

## **Part I Chapter 27 Procurement Card**

- A. Requirements.** The Commonwealth's Procurement Card (P-card) is similar to a personal credit card in that the contractor receives payment directly from the card issuer rather than the Commonwealth. The contractor is required to pay a fee to the card issuer. Any and all card issuer fees related to this type of payment are the responsibility of the contractor.
1. In no case will the Commonwealth allow increases in prices to offset P-card fees paid by the contractor or other card issuer charges incurred by the contractor unless it is specifically stated in the terms of the contract or purchase order. Some contractors may not agree to payment through the P-card.
  2. Additional guidance can be obtained by referring to [Management Directive 310.23, Commonwealth Purchasing Card Program](#).
  3. The P-card provides a method of payment for materials and services procured in accordance with the Commonwealth's procurement policies. It is **NOT** a method of contract award. Procedural requirements for awards of contracts and orders must still be followed. Compliance with these requirements is the responsibility of the P-card user.
- B. Approved Usage.** Agency personnel may use the P-card for payment if **ALL** of the following are met:
1. The individual has been authorized by the Agency to use the P-card.
  2. The Agency has authorized the use of the P-card for the intended purpose.
  3. The procurement meets Small No-Bid Procurement guidelines as outlined in [Part I Chapter 07, Thresholds and Delegations](#).
  4. The procurement is one of the following types:
    - a. For procurements of materials and services that are on DGS statewide contracts:
      - (1) Any procurements through the SRM catalogs from suppliers that accept P-card payments.
      - (2) P-cards may only be utilized outside of SRM on contracts which have been identified as allowing p-card use outside of SRM. To identify which contracts this applies to review the Contract Overviews posted on the [DGS eMarketplace](#).
    - b. For procurements of materials and services that are **NOT** on DGS Statewide contracts.
  5. The procurement meets Small No Bid Procurement guidelines as outlined in Part 1 Chapter 07, Thresholds and Delegations.

- a. Requests to exceed this limit will be evaluated on an individual state-wide contract basis with a waiver reviewed and approved by DGS, Bureau of Procurement and the Office of the Budget.

- (1) If approved, this waiver should be made a part of the official contract file.

**C. Unapproved Usage.** Agency personnel shall not use P-cards to pay for procurements when:

1. Purchase orders are split in order to remain below the Small No-Bid threshold and utilize the P-card.
2. Recurring shipments for the same material or service.
3. Purchase documents are encumbered in SRM/SAP.
4. The payment is for personal or non-Commonwealth purchases or to obtain cash.
5. The purchase is for inventory items.

**D. Abuse of P-Card:** Disciplinary action may be taken when abuse of the P-card is identified.

---

**References:**

1. [Management Directive 310.23, Commonwealth Purchasing Card Program](#)
2. [Part I Chapter 07, Thresholds and Delegations](#)
3. [DGS eMarketplace](#)