “Reconciliation” means the process conducted by an Employee (other than the Cardholder) of matching purchase receipts to the card issuer’s statement and verifying that all account activity is in accordance with these policies and procedures, Agency policies and procedures, and Federal and State Laws.
- R. “Separation of Duties” means the work of employees is subdivided so that no single Employee has the authority to complete a transaction cycle. For example, the Cardholder who makes purchases on the Procurement Card should not be the person to create a payment voucher to the card issuer.
- S. “Single Purchase Limit” means the spending limit imposed on a Cardholder for an individual Transaction.
- T. “State Use Act” means NMSA 1978, Sections 13-1C-1 through 13-1C-7.

- U. “Timely and Full Payment” means payment in full within fifteen (15) days of the card issuer’s monthly billing statement’s issue date.
- V. “Transaction” means a single purchase of goods or services.
- W. “Travel” for per diem purposes, means being on official business away from home, as defined by Subsection L of 2.42.2.7 NMAC, Regulations Governing the Per Diem and Mileage Act, and being at least 35 miles from the designated post of duty.

IV. General Policies

- A. When using a Procurement Card, Agencies and Cardholders must comply with the State Use Act, the Procurement Code, these policies and procedures, state contracts and price agreements, and all other applicable financial and accounting laws, rules, regulations, policies, and procedures. The Agency agrees to forfeit immediately to FCD all Procurement Cards if it has not or cannot adhere to these policies and procedures. Requests for approval of exemption to these policies and procedures must be submitted in writing and approved by FCD prior to an Agency exercising the requested exemption.
  - 1. Procurement Cards shall not be issued to: Public Officers or Public Officials as defined herein; Cabinet Secretaries; Deputy Cabinet Secretaries; Agency Directors; Agency Deputy Directors; Division Directors; Board Members; or Commission Members. This includes elected officials and those appointed by the Governor. The Offices of the Governor and Lieutenant Governor are exempt from this provision.
  - 2. Each Agency shall establish written policies and procedures governing the use of the Procurement Card. Agency policies and procedures, at a minimum, shall include the requirements established in Section V, Terms and Conditions, Paragraph A, Agency Responsibilities to ensure the integrity and success of the Procurement Card Program. A copy of the Agency's policies and procedures and any subsequent updates or addendums must be submitted to FCD for approval (or modification, as necessary). If there is a conflict between the Agency's and FCD's policy and procedures, FCD's policies and procedures shall prevail. The Agency must also provide FCD with a list of Employees who are authorized Cardholders.
  - 3. Prior to Procurement Card issuance, each Cardholder must receive training by the Agency Program Administrator and/or FCD and sign a State of New Mexico Procurement Card Cardholder Agreement, the form of which is attached hereto as Appendix A.
  - 4. The intentional use of the Procurement Card by Employees for any purpose other than to conduct State business is strictly prohibited and may constitute “just cause,” pursuant to State personnel Board Rule, Section 1.7.11.10 NMAC, as grounds for immediate dismissal. Agencies and/or other

branches of state government that do not fall under the State Personnel Board Rule Section 1 .7. 11.10 NMAC, shall enforce their own personnel policies regarding grounds for immediate dismissal.

5. Consistent within the intent of the Procurement Code, “best value/best obtainable price” selection criteria must be used when making a purchase with the Procurement Card.
6. All records shall be maintained and retained in accordance with the Public Records Act, NMSA 1978, Section 14-3-1 and NMAC 1.21.2 Retention and Disposition of Public Records.
7. A cardholder's privileges are a management prerogative that may be cancelled, restricted, or revoked at any time without cause by the Agency Head or FCD.
8. An Agency must submit written justification to FCD to request modification of the types of merchants (identified as “Merchant Category Codes” or “MCCs”) where a Cardholder of the Agency may use a Procurement Card.

B. Eligible Purchase The Procurement Card may be used for goods and services included in price agreements approved by the State Purchasing Division (SPD) of the General Services Department (GSD). Items not on state contract can be purchased with the Procurement Card only after following the bid or quote requirements in the Procurement Code and the implementing regulations set forth in Section 1.4.1 NMAC (Procurement Code Regulations). For any purchase, the New Mexico Procurement Code and the implementing rules specified above, Agency policies and procedures, and these Procurement Card Policies and Procedures shall be followed.

1. Agencies may purchase items through the Internet, if the items purchased are not restricted, by DFA or by the Agency's policies and procedures. The Agency is responsible for monitoring Internet and telephone orders to assure compliance with these policies and procedures.

C. Ineligible Purchases

1. Personal items and cash advances are not allowed under any circumstances.
2. Ineligible purchases are purchases that deviate from these policies and procedures, FCD's Procurement Card Listing for Restricted Items, any laws, rules, policies, and State statutes governing the purchase of goods or services for the State of New Mexico.

