

AAM 38. PAYMENT METHODS

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AAM 38.010	Overview of Payment Methods (07-16)
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A payment can be made by any of the following methods:

- Direct Deposit by Automated Clearing House (ACH)
- charge cards ([AAM 38.300](#))
- wire transfers
- Mailing a paper warrant

With very few listed exceptions, [AS 37.25.050](#) requires the use of electronic payments for all State of Alaska disbursements.

Agencies are required to notify Department of Revenue, Treasury Division, Cash Management section prior to certifying large payment transactions. Large payment transactions are defined as any payment over \$5,000,000.

AAM 38.020	Office of Foreign Assets Control (OFAC) Compliance (01-06)
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All organizations in the U.S. are required to comply with OFAC regulations regarding economic and trade sanctions. These regulations prohibit payments to certain foreign countries, terrorists, drug traffickers, and other parties included on the “Specially Designated Nationals and Blocked Persons” list maintained by OFAC. OFAC updates the list on an ongoing but irregular basis and organizations must freeze payments to listed entities and report the action to OFAC within ten business days. Fines for noncompliance range from \$50,000 to \$10,000,000, along with potential imprisonment. Compliance is not optional; OFAC makes no exceptions for state governments.

The Division of Finance is responsible for screening procedures to prevent prohibited payments made by the statewide financial system to entities using the central vendor file. This is accomplished by checking payments against the lists maintained by OFAC prior to issuing payments. State agencies making payments outside this process are responsible for screening against OFAC lists prior to issuing payments. The list is available at <http://www.treas.gov/offices/enforcement/ofac/index.shtml>, along with instructions on what to do if a match occurs. There is also a list of Sanctioned Programs and Countries on the same web site.

AAM 38.030	Emergency Cash Requirements (10-10)
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Agencies should make provisions to meet needs for emergency cash outside of regular business hours. There are three options available to meet these needs:

- Charge cards for cash advances – Agencies may enable cash advance functionality on charge cards to meet emergency cash needs. Depending on the amount of the emergency cash required, agencies may increase limits on cards that allow cash advances by increasing the credit limit and / or percent cash limit to obtain cash advances exceeding the normal card limitations. To obtain a cash advance, the charge card may be presented to the bank during hours of operation or used with an ATM machine. To utilize an ATM, the cardholder must have cash advance capabilities on the cardholder's individual card and been issued a PIN. The PIN is not required if the card is presented at the bank counter. When the need for emergency cash is over, limits on cards should be changed back to normal limitations and cards that previously did not allow cash advances can have this function removed.
- Field warrants – Agencies may issue field warrants to meet emergency cash needs. Refer to [AAM 38.150](#) for policies on the use of field warrants. If additional field warrant stock is required, the Division of Finance management staff should be contacted.
- Handwrite warrants – When the first two options are not viable, the Division of Finance staff may issue a handwritten warrant to meet emergency cash needs. Agencies with this requirement should contact Division of Finance management staff. Refer to [AAM 38.145](#) for policies on the use of handwritten warrants.

An agency's plan for addressing emergency cash requirements should be approved by its administrative services director. The plan should address employee safety when transporting cash.

With few exceptions, the state issues warrants rather than checks. Warrants differ from checks in that a check immediately reduces cash, whereas a warrant incurs a liability. It is not until a warrant is redeemed that cash is reduced. Checks are drawn on a financial institution, whereas warrants are drawn on state funds under a contractual agreement with a financial institution.

The issuing of warrants payable to a financial institution or to “cash” for the purposes of cashing the warrant is prohibited. State agencies that use the State's financial system should generally not issue warrants to pay each other. Instead, a journal entry should be processed for inter-agency payments.

Warrants recorded by the financial system are classified as either internal or external warrants from interfacing systems. Internal warrants include both general warrants and One Card Alaska charge card clearing transactions.

Agencies must make a written request to the Division of Finance to justify new external warrant classes. Justification may include volume or other criteria. If a new warrant class is being considered in developing a subsidiary system, early approval by the Division of Finance will ensure the subsidiary system has the correct edits and processes to support the creation of a new external warrant process.

The process for creating warrants differs between internal and external warrants. For internal warrants, warrant request transactions are processed in the financial system and assigned a warrant number at the successful processing point. Then, a warrant journal is created to print warrants where the scheduled print date is the current date.

For external warrants, subsidiary systems run a process that creates a warrant interface file. The warrant interface file is used to print the physical warrants, and the warrant interface file is used to record the warrant issue transactions in the financial system. The process must be completed in the following sequence:

1. Print the physical warrants.
2. Manually verify the printed warrants.
3. Interface the warrant issue records to the financial system.
4. Once the warrants are processed in the financial system, the warrants may be released for mailing to the central mailroom (CMR).

This process must be completed in the sequence above to ensure that payees can cash warrants on receipt and the warrant redemption process can occur timely. It is critical that printed warrants are not mailed until the warrant transactions successfully process in the financial system.

