

State of New York Commercial Card Program

Procurement Card Guidelines For NYS Agencies

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Table of Contents

1. Background	3
1.1 Items to Be Purchased with the Procurement Card	3
1.2 Items Prohibited from Procurement Card Use	3
2. JPMC Responsibilities	3
2.1 Card Issuance and Customer Service	4
2.2 Monthly Summary Statements	4
2.3 JPMC Web tools	4
2.4 Training	4
3. State Agency Cardholder Responsibilities	5
3.1 Purchases Requiring Prior Approval	5
3.2 Cardholder Review	5
3.3 Disputed Items	6
3.4 Lost or Stolen Credit Cards	6
3.5 State Liability	6
4. Agency Management Responsibilities	7
4.1 Authorized Users	7
4.2 Credit Limit	7
4.3 Card Controls	7
4.4 Processing Payments	7
5. Program Administrator/Fiscal Officer Responsibilities	7
6. The Office of Foreign Assets Control (OFAC) Sanctions List	8
7. Audit Responsibility	9
8. Contacts for the PCard Program	9

1. Background

New York State's (State or State's) procurement card (PCard) program is designed to be an efficient and cost-effective way to expedite small dollar purchases. There are, however, certain inherent risks associated with a procurement card program. Specifically, purchases are completed before supervision and oversight activities can occur. These risks can be overcome if agencies, authorities, political subdivisions, etc. put adequate detection controls in place to identify and prevent inappropriate or questionable purchases. These guidelines are minimum standards to help State agency personnel administer the State's procurement card program. Each participating agency should develop their own internal procedures to ensure appropriate control and accountability over its credit card transactions. Agency administrators should consider this a higher risk activity that requires appropriate internal controls considering the State Comptroller's (OSC's): [Accounting Policies & Operational Guidance](#).

Please note that these guidelines are written based on policies and regulations that apply to State agencies. Political subdivisions and authorities may incorporate these guidelines into their own policies and procedures. However, the document should be reviewed by political subdivisions and authorities to determine what applies to their use of these procurement cards.

For entities subject to OSC oversight, according to the State Comptroller's [Guide to Financial Operations](#), Agencies are required to use PCards to purchase goods and services less than \$500.00 when a vendor accepts the PCard for payment.

1.1 Items to Be Purchased with the Procurement Card

The following are examples of items that you may use the card to purchase. These may differ from your agency's internal policies.

- a. Items from Preferred Sources
- b. Items on an Office of General Services' centralized/statewide contract
- c. Maintenance/repairs of equipment
- d. Supplies and materials
- e. Equipment
- f. Printing
- g. Conferences/seminars
- h. Freight
- i. Personal Services¹

1.2 Items Prohibited from Procurement Card Use

Items you cannot use the procurement card for include:

- a. Personal use
- b. Travel/entertainment (i.e. airline, car rental, lodging)²
- c. Rent
- d. Cash advances
- e. Cash refunds
- f. Agency-Specific contracts³

2. JPMC Responsibilities

¹ PCard can be used for personal service payments that would qualify for 1099-MISC reporting to the Internal Revenue Service. You can obtain more detailed information on 1099-MISC reporting from the Internal Revenue Service.

² The J.P. Morgan Chase (JPMC) PCard (silver card labeled "Purchasing") is different from the JPMC Travel Card (gold card labeled "Corporate"). Travel related expenses such as meals, lodging, airfare, and car rentals should be charged on the JPMC Travel Card and/or NET Card (blue card labeled "One Card"), not the JPMC PCard. Catered meals for a group such as at a conference are allowable on the PCard. Conference room rental fees are also allowed on the PCard.

³ The PCard may not be used for payments on formal contracts or purchase orders approved by OSC, other than statewide Office of General Services (OGS) contracts (P-contracts). OSC requires agencies always show available funding for a contract by encumbering all expenses against contract records in the Statewide Financial System (SFS). Additionally, documents related to contracts must be retained for significantly longer than those for the PCard. There is no way to ensure proper retention if contract payments are made with the card.