D. Emergency The Procurement Card may be used to make eligible purchases under a declared Emergency if the procedures in the Procurement Code, the Manual of Model Accounting Practices, and the implementing rules within these Policies and Procedures have been followed.

E. Card Misuse Misuse includes any use that deviates from the Procurement Code, these Policies and Procedures, and/or Agency Policies and Procedures. If the Procurement Card is misused, the Agency shall document the misuse and follow the steps set forth below:

1. Immediately remove the Procurement Card from Cardholder's possession;
2. Seek full restitution from the Cardholder plus interest at the rate of 18% per annum from the date of the transaction;
3. Follow State Personnel Office disciplinary procedures set forth in Section 1.7.11 NMAC, up to and including termination or similar agency specific disciplinary procedures; and
4. Inform FCD, in writing, within one (1) Business Day; and inform card issuer, in writing, within one (1) Business Day.

V. Terms and Conditions

A. Agency Responsibilities

1. An Agency must establish adequate internal controls regarding the use of the Procurement Card, its authorization, and payment for purchases. The agency must observe the principal of Separation of Duties. The authority for approving disbursements to the card issuer shall not be assigned to the Cardholder.
2. An Agency is responsible for issuing the Procurement Cards to its employees as outlined in the Agency's policies and procedures.
3. An Agency's minimum written policies and procedures must:
  - a) Ensure prompt payment to the card issuer for expenditures included on the Procurement Card's monthly billing statement;
  - b) Include a requirement that the Agency must deliver to FCD a payment voucher(s) to make that payment to the card issuer within fifteen (15) days of the monthly billing statement's issue date to avoid incurring delinquency fees or charges (any late fees, penalties and interest are the responsibility of the Agency);
  - c) Ensure that the use of the Procurement Card does not result in obligations in excess of budgeted appropriations;
  - d) Establish record retention policies to ensure preparedness for FCD compliance reviews outlined in Section VII of these policies and procedures;
  - e) Ensure that a Procurement Card is cancelled within twenty-four (24) hours of a Cardholder's last day of employment, and provide that an Agency Program Administrator shall recover the card; notify FCD to cancel the card; and document the method of disposal of the card;
  - f) Require Separation of Duties, including an independent review by an Employee other than the Cardholder and matching the detail on statements submitted to the Employee by the Cardholder;
  - g) Establish training requirements for Cardholders and Agency Program Administrator;
  - h) Establish specific internal controls, budget controls, workflow

processes, and paper flow processes to ensure the integrity and success of the Procurement Code Program;

- i) Establish and maintain Cardholder's purchasing limits; and
  - j) Require independent receipt and acceptance of goods and services purchased using the Procurement Card, such that an Employee other than the Cardholder shall initial or sign for the receiving purchases, invoices or other documents to indicate that goods and services were received and were acceptable. This requirement may be waived in the case of an Emergency (as defined in NMSA 1978, Section 13-1-127, as amended).
4. Based on an Agency's business needs for conducting State business, Agency credit limits may be modified upon a written request by the Agency to FCD for approval. The Agency must ensure adequate budget sufficiency.
  5. Prior to commencing a Procurement Card Program, an Agency must obtain from FCD two policy exemptions related to Procurement Card purchases: 1) an exemption from the requirement of having to encumber purchases (i.e., issue a purchase order and then be obligated to a vendor for the purchase); and 2) an exemption from the requirement to include invoices and receipts with the payment.
  6. Prior to issuing an Employee a Procurement Card, the Agency's Program Administrator (or FCD) must train the Employee on the appropriate use of the Procurement Card, the approved Agency's policy and procedures, and the Procurement Code. FCD will train the Agency's Program Administrator on FCD Policies and Procedures.
  7. The Agency Program Administrator is responsible for maintaining the documentation and distribution of the Procurement Card to Employees; submitting authorized applicants to FCD; monitoring compliance with Agency policies and procedures and these Policies and Procedures; and cancellation of Procurement Cards.
  8. An Agency must pay the card issuer the total amount of the balance shown as due on each statement regardless of errors, discrepancies or any disagreement with the statement. There is no right to defer any payment due on the accounts regardless of discrepancies (items returned to vendors, credit vouchers not appearing on the statement and disputes with either the vendor or the card issuer, etc.). However, an Agency must attempt to resolve any discrepancies on the monthly statement within fifteen (15) days of receiving the statement. If the discrepancies are not resolvable within fifteen (15) days, the Agency must thereafter follow the card issuer's dispute process.

#### B. Cardholder Responsibilities:

1. The Cardholder must utilize the Procurement Card Program's transaction-management software when creating a purchase request for goods or services prior to processing a transaction. Once a purchase request has been created

and submitted in the transaction-management software, the next level of approval must be completed before a good or service is purchased.

