



Financial Management and Reporting

Agency Policies and Procedures

Issue Date: October 15, 2009

Policy Number: FMR-4A-03

Revised Date:

Page 1 of 11

Emergency Card

Policy Objectives:

Agency policies and procedures for using the emergency card are designed to:

- Promote accountability for the use of the emergency card,
- Ensure adequate documentation is maintained to support payment of the emergency card invoices,
- Specify responsibility for ensuring that the appropriate sales and use tax is paid, and
- Provide consistent and appropriate processes.

Effective Implementation Date: November 15, 2009

Background Information:

The purpose of this policy is to ensure that the emergency card is used appropriately by state employees so that emergencies may be responded to quickly, efficiently, and cost-effectively. The emergency card is intended to be issued to a limited number of persons for purchasing in an emergency response situation.

Authorized users of the emergency card shall use this procurement tool solely for emergencies and the card is not meant to function as a regular purchasing card. As an emergency card, the Merchant Category Classification (MCC) codes will not be blocked, and the card will have a higher per transaction limit and monthly limit.

The emergency cardholder is responsible for the security of the emergency card and all transactions made against it.

This policy is to be applied consistently with the [Statewide Policy on Expenditures by State Employees and Authorized Users](#).

Authority:

- [Admin Authority For Local Purchase Manual and Updates](#)

- [Statewide Policy on Expenditures by State Employees and Authorized Users](#)
- [Emergency Card Policy 3.0](#)

Business Risks:

Non-compliance with this policy could increase the likelihood for:

- Improper purchases,
- Delay in payment with associated interest charges being incurred,
- Improper sales and use tax payment,
- Breach of contractual conditions with the emergency card contractor,
- Misappropriation of funds, and
- Disciplinary action, including termination.

Policies and Procedures:

1. Definitions
 - A. Emergency Cardholder: A state employee who is involved in the management of emergency response actions and has been authorized to use a state emergency card by Admin.
 - B. Cover Letter: Documentation prepared by the emergency cardholder's supervisor which includes: the person's name, position, the planned role the person would fulfill in the event of an emergency, the dollar threshold being requested, and why the emergency card is necessary.
 - C. Emergency Card Contractor: The vendor authorized by state contract for the emergency card program.
 - D. Emergency Card Coordinator: The individual assigned by the division to coordinate and control their division's emergency card(s) activity.
 - E. Emergency Cardholder's Supervisor: The individual responsible to review and monitor their employees' emergency card activities.
 - F. Emergency Card Program Manager: The individual appointed to manage, coordinate, and control emergency cards within the agency.
 - G. Memo Statement: The summarized monthly account of charges against a cardholder's emergency card provided by the emergency card contractor.
 - H. Corporate Account Summary: The summary of all monthly Memo Statements assigned to the paying location.
 - I. Original Receipt: The first detailed source document issued to the emergency cardholder that is marked, by the vendor, indicating that the bill or invoice was paid. The original receipt is not a copy or reproduction and must include the name and address of the vendor, date(s), detailed list of items, total amount, and date paid.
 - J. Paying location: The area authorized to participate in the emergency card program.
 - K. Purchasing Log: The form that is filled out by the emergency cardholder listing the purchases made each month with the emergency card. It also includes the payment coding information and applicable cost accounting information.

- L. Affidavit in Lieu of Receipt: A notarized document signed by the cardholder that details the nature of the purchase and the amount.
2. Designation and Responsibilities of the Emergency Card Program Manager
The Financial Management and Reporting (FMR) Director shall designate an agency emergency card program manager. The individual's responsibilities include, but are not limited to:
- A. Ensuring that the cardholder's FMR-015-01 [Authorized User Emergency Card Acknowledgement of Use Agreement](#) is properly completed;
 - B. Submitting FMR-015-01, [Authorized User Emergency Card Acknowledgement of Use Agreement](#) and cover letter to Materials Management Division (MMD);
 - C. Monitoring emergency card requests and changes;
 - D. Providing and documenting training for the emergency card coordinators including tracking requirements, policy review, and deadlines;
 - E. Establishing and communicating any additional agency restrictions or limitations;
 - F. Reviewing current authoritative guidance including policies and statutes;
 - G. Maintaining list by division of emergency cardholders, date application sent to contractor, date of cancellation, credit card number, monthly limit, and transaction limit;
 - H. Assigning the annual reconciliation of the list of emergency cards to the contractor's information to another individual to ensure the accuracy of the information;
 - I. Confirming the current emergency cards issued within the agency and the continued need of emergency cards for each emergency cardholder annually;
 - J. Canceling an emergency card with the contractor; and
 - K. Preparing annually a list of active emergency cards and forwarding it to the emergency card contractor, requesting that the emergency cards remain active even if they were not used in the past year. This should be done by January 31st of each year so that the emergency cards do not expire.
3. Responsibilities of the Emergency Cardholder's Supervisor
This individual's responsibilities include, but are not limited to:
- A. Preparing the cover letter as defined;
 - B. Reviewing the logs, records, and statements to ensure compliance with agency policies and procedures relating to the emergency card;
 - C. Monitoring emergency cardholders for submission of records and statements in a timely manner; and
 - D. Reviewing the use of the emergency cards annually to ensure that the needs remain for an emergency card for each emergency cardholder and notifying the emergency card coordinator and emergency card program manager.
4. Responsibilities of the Emergency Card Coordinator
This individual's responsibilities include, but are not limited to:
- A. Providing and documenting training including tracking requirements, policy review, and deadlines to emergency cardholders and emergency cardholder's supervisors;
 - B. Ensuring that any disputed charges are properly credited to the account;
 - C. Reviewing the logs, records, and statements to ensure compliance with agency policies and procedures relating to the emergency card; and