AAM 38.105	Warrant Specifications (07-16)
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Warrants must be printed and manufactured in accordance with American Bankers Association (ABA) and American National Standards Institute (ANSI) specifications. State of Alaska warrants must be printed on warrant stock as specified by the Division of Finance.

The Department of Revenue, Treasury Division, Cash Management section will provide the data elements to be printed in the MICR area of the warrant. Any warrant design for a new warrant class or redesign of an existing warrant must be approved by the Division of Finance and Cash Management. Agencies are required to produce a test run of at least 25 warrants for MICR validation and payee name validation review by the State's warrant redemption bank prior to implementation.

In order to comply with banking standards and practices, the payee information must be configured to use Payee Positive Pay specifications as provided by the State's warrant redemption contractor.

Prior to ordering new stock, or if changes are being considered to warrant stock, contact the Division of Finance for further guidance on warrant specifications. All warrant stock orders that will be printed in Juneau and Anchorage should be delivered to the Division of Finance. The division will review the delivered stock to confirm the order is complete and accurate.

AAM 38.110	Warrant Stock Control (07-16)
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Blank warrant stock must always be kept in a locked facility. Every piece of warrant stock must be accounted for, whether it is blank, printed, spoiled, or mutilated. Internal controls require that blank stock never be in the custody of a single individual. Spoiled and mutilated warrant stock must be destroyed by shredding.

The Division of Finance stores warrant stock for warrants that are printed in Juneau and Anchorage. The maintenance of warrant stock includes storage in a secured, temperature-controlled location, release of stock upon proper request by the appropriate agency, and strict control of all stock used. Blank stock should always be handled by a minimum of two employees. The division performs a monthly inventory and notifies agencies of monthly stock usage and amount of stock left on hand.

Owners of warrant stock are responsible for ordering new stock as necessary and complying with appropriate warrant specifications.

Field warrant stock controls are addressed in [AAM 38.150](#).

AAM 38.115	Warrant Release for Printing (01-06)
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Whenever warrant stock or printed warrants are transferred from the custody of one agency to another, the transfer must be documented with the appropriate signatures.

The responsible agency shall provide the Division of Finance with a list of individuals authorized to release warrant stock. Release of warrant stock is requested by an authorized person within the responsible agency at least one day prior to the warrants being printed.

Upon receipt of a properly completed Stock Release and Warrant Control form, two Division of Finance employees will take the warrants from the vault for release to the Enterprise Technology Services (ETS) print room. The Stock Release and Warrant Control form must include the following information: requested warrant class, agency contact person and phone number, beginning warrant number to be released, print date, total warrants being printed, and total dollar amount.

AAM 38.120	Warrant Printing Controls (01-06)
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Warrants should only be printed using an eight-digit number within the warrant number series assigned to that warrant class by the Division of Finance.

The accuracy of warrant numbers on printed warrants should be verified by comparing the warrants to an agency's internal system prior to being interfaced to the financial system and released.

Printing multiple warrants with the same warrant number is prohibited. The only exception to this is reusing warrant numbers after all warrant numbers in a series have been exhausted.

AAM 38.125	Warrant Verification (06-19)
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After printing, warrants must be verified to ensure print quality meets banking standards and all warrants requested were printed. A Division of Finance employee performs the verification. This verification must be completed prior to the warrants being released for distribution.

Upon completion of the verification process, unused and mutilated stock is returned to the vault, and the warrants to be distributed are delivered to the Central Mailroom (CMR). The Stock Release and Warrant Control form is signed by the accepting party when the warrants are transferred from the custody of one agency to another.

Another Division of Finance employee performs a warrant reconciliation from the Stock Release and Warrant Control Form to the warrant inventory in stock.

AAM 38.126 Payee Positive Pay Issue File Reconciliation (07-16)

Agencies that issue warrants are required to perform a daily reconciliation of the control totals of the issued warrants file transmitted to the bank with the control totals of the bank's Account Reconciliation Program (ARP) report provided online the business day after warrant issue file transmissions.

AAM 38.130 Warrant Release for Distribution (07-16)

When the verification team delivers general and payroll warrants to the CMR, a mailroom representative signs for receipt of the warrants on the Stock Release and Warrant Control form. Other warrant class owners are responsible for delivering the verified printed warrants to the CMR or distributing per agency procedures.

The mailroom folds and inserts warrants into envelopes, and delivers the warrants to the U.S. Post Office to be mailed; generally on the same business day.

General and payroll warrants to be returned to agencies are sorted and placed in the appropriate agency's lock box. Staff retrieving warrants from the lock box for agency distribution must sign the appropriate release form.

General warrants mutilated during the distribution process are returned to the Division of Finance that same day for cancellation and re-issuance.

AAM 38.135 Internal Distribution of General Warrants (01-06)

A general warrant that is returned to an agency is not to be given to the individual who either prepared or certified the disbursement. Under no circumstances will an agency hold a general warrant in excess of ten business days after the date of issue.

The agency that certified a general warrant request may request the Division of Finance to pull the warrant from the Department of Administration CMR distribution. In the event an agency other than the certifying agency requests a warrant be pulled, written approval by the certifying agency must be provided first. Under no circumstances is a warrant to be released to anyone outside the certifying agency without proper prior approval. A request for a pulled warrant must be received prior to 9 a.m. on the day of disbursement in order for the warrant to be retrieved.

