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STATE OF HAWAII
STATE PROCUREMENT OFFICE

September 23, 2003

PROCUREMENT CIRCULAR NO. 2003-06

TO: All Executive Agency Heads
(Except DOE, OHA, & UH)

FROM: Aaron S. Fujioka, Administrator
State Procurement Office

SUBJECT: State of Hawaii Purchasing Card

This memorandum is in follow-up to my earlier correspondence regarding the Purchasing Card Program. The State Procurement Office (SPO) and the State Comptroller's office in conjunction with First Hawaiian Bank have successfully implemented the Purchasing Card (pCard) on a pilot basis with various State and county agencies.

With the pilot phase completed, the SPO is prepared to implement the pCard with other State agencies. Under the program, employees designated by your agency are issued individual pCards and pursuant to the authority delegated to them, charge goods and services in small dollar amounts. These purchases are subject to the limitations contained in the State of Hawaii Purchasing Card Program and Procedures manual and as determined by your agency. Payment to the credit card company (First Hawaiian Bank) is made by the agency once a month for all purchases made during the monthly billing cycle.

The pCard program allows the delegation of the authority and responsibility for small dollar purchases to all levels of employees from maintenance staff to managers, but targets the front line employees that actually do the purchasing. The following are the control features in addition to those established by your agency:

- Each cardholder's transaction may be limited to a specific dollar amount per transaction;
- In addition to restricted purchases and categories of merchants listed in the pCard manual, agencies may impose additional restrictions on each cardholder's pCard by excluding other categories of merchants. If the cardholder attempts to use the card at any of the merchants from a restricted category the purchase will be declined. The pCard manual includes a complete list of all Merchant Category Codes (MCC); and
- The cardholder is responsible for obtaining receipt documentation from the merchant for every pCard transaction, e.g. sales receipt, itemized packing slip, order form, etc., to support all purchases made with the pCard.

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Attached for your review are the Purchasing Card Program and Procedures manual and the Purchasing Card Cardholder Agreement that shall be signed by all pCard cardholders.

To begin the presentation, training, and implementation phases of the pCard program for your agency, please complete and return the attached memorandum to the State Procurement Office.

Please contact me at 587-4700 should you have any questions or your staff may contact Justin Fo at 586-0577.

Attach.

(Date)

MEMORANDUM

TO: Aaron S. Fujioka, Administrator
State Procurement Office

FROM: _____, _____
(Department/Agency Head) (Title)

(Department/Agency)

SUBJECT: Purchasing Card Program

This memorandum is to provide written confirmation that the _____
_____ desires to begin the implementation
of (Department/Agency)
the purchasing card program for goods and services. It is therefore requested that the
State Procurement Office contact my department/agency's point of contact to begin the
presentation, training, and implementation phases for the State of Hawaii purchasing
card program.

Point-of-Contact (primary): _____
Title: _____
Telephone No: _____ Fax No: _____
E-mail Address: _____

Point-of-Contact (alternate): _____
Title: _____

Telephone No: _____ Fax No: _____
E-mail Address: _____

Signature: _____