- D. Completing the FMR-013-01 [Purchasing Summary for Payment](#) as required by this policy or equivalent form.
- 5. Responsibilities of the Emergency Cardholder
 - A. The emergency cardholder makes purchases as authorized by the signed FMR-015-01 [Authorized User Emergency Card Acknowledgement of Use Agreement](#) form in compliance with all state and agency procurement laws, rules, policies and procedures including ensuring that adequate funds are encumbered for anticipated emergency card purchases. Emergency cardholders are expected to adhere to the highest ethical standards when conducting state business and to follow the Code of Ethics, [M.S. 43A.38, subd. 4](#), and related state statutes.
 - B. The emergency cardholder is responsible for the security of the emergency card and *all transactions* made against it.
 - C. The emergency cardholder must complete FMR-012-01 [Purchasing Log](#) or equivalent and include the rationale for the emergency purchase. Attach a copy of the written report of the emergency procurement activity required by the [ALP Manual](#).
 - D. The emergency card is exempt from the use of the state [Direct Pay Permit](#). The emergency cardholder must instruct the merchant to charge state sales and local use tax when applicable.
 - E. Obtaining original receipts for all purchases and submitting the receipts with the FMR-012-01, [Purchasing Log](#) or equivalent to the emergency card coordinator. If the original receipts cannot be obtained, the cardholder must try to obtain a copy of the receipt, sign, date, and note the reason that the original receipt is not available. If a copy cannot be obtained, the cardholder must complete, sign, and have notarized an FMR-003-01 [Affidavit in Lieu of Receipt](#).
- 6. Authorized Purchasing Dollar Limit

The emergency card has a limit of \$25,000 per transaction and a maximum of \$50,000 per monthly billing cycle. These limits can be further restricted within the divisions. If a division needs a limit above these amounts, the emergency cardholder's supervisor must submit a written request for an exception to the emergency card program manager. If appropriate, the emergency card program manager will submit the request to MMD.
- 7. Authorized Uses
 - A. The emergency cards will only be used for expenses relating to an emergency or declared emergency. Pursuant to statute, an emergency is a threat to public health, welfare, or safety that threatens the functions of government, the protection of property, or the health and safety of people. Emergencies must be declared by an authority as outlined in the [ALP Manual](#). Emergency purchases must be reported to MMD as required by the [ALP Manual](#).
 - B. The emergency cards will not be used for purchases of routine, individual meals, including for an employee in travel status, or any item not authorized by this policy.
 - C. The emergency cards may be used for group, event-related meals for actual disasters or declared emergencies. The agency and state policies for meals must be followed.