2.1 Card Issuance and Customer Service

JPMC will mail routine new or replacement cards within 48 hours of receipt of card request, with expected delivery within four to six business days. In the event an emergency account is requested, account numbers and expiration dates will be provided within 24 hours. Expedited new or replacement card requests will be delivered within 2 business days.

JPMC Customer Service will be available for Program Administrators and Cardholders on a 24/7 basis including phone and on-line access. See [Section 5](#) on Page 7 of this document for a description of the Program Administrator's/Fiscal Officer's responsibilities.

JPMC uses the last four digits of an employee's "N" number and the first 4 digits of your card delivery zip code for identification purposes when a cardholder contacts them for account information and card activation.

CUNY & SUNY have the following exceptions:

- CUNY, for their last 4 of Employee ID is using the CUNY ID.
- SUNY, for the PCARD only, is using the last four of the SUNY ID and for Travel and NET they are using the last 4 of the business phone number.

2.2 Monthly Summary Statements

After the close of each billing cycle (on or about the 5th of the month), JPMC will provide each agency a bill, which will include all individual charges by the agency's cardholders, incurred on the account. JPMC will also provide each cardholder with a monthly statement of charges incurred during the billing cycle. The procurement card statements will be electronically available on PaymentNet within 48 hours after the cycle closes.

2.3 JPMC Web tools

JPMC provides customized reporting tools in PaymentNet to help agencies and cardholders electronically monitor transactions. PaymentNet provides:

- 1) Access to program management modules and online statements
- 2) Manage cardholder maintenance online
 - a) Add or delete cardholders
 - b) Review transactions and cardholder statements
 - c) View/edit hierarchy
 - d) View dispute log and create dispute forms
- 3) Create custom reports showing:
 - a) Cardholder information
 - b) Transaction Information
 - c) Hierarchy
 - d) Trend analysis
 - e) Informational Dashboards
- 4) Secure information and data exchange
- 5) Self-directed training modules for online systems

2.4 Training

In addition to the self-directed training modules in PaymentNet, JPMC will provide training as needed.

3. State Agency Cardholder Responsibilities

When making purchases with the PCard, the cardholder should:

- Follow the State's procurement rules and regulations, including: Procurement Laws, NYS Procurement Guidelines, PCard Guidelines and Procedures, and Travel Guidelines.
- All state agencies, are required to purchase approved products and services from Preferred Sources in accordance with the procedures and requirements described in the [Preferred Source Guidelines](#).
- Purchase the item from an OGS contract vendor when the item is available on statewide contract.
- Purchase items from NYS certified Minority and Women Owned Business Enterprise (M/WBE) vendors, NYS certified Service-Disabled Veteran Owned Business (SDVOB) vendors, or small businesses when possible.
- Follow the agency's accounting procedures concerning the availability of funds to cover the expense.
- Be able to substantiate the reasonableness of price for purchased items.
- Purchase only the number of items, at the quantity and quality needed for appropriate State use.
- Be knowledgeable about individual card limits and do not attempt to make purchases in excess of the single transaction limit.

3.1 Purchases Requiring Prior Approval

Agency policy and approval procedures may vary, and it is the cardholders' responsibility to adhere to agency requirements. PCard holders should also review their agency's policies and procedures pertaining to PCard use. Ultimately, it is the PCard holder who is responsible for the proper use and safekeeping of a PCard.