2. The Cardholder may only use the Procurement Card for legal, authorized, and eligible expenditures as set forth in these Policies and Procedures, *FCD's Procurement Card Listing for Restricted Items* (as listed on the DFA website), and any laws, rules, policies, and State statutes.
3. The Cardholder must utilize State contracts/price agreements and follow applicable State Use Act and Procurement Code requirements and the requirements of the implementing rules pursuant to NMSA 1978, Sections 13-1-28 through 13-1-199, as amended.
4. The Cardholder is liable for charges incurred when using the Procurement Card if the charge is determined to be in violation of state statutes, the State of New Mexico Procurement Code and its implementing rules, these Policies and Procedures, Agency policies and procedures, or if the charge is deemed ineligible.
5. The Cardholder shall not use the Procurement Card for ATM or point-of-sale cash advances, the purchase of traveler's checks, or the purchase of other negotiable instruments (e.g., money orders).
6. The Cardholder shall not charge any personal purchases to the Procurement Card.
7. The Cardholder must immediately surrender the Procurement Card upon transfer to another State Agency, resignation, retirement, or upon termination from employment from the State. Use of the Procurement Card after separation from the State constitutes "Card Misuse" as set forth in Section III. General Policies, Paragraph E of these Policies and Procedures.
8. Prior to receiving a Procurement Card, an Employee must sign a State of New Mexico Procurement Card Cardholder Agreement, the form of which is attached hereto as Appendix A as acknowledgment that he or she understands these Policies and Procedures and the Agency's policies and procedures governing the use of the Procurement Card.
9. An Employee assigned by the Agency who is not the Cardholder shall perform a Reconciliation of receipts of all charges shown on statements prior to issuing a payment voucher to FCD for payment to the card issuer. If original receipts are not available due to loss or are illegible, the Cardholder must complete an affidavit for lost receipts detailing the purchase date, vendor, item description, item cost, total, and reason the receipt is not available. The affidavit shall be retained with the reconciled statement.
10. Within fifteen (15) days of the issue date on the card issuer's monthly billing statement, the Cardholder shall attempt to resolve any discrepancies including charges for items returned to vendors, credits not appearing on the

statement, and disputes with either the vendor or the card issuer.

11. Procurement Cards are assigned to individual Cardholders. The Cardholder is personally liable for ensuring the physical security of the Procurement Card and shall ensure that the use of the Procurement Card is in compliance with these Policies and Procedures and with applicable rules, State statutes and Agency policies and procedures. Transferring, borrowing, or lending a Procurement Card to any individual is prohibited.

12. If the Procurement Card is lost, misplaced or stolen, the Cardholder must immediately report the loss to the Agency Program Administrator.

## VI. Travel

### A. General Travel Policies

When using the Individual Travel Procurement Card, Agencies and Cardholders must comply with these Policies and Procedures, state contracts and price agreements, and all other applicable financial and accounting laws, rules, policies and procedures, to include the Per Diem and Mileage Act, NMSA 1978, Sections 10-8-1 through 10-8-8 and DFA Rule, Section 2.42.2 NMAC (Regulations Governing the Per Diem and Mileage Act). The Individual Travel Procurement Card may be used by Agencies to reserve and rent lodging; rent vehicles; and purchase airline or common carrier fare for Employees, when traveling on official State business.

1. Cardholders must obtain approval from their Agency Program Administrator and FCD for use of an Individual Travel Procurement Card for travel and travel-related expenses defined in NMSA 1978, Sections 10-8-1 through 10-8-8 and DFA Rule, Section 2.42.2 NMAC (Regulations Governing the Per Diem and Mileage Act).
2. Agencies shall establish written policies and procedures governing the use of the Individual Travel Procurement Card.
3. An Agency may appoint Cardholder(s) to secure airline, lodging, or car rental reservations on behalf of the Agency.
4. Upon FCD approval, an Agency may issue an Individual Travel Procurement Card to an employee whose primary job assignment is to travel frequently on official business for the State (e.g., a Taxation and Revenue Department Auditor). The Procurement Card shall be used to secure airline, lodging, or car rental reservations. The Agency must include in its policies and procedures the information in this paragraph VI.