- D. Any group, event-related meals purchased will be within the applicable bargaining unit limits for meal reimbursement (unless otherwise approved in advance as a Special Expense in accordance with the agency's Special Expense policy and Minnesota Management and Budget Procedure 4.4) and lists of people for whom meals are being provided will be kept to confirm that purchases are within these limits.
 - E. If the emergency card is used in violation of this policy, the emergency cardholder shall report the matter to the emergency card program manager no later than the next business day. In the case of a prohibited purchase, the emergency cardholder may be required to immediately reimburse the agency for the prohibited purchases. There may be situations where such reimbursement may not be warranted, in which case the emergency card program manager will resolve such matters on a case-by-case basis and report usage to MMD.
8. Application Process
- A. When it is determined by a supervisor that there is a need for an emergency card to be issued to an employee, the supervisor requests that the employee completes and signs the FMR-015-01 [*Authorized User Emergency Card Acknowledgement of Use Agreement*](#).
 - B. The supervisor reviews, approves, signs, and retains a copy of the form. A copy of the signed form is also given to the emergency cardholder. The supervisor prepares a cover letter and submits it with the FMR-015-01 [*Authorized User Emergency Card Acknowledgement of Use Agreement*](#) to the emergency card coordinator. After reviewing the forms, the emergency card coordinator submits the original forms to the emergency card program manager.
 - C. The emergency card program manager reviews, signs, and submits FMR-015-01 [*Authorized User Emergency Card Acknowledgement of Use Agreement*](#) and the cover letter to MMD.
 - D. MMD reviews the documentation and submits approved requests to the emergency card contractor to open an account and have an emergency card issued to the emergency cardholder. MMD provides a copy of the documentation to the emergency card program manager for further action.
 - E. The emergency card program manager trains the emergency card coordinators on tracking requirements, policy review, and deadlines.
 - F. The emergency card coordinator trains the emergency cardholder and the emergency cardholder's supervisor on tracking requirements, policy review, and deadlines after approval is received from MMD for issuance of an emergency card. The emergency cardholder and emergency cardholder's supervisor will sign the FMR-015-01 [*Authorized User Emergency Card Acknowledgement of Use Agreement*](#) after the training has been provided.
 - G. The emergency cardholder receives the emergency card, signs the back of the emergency card, and activates the emergency card. The emergency cardholder must provide the emergency card number to the emergency card program manager and emergency card coordinator upon receipt of the emergency card.

9. Purchasing and Payment Process

- A. Use of an emergency card is an exception to the state law that requires state entities to encumber money for expenditures prior to obligating the state to pay for a purchase. Emergency cardholders must work with their buyer to encumber funds as soon as reasonable after addressing the emergency.
- B. When the transaction involves direct in-store purchases, the emergency cardholder signs and retains the original receipt for attachment to the FMR-012-01 [Purchasing Log](#) or equivalent form. When the transaction involves phone or fax orders, a copy of the original order together with the receiving documents (i.e. packing slip) becomes the original receipt.
- C. The emergency cardholder fills out FMR-012-01 [Purchasing Log](#) or equivalent form and attaches the related documents with the purchasing log as each transaction occurs. All related documents must be numbered to match the transaction number on the purchasing log. If there are any missing invoices/receipts, FMR-003-01 [Affidavit in Lieu of Receipt](#) form must be completed and attached to the purchasing log.
- D. If sales tax has not been charged properly by the vendor, the emergency cardholder fills out the FI-00572-01 [Payment of Sales Tax](#) form and retains with the purchasing log.
- E. Upon receiving the memo statement, the emergency cardholder matches it to the purchasing log and notes any discrepancies on the statement as required in the dispute process. All disputed amounts are paid even though they are disputed charges. (See Dispute Process Section 11 for more information.) The signed purchasing log, original receipts, other related records, and the memo statement must be sent to the emergency cardholder's supervisor. (Note: If a charge is not on the memo statement, make a copy of the purchasing log. Next, cross out on the original purchasing log the item(s) not charged on the memo statement and cross out on the copy of the purchasing log all of the item(s) that were charged on the memo statement. The copy of the purchasing log will be used as back up for the payment charged in the future period.)
- F. If the emergency cardholder plans to be out when the memo statement arrives, arrangements should be made so that the memo statement can be reconciled timely.
- G. The emergency cardholder's supervisor reviews the purchases and discusses questionable items with the emergency cardholder. The emergency cardholder's supervisor must consult with division management if the purchases are inappropriate and/or violate the code of ethics. The emergency cardholder's supervisor, manager, or division director may conduct an investigation, if appropriate, to determine: 1) if a substantial violation occurred and 2) what disciplinary action is appropriate. This should be done in consultation with Admin's FMR director, emergency card program manager, Human Resources director, and any other appropriate personnel based on the circumstances. If canceling the emergency card, the emergency card's supervisor immediately contacts the emergency card coordinator who contacts the emergency card

program manager. (See Canceling an Emergency card below for more information.)