In addition, cardholders should:

- a. Not split an order just to use the Pcard when the purchase price will exceed the per transaction limit.
- b. Not give their card or account number to anyone other than the vendor from whom they are making the purchase.
- c. Use the card only for legitimate State business purposes.
- d. Maintain the card in a secure location at all times.
- e. Not accept cash in lieu of a credit.
- f. Immediately notify JPMC and the Program Administrator of a lost or stolen card.
- g. Follow your agency guidelines for returning the card upon terminating employment. The Program Administrator must be notified upon termination, and cards destroyed.
- h. Ensure credits for reported disputed items or billing errors appear on a subsequent statement.
- i. Attempt to resolve disputes or billing errors directly with the vendor and notify JPMC if the dispute or billing error is not satisfactorily resolved.
- j. Obtain all required documentation for reconciliation according to your organization's policies and procedures. The documentation should support authorization of the purchase, the purchase price of the item and the receipt of the item. Examples of documentation include invoices, printed Internet confirmations, credit card receipts, and receiving acknowledgments. Supporting documentation for SFS users should be loaded into SFS during the credit card reconciliation process. Non SFS users should maintain records in accordance with their internal policies.

3.2 Cardholder Review

Cardholders can view their statements on [PaymentNet](#), at the end of each billing cycle or unbilled transactions at any time throughout the month. In addition, for SFS users, JPMC transactions will be imported into SFS on a daily basis.

The cardholder should review the monthly JPMC statement for accuracy and reconcile each charge transaction to the vendor receipts and/or invoices. For State Agencies that are SFS online agencies, this reconciliation should be conducted in SFS. The cardholder should also ensure all items are received in satisfactory condition and dispute any items not received.

The cardholder review should include the following questions:

- a. Did I purchase all items appearing on the statement?
- b. Are there any items I purchased that do not appear on the statement? Keep documentation associated with these purchases until the following Statement. If the charge still does not appear, contact the vendor.
- c. Does the amount quoted to me by the vendor match the amount I was charged for each item? Was I charged any tax or freight I was not aware of?
- d. Did I receive all items ordered in satisfactory condition? If not, the cardholder should ensure the items are received in satisfactory condition within the 60-day dispute window or dispute the charge.
- e. Do credits appear on the statement in the proper amount for any returns?
- f. Have I retained a copy of my transaction documents for my records?

3.3 Disputed Items

Agencies are responsible for paying the JPMC bill in full, including any disputable charges. The cardholder should review his/her statement each month for accuracy of charges. If the cardholder identifies a disputable charge on his/her statement, the cardholder should attempt to resolve the dispute with the vendor. If the cardholder cannot resolve a dispute with a vendor or there is a charge that is unauthorized or unrecognized on the cardholder's JPMC statement, the cardholder may dispute or check on the status of a previously reported disputed charge by calling the number on the back of the card, (800) 270-7760 or the cardholder or Program Administrator may dispute the charge through PaymentNet. Additionally, the Program Administrator may also call (800) 207-5359 for disputes.

Cardholders and Program Administrators can check on the status of the dispute in PaymentNet or by calling the number on the back of their card: (800) 270-7760.

Contract terms require disputed items be submitted to JPMC as soon as practicable and in any event within (60) days after the last day of the Cycle during which such Transaction is charged to Client, so it is important for the cardholder or Program Administrator to review charges each month upon receipt of the statement. If the cardholder or Program Administrator fails to dispute the charge within the 60 days, the agency may lose the ability to dispute the charge and as a result be liable for the fraudulent charge.

3.4 Lost or Stolen Credit Cards

Immediately report a lost or stolen procurement card to JPMC by calling (800) 270-7760. This number appears on the back of your card. The cardholder should be prepared to give their name exactly as it appears on the face of the card, the account number, their verification identifiers (last 4 digits of your State employee number ("N number"), and the first 4 digits of the cardholder's billing zip code), and a brief explanation surrounding the loss. Immediately following this notification, the cardholder must notify their agency's PCard Program Administrator.

3.5 State Liability

The PCard holder will not be billed directly for the charges but will be able to access a monthly statement of transaction information. The State of New York will be liable for all appropriate charges made using the PCard. Employees who complete an application for the JPMC PCard will not be subject to a credit check. All authorized and appropriate charges incurred using the PCard are paid by the State of New York.