## B. Restricted Travel Expenses

The following minimum restrictions apply to the use of the Procurement Card or Individual Travel Procurement Card:

1. FCD's Procurement Card Listing for Restricted Items, as referenced in Section V, B, 2, lists the travel-related items and services that are restricted.
2. The Procurement Card may be used to secure lodging reservations and rent rooms. Charges shall include room charge and applicable taxes only. No other charge may be placed on the Procurement Card or the Individual Travel Procurement Card in conjunction with lodging, such as room service, telephone calls, laundering, bartering, movie/pay TV fees, or other incidentals.
3. The Procurement Card may be used to secure automobile rental reservations and rent an automobile. Charges shall only include rental charges, taxes, applicable fuel charges, and collision/damage waiver insurance.
4. The Procurement Card may be used to secure airline or common carrier reservations. Charges shall include initial ticketing/travel agency fees, fare, applicable taxes, reissuing fees, and baggage fees. No other charges may be placed on the Procurement Card or Individual Travel Procurement Card in conjunction with the fare.

## VII. Compliance Reviews

FCD, on a periodic basis, performs an internal audit of Agencies that utilizes a Procurement Card(s). The following documentation must be maintained and available for audit:

### A. General Information

1. Reconciled card issuer statements and supporting documentation; and
2. List of Cardholders.


### B. Transaction Information

1. All supporting documents, including, but not limited to: approved Internal Purchase Request (submitted via card issuer transaction-management software as utilized, or otherwise), receipts, invoices, and signed Affidavits;
2. Receipts attached to reconciled monthly card issuer billing statements; when a price agreement or state contract is used, the agency must reference or attach the price agreement or state contract number including expiration date on the payment voucher; and
3. Correspondence with the Central Nonprofit Agency under the State Use Act for services to be purchased, regardless of cost, if there is no price agreement for the intended service(s).

VIII. FCD Inquiry Address

Department of Finance and Administration  
Financial Control Division  
Office of the State Controller  
Bataan Memorial Building, Room 166  
Santa Fe, NM 87501

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
FINANCIAL CONTROL DIVISION

By:  Date: 6/3/2020  
Director, Financial Control Division

APPENDIX A: CARDHOLDER AGREEMENT

State of New Mexico  
Department of Finance and Administration Financial Control Division  
Procurement Card or Individual Travel Procurement Card  
Cardholder Agreement

I, \_\_\_\_\_, under penalty of perjury, hereby agree to comply with the terms and conditions governing the use of the State of New Mexico Procurement Card or Individual Travel Procurement Card. I have read and I do understand the terms and conditions, hereinafter referred to as “Policies and Procedures,” for use of the Procurement Card or Individual Travel Procurement Card. I understand that the Policies and Procedures include: 1) the State Procurement Card or Individual Travel Procurement Card Policies and Procedures issued by the Financial Control Division (FCD) of the New Mexico Department of Finance and Administration (DFA); and 2) the policies and procedures issued by the Agency. These policies may change at any time; as such, I understand that I may be required to attest to the terms of the new policies.

I understand that the State of New Mexico has delegated to me the authority to make certain purchases on its behalf by issuing me a Procurement Card or Individual Travel Procurement Card. Given that authority, I agree to accept responsibility for the proper use of the card. I agree that I am to use the card solely for legal, authorized and “Eligible Purchases,” as defined by the Policies and Procedures, and that those purchases must be for a valid public purpose, necessary for the conduct of State business, and within monthly and single purchase limits. I agree to make all purchases in accordance with applicable laws and regulations, including but not limited to the State of New Mexico Procurement Code.

I agree that the Procurement Card or Individual Travel Procurement Card may not be used for travel or travel-related expenses unless specifically authorized and approved by the Agency, FCD and the card issuer. In no instance shall I use the Procurement Card or Individual Travel Procurement Card for personal travel or personal expenses related to travel.

I understand that my failure to follow the Policies and Procedures will result in disciplinary action against me including, but not limited to: suspension, termination of employment, and/or criminal prosecution.

I understand that the Agency program administrator, the Agency head, or FCD may cancel my Procurement Card or Individual Travel Procurement Card privileges immediately, at any time, without cause.

I agree to return the card immediately upon any disciplinary action against me, or upon my termination of employment with the Agency, including but not limited to, suspension and/or termination (including retirement) or upon reassignment to another Agency. I agree to return the card immediately upon the request of the Agency program administrator, Agency head, or FCD, and that disciplinary action shall result for failure to do so.

I agree that I am responsible for complying with the State Procurement Card or Individual Travel Procurement Card Policies and Procedures issued by the FCD of the New Mexico DFA; and 2) the policies and procedures issued by the Agency.

I understand that, if the card is lost or stolen, I will immediately notify the Agency program administrator. I understand that failure to do so will result in disciplinary action against me.

I agree that I am personally liable for and will immediately repay to the State of New Mexico all costs incurred by the State due to my misuse of the Procurement Card or Individual Travel Procurement Card.

I certify that, I have received training by FCD and/or the Agency and fully understand the Policies and Procedures, including the consequences of failing to comply with them.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Agency Program Administrator Signature

\_\_\_\_\_  
Date