- H. The emergency cardholder's supervisor reviews the memo statement, FMR-012-01 [Purchasing Log](#) or equivalent form with attached original receipts and related documents to ensure compliance with procurement policies and rules and the emergency card policy. The emergency cardholder's supervisor signs the purchasing log after verifying the information and resolving any questionable items. The memo statement, purchasing log, receipts, and other related records are then forwarded to the emergency card coordinator.
 - I. The emergency card coordinator reviews the FMR-012-01 [Purchasing Log](#) or equivalent form with all attached related documents for compliance with procurement policies, rules, and the emergency card policy. The emergency card coordinator signs the purchasing log after verifying the information and resolving any questionable items.
 - J. The emergency card coordinator summarizes the logs of the paying location to match the corporate account summary using the FMR-013-01 [Purchasing Summary for Payment](#) or equivalent form. The emergency card coordinator will make adjustments as necessary for any rebates received on the corporate account summary. The emergency card coordinator then forwards all documents to the division's accounts payable unit.
 - K. The division's accounts payable unit processes the invoice for payment using the correct object code for each item through the state's accounting system. If needed, this unit also processes FI-00572-01 [Payment of Sales Tax](#) form, for payment for tax to the Department of Revenue in accordance with MAPS Policy and Procedure 0807-01, [State Taxes on State Agency Payments](#) and FMR-4A-01, [Ordering, Receiving, and Payment Processing \(Three-Way Match\)](#). The accounts payable unit retains the logs, original receipts, invoices, and any other related documents in accordance with the record retention schedule.
10. Rebates
- A. Rebates received from the emergency card contractor will be allocated to the accounts based on the fiscal quarter's expenditures from the [US Bank Purchasing Card Rebate](#) Crystal report in accordance with MAPS Policy and Procedure 0702-09 [Credit Agreements](#) and 0702-09PR [Processing a Rebate](#).
11. Dispute Process
- A. The emergency cardholder contacts the applicable vendor within 10 calendar days of receiving the memo statement and requests resolution of the charges. All disputed amounts and contacts are recorded on the FMR-012-01 [Purchasing Log](#) or equivalent form. If the invoice is reasonable, even with the disputed item(s), the full amount of the invoice should be paid to ensure the maximum possible rebate.
 - B. The emergency cardholder must call the 1-800 number on the back of the emergency card within 60 calendar days of receiving the original memo statement to notify them of the dispute if a credit has not been issued by the vendor. Credit should be requested and a case number will be issued for each dispute and must be noted on the purchasing log. All information provided to the emergency card

contractor must be attached to the FMR-012-01 [Purchasing Log](#) or equivalent form.

- C. The emergency card coordinator must be notified in writing within two working days of the attempts to resolve the dispute with the vendor after the emergency card contractor has been notified.
 - D. The emergency cardholder must submit a copy of the FMR-012-01 [Purchasing Log](#) or equivalent form with updated notes/contacts regarding the disputes with the monthly information packet.
 - E. If a credit does not appear after following the dispute process, the emergency card manager should be notified for assistance in resolution by the emergency card coordinator.
12. Changes to Emergency cards
- A. Lost/Stolen Emergency cards
 - 1. The emergency cardholder immediately calls the emergency card contractor, emergency card program manager, and emergency card coordinator to report the lost/stolen emergency card.
 - 2. The emergency card contractor immediately blocks the further use of the emergency card.
 - 3. The emergency cardholder completes FMR-014-01 [Lost/Stolen Purchasing Card/Emergency Card Form](#) and distributes copies to the emergency card program manager, emergency card coordinator, and emergency cardholder's supervisor. The emergency card program manager will determine if a replacement emergency card should be requested and take appropriate action.
 - 4. The emergency card contractor issues a new emergency card. Upon receipt of the new emergency card, the emergency cardholder notifies the emergency card coordinator and emergency card program manager of the emergency card number.
 - B. Damaged Emergency Card
 - 1. The emergency cardholder informs the emergency card program manager and the emergency card coordinator of the need for a replacement emergency card. The damaged emergency card is forwarded to the emergency card program manager.
 - 2. The emergency card program manager contacts the emergency card contractor to request a replacement emergency card.
 - 3. The emergency card program manager destroys the emergency card and initials on the FMR-015-01 [Authorized User Emergency Card Acknowledgement of Use Agreement](#) that the damaged emergency card was destroyed along with the date the emergency card was destroyed.
 - 4. The emergency card contractor issues a new emergency card.
The emergency cardholder must verify that the card number is the same. If the number is not the same, contact the emergency card program manager for further instructions. If the number is the same, sign the back of the emergency card and activate the emergency card.