New York State will be liable for all charges to the PCard account except for fraudulent use of the card by a vendor and/or an employee, those in excess of the single transaction or monthly limits and any other limits imposed by participating State agencies and accepted by JPMC. Employees will be responsible for reimbursing the State of New York for any charges incurred as a result of their misuse of the card. The employee may also be subject to other disciplinary action. New York State will not be liable for any charges incurred by someone other than the cardholder. Therefore, it is important to report immediately any lost or stolen procurement cards or unauthorized use of the card to JPMC.

4. Agency Management Responsibilities

4.1 Authorized Users

The purpose of the PCard is to enable State employees to do their work more efficiently. It is also designed to reduce the cost to purchase needed items of a small dollar value.

Each entity will assign a Program Administrator to identify the employees who are to receive a PCard. These cards should not be limited to employees working in the agency's purchasing unit. Rather, the cards should be assigned to program staff who need to make purchases to carry out each entity's operations. It may be appropriate for the card to be assigned to the support staff responsible for ordering goods and/or services.

4.2 Credit Limit

Program Administrators can set single transaction limits based on purchasing needs not to exceed the Discretionary Purchase threshold.

When establishing spending and transaction limits, agencies should consider purchasing rules or regulations as well as the duties of the employee assigned the PCard. Purchasing staff may require higher limits than employees who will infrequently use the card or who are not well versed in purchasing laws, rules, and regulations.

4.3 Card Controls

The PCard has specific merchant category codes (MCCs) that are included for purchase. Please see the MCC List listed in the [Contract Specifics](#) for specific category inclusions and exclusions.

In addition, agencies can control activity on the card by setting the following limits:

- a. Single Transaction Dollar Limit **(Required)** - Maximum amount of a single purchase transaction permitted on the account (whole dollars)
- b. Cycle Credit Limit **(Required)** - Maximum amount of credit that is permissible in a month
- c. Number of Transactions per Cycle - Maximum number of transactions permitted in a month
- d. Number of Transactions per Day - Maximum number of transactions that can be authorized in a given day

4.4 Processing Payments

Program Administrators can register for JPMC Online Statements via PaymentNet.

After registering for online statements, the Program Administrator can then choose other agency officials, including accounts payable staff, to have view access to the statement.

The statement is available within 48 hours after the cycle cut (cycle normally cuts on the 5th unless the 5th is on the weekend). Email reminder alerts that a statement is available can be setup.

In order to avoid paying interest charges as specified by the New York State Prompt Payment Law, all JPMC bills, including any disputed amounts, must be paid in full within 30 calendar days from the time the monthly statement is available.

Disputed items resolved in the agency's favor will be credited on a later statement.

Please refer to the OSC's Guide to Financial Operations (GFO), [Chapter XII.6Q](#) for guidance on proper processing of JPMC payments.

5. Program Administrator/Fiscal Officer Responsibilities

1. Serves as a liaison to JPMC.
2. Manages and evaluates the agency's PCard program.
3. Administers and maintains the PCard accounts using PaymentNet.

4. Coordinates issuing cards consistent with budget and accounting requirements.
5. Responsible for determining the delivery method of the cards to the cardholder.
6. Ensures cardholder signs [Acknowledgement Form](#) before card receipt.
7. Assigns a single transactions dollar limit and cycle credit limit for each card.
8. Has the authority to identify who will receive, review, and approve monthly reports transactions.
9. Has the authority to establish an internal process to review, approve and file monthly statements, coordinates employee training on the PCard program.
10. Trains agency personnel about the OSC's Standards for Internal Control in New York State Government. These guidelines can be found on the OSC website at: [OSC Internal Control Guidelines](#)
11. Develops a procedure for the cardholder to ensure funds are available to cover the purchase.
12. Monitors card activity and closes inactive card accounts.
13. Directs JPMC to cancel all PCard privileges for any cardholder that either leaves agency service for any reason or whose duties no longer include a purchasing function.
14. Establishes internal procedures for accounting, auditing, controlling, and monitoring card use and processing payments to JPMC.
15. Completes a Program Administrator setup form to add, delete or change any Program Administrator information. You can download this form from PaymentNet > Help> Resources. It is titled Commercial Card Program Authorization Form – Interactive (CCPAF-I) PDF and can be located under the “Program Administrators” section on the page.
Email the form to: designated.pc@jpmchase.com
16. Ensures the JPMC bill is processed as soon as possible to maximize rebate eligibility or no later than 30 calendar days of receipt of statement.
17. Work with JPMC on OFAC issues if they arise.