- C. Expired Emergency Card
 - 1. The emergency card contractor will send each emergency cardholder a new emergency card prior to the expiration date on the emergency card.
 - 2. The emergency cardholder must verify that the card number is the same. If the number is not the same, contact the emergency card program manager for further instructions. If the number is the same, sign the back of the emergency card and activate the emergency card.
 - 3. The expired emergency card is submitted to the emergency card coordinator who will destroy the emergency card immediately and initial on the FMR-015-01 [Authorized User Emergency Card Acknowledgement of Use Agreement](#) that the expired emergency card was destroyed along with the date the emergency card was destroyed.
 - D. Changing the Limit or Type of Emergency Card
 - 1. The FMR-015-01 [Authorized User Emergency Card Acknowledgement of Use Agreement](#) form must be completed by the emergency cardholder and approved by the emergency cardholder's supervisor.
 - 2. The completed form is submitted to the emergency card program manager for processing.
 - E. Canceling an Emergency Card
 - 1. Emergency cards can be canceled for a number of reasons such as, but not limited to: improper usage, change of duties, continual untimely submission of the required paperwork, leaving state service, transferring to another department or division, layoff, mobility, extended leave of absence, or retirement.
 - 2. The emergency card must be obtained by the emergency cardholder's supervisor when the emergency card is deemed cancelable. The emergency cardholder's supervisor immediately informs the emergency card program manager and the emergency card coordinator of the cancellation request in writing. The emergency cardholder's supervisor forwards the emergency card to the emergency card coordinator.
 - 3. The emergency card program manager calls the emergency card contractor and requests the cancellation of the emergency card.
 - 4. The emergency card coordinator destroys the emergency card and immediately notes, and initials the date of destruction in the notes section on the FMR-015-01 [Authorized User Emergency Card Acknowledgement of Use Agreement](#).
 - 5. The emergency card contractor blocks further use of the emergency card.
13. Fraud
- A. Pursuant to [M.S. 609.456 subd. 2](#), all suspected fraud with the state's emergency card must be reported via a memo to the Office of the Legislative Auditor (OLA). This requirement includes those instances when the state's emergency card account number has been compromised and unauthorized use of the account is discovered either by the emergency card contractor or a state employee.

14. Audit

- A. The audit process for emergency cards is a 100% audit of all emergency card transactions. The emergency cardholder's division director or designee who is not part of the emergency card review/approval process must audit the transactions and verify that the requirements of this policy including the following have been met:
1. Authorized users are properly using the emergency card for emergency purchases;
 2. Charges for federal excise taxes have been removed, if appropriate;
 3. State sales taxes have been paid, when applicable; and
 4. Potentially fraudulent transactions resulting from lost, stolen, or returned emergency cards are identified.
- B. The cover letter and FMR-015-01 [Authorized User Emergency Card Acknowledgement of Use Agreement](#) form must be retained for all active emergency cards. The cover letter and FMR-015-01 [Authorized User Emergency Card Acknowledgement of Use Agreement](#) form for inactive emergency cards must be retained following the [Statewide Accounting Records Retention Schedule](#) for paid vendor invoices.

Forms:

FMR-003-01 [Affidavit in Lieu of Receipt](#)
FMR-012-01 [Purchasing Log](#)
FMR-013-01 [Purchasing Summary for Payment](#)
FMR-014-01 [Lost/Stolen Purchasing Card/Emergency Card Form](#)
FMR-015-01 [Authorized User Emergency Card Acknowledgement of Use Agreement](#)
FI-00572-01 [Payment of Sales Tax](#)

See Also:

M.S. 16A.124 [Prompt Payment of State Agencies Bills Required](#)
M.S. 16A.15, subd. 3 [Allotment and Encumbrance](#)
M.S. 16C [State Procurement](#)
M.S. 43A.38 [Code of Ethics for Employees in the Executive Branch](#)
M.S. 43A.39 [Compliance with Law](#)
[Purchasing Use Card Policy 2.0](#)
[State Contract C-684 Cards: Purchasing Payment Services](#)
[Minnesota Statewide Administrative Systems Point of Entry for MAPS/SEMA4 Transactions](#)
[Minnesota Statewide Administrative Systems Payment Processing Guidelines](#)
FMR-1C-01 [External Auditing](#)
FMR-4A-01 [Ordering, Receiving & Payment Processing \(Three-Way Match\)](#)
FMR-4A-02 [Purchasing Card](#)
FMR-4C-01 [Employee Travel Expenses](#)
FMR-4D-01 [Special Expenses](#)
MAPS Operations Manual 0807-01 [State Taxes on State Agency Payments](#)

MAPS Operations Manual 0803-01 [*Payment Requests, Preparation, and Approval*](#)

MAPS Operations Manual 0702-09 [*Credit Agreements*](#)

SEMA4 Operating Policy and Procedure PAY0021 [*Employee Business/Travel Expenses*](#)

[Direct Pay Permit](#)

[Statewide Accounting Records Retention Schedule](#)