6. The Office of Foreign Assets Control (OFAC) Sanctions List

The OFAC Sanctions List is mandated and maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control. Per JPMC's OFAC Sanctions Screening document:

“OFAC administers and enforces economic sanctions programs primarily against countries and groups of individuals, such as terrorists and narcotics traffickers. The sanctions can either be comprehensive or selective.

OFAC rules generally require that U.S. persons (all persons and entities within the U.S., all U.S. incorporated entities and their foreign branches) are prohibited from transacting with persons on a government sanctions list. As a U.S. entity and a regulated financial institution, we are required to ensure individuals who are listed on a government sanctions list do not use our products.”

The OGS centralized contract with JPMC mandates that Authorized Users would only have to provide prospective cardholders' names in most instances. JPMC will contact the Program Administrator if an applicant's name comes back as a match on the OFAC list. They will only ask for a one or two additional pieces of cardholder information to confirm that the applicant is not the one on the OFAC list. JPMC will start with the date of birth (DOB) and if that does not match the name on the OFAC list then the application process will continue. However, if the DOB matches the one on the OFAC list, then an additional step is needed and JPMC will then ask for the applicant's home address. If the applicant's address does not match the one on the OFAC list, then JPMC will be able to proceed with the application process. If any of this required information is not provided, then JPMC will not be able to process the application.

If JPMC reaches out to verify the OFAC information and the Authorized User refused to provide the information, the card will be canceled or not issued to the applicant.

Please see the JPMC OFAC Sanctions Screening document posted on our Contract Specifics page at: [Contract Specifics](#).

For more information, please visit the OFAC website: <https://ofac.treasury.gov/>

7. Audit Responsibility

The participating agency should establish a program to audit the PCard transactions in keeping with the agency's policies and procedures. This audit function may be the responsibility of the Authorized User's Fiscal Office, the internal auditor's office, or other appropriate office with staff possessing the skills, access, and authority to effectively audit these transactions.

OSC may elect to audit any and all procurement cardholder accounts. These OSC audits do not require advance notice. It is important that all entities using the PCard retain accurate records of all transactions made. These records must be made available to OSC upon request.

8. Contacts for the PCard Program

New York State Client Account Manager

Dedicated Program Coordinator Services for day-to-day issues.
Please have your Company Number and Verification ID available when you call
Mark Burke
(800) 969-3156 ext. 1050014536
Designated.pc@jpmchase.com

JPMC Relationship Manager

Dan Marshek
(312) 954-2754
daniel.marshek@jpmchase.com

Client Application Support

877-967-1100
ccs.cas.support@jpmchase.com
Monday thru Friday 7AM – 6PM CST

Card Holder Support

Activate and manage card status,
Resolve account and transaction issues.
Have your Account Number and Access Code available.
800-270-7760

Office of General Services

Contract Information for All Users:
[NYS OGS - 79008 23217 Purchasing, Travel and NET Card Services \(Statewide\) - Award](#)
Contact email address:
BSCFinance@ogs.ny.gov with "credit card" in the subject line
Business Services Center 518-457-4272, Option 1

Office of the State Comptroller

Information for State Agencies:
[OSC Information for State Agencies](#)
Contact email address:
creditcard@osc.state.ny.us
Fax 518-473-4392