AAM 38.140	Warrants Maintained By Outside Agencies (10-14)
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Agencies that maintain their own warrant stock shall apply similar controls for warrant stock maintenance, disbursement, printing, verification, and distribution ([AAM 38.110 - 135](#)). Each agency with custody of their own warrant stock is responsible for compliance with banking standards. Issue records of all issued warrants must be successfully uploaded to the bank's payee positive pay fraud deterrent system prior to release of the physical warrant items. See [AAM 38.105](#) for warrant specifications.

AAM 38.145	Handwrite Warrants (01-06)
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A handwrite warrant is a disbursement of state funds and falls within the same guidelines and controls as other state warrants. The expenditure must be a valid obligation of the state and supported by proper documentation. All handwrite warrants must be entered into the financial system and certified by the requesting agency.

To initiate a handwrite warrant, the requesting department must prepare a "Request for Handwrite Warrant" memorandum that is addressed to the Department of Administration, Division of Finance, Accounting Services Supervisor. The memorandum must explain why a handwrite warrant is required, reference the document number of the transaction, and contain the following certification statement:

I certify that the facts herein and on supporting documents are correct, that this voucher constitutes a legal charge against funds and appropriations cited, that sufficient funds are encumbered to pay this obligation or that there is sufficient unencumbered balance in the appropriation cited to cover this obligation. I am aware that to knowingly make or allow false entries or alterations on a public record, or knowingly destroy, mutilate, suppress, conceal, remove or otherwise impair the verity, legibility or availability of a public record constitutes tampering with public records punishable under

[AS 11.56.815 - 820](#). Other disciplinary action may be taken up to and including dismissal.

The memorandum is signed by the employee initiating the transaction, certified by the finance officer of the requesting agency, and delivered to the Department of Administration, Division of Finance with the supporting documentation. Supporting documentation must include screen prints (on the day the transaction is submitted) that confirm availability of funds, including appropriation TANAB(s) and/or any relevant cash balance/fund sufficiency balances.

Documentation is reviewed by the Division of Finance and the memorandum is authorized for disbursement by the Accounting Services Supervisor or his/her designee. A handwrite warrant will be prepared and signed by the Division of Finance.

Handwrite warrants are a costly and labor intensive method of making payment. They should be used sparingly and only when a general warrant or field warrant is not an acceptable method of payment.

AAM 38.150	Field Warrants (01-06)
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Field warrants are issued when payment is required the same day. Field warrants must be recorded as disbursements in the financial system at the time of issuance. The use of field warrants should generally be limited to emergency circumstances and not used as a standard method of payment. The use of field warrants to circumvent appropriation controls is prohibited.

Every field warrant issued by an agency must be signed by a department head or by a responsible person designated by a department head pursuant to a duly executed Certifying Officer's Affidavit on file with the Department of Administration.

The amount of an individual field warrant will not exceed \$999.99. Issuing multiple field warrants for any single purchase or service is prohibited unless specifically authorized by the Director of the Division of Finance. Altering the pre-printed verbiage on a field warrant is prohibited.

It is the responsibility of the Division of Finance personnel, agency administrative officers, and personnel who issue field warrants to keep blank field warrant stock under control at all times. The following standards constitute adequate control:

1. The Division of Finance transfers field warrant stock only to the administrative office of a department when requested by memorandum signed by the director or designee. The Division of Finance maintains a list of those authorized to request field warrant

stock and must be notified immediately of any change in authorized requestors.

2. Agency administrative officers may transfer field warrant stock in bulk only to custodians who are not authorized field warrant certifiers (signers). Bulk custodians may only issue field warrants to officers or employees who are authorized to certify (sign) field warrants. Further transferring of field warrant stock is not allowed.
3. Every transfer of warrant stock is acknowledged by a transfer receipt listing the warrant numbers of the stock transferred.
4. No more than a two-month supply of field warrant stock shall be kept on hand at any one time.
5. Blank field warrant stock must be stored in a locked safe, if available, or in a secure container. Only the quantity of stock needed for immediate use may be removed from storage. Offices that lack such storage facilities may not use field warrants.
6. A bulk custodian must maintain an up-to-date log of warrants issued, transferred, and on hand.
7. It is the responsibility of each person to issue stock in strict numeric sequence.
8. As of March 31 and September 30, each department must complete an accountability report that reflects field warrant stock on hand at the beginning of the period, warrant stock received, warrants issued, warrants lost, warrants returned, warrants voided, and warrant stock on hand at the end of the period. Accountability reports are due to the Division of Finance 30 days after the reporting date. Additional field warrant stock will not be issued to an agency unless their field warrant accountability report is current.

Field warrant stock that is lost or stolen is to be reported immediately to the Division of Finance by entering a stop payment request in the financial system.

All voided field warrant stock that was not issued in the financial system must be returned to the Division of Finance for destruction. A memo listing the voided field warrant numbers must be attached to the voided warrants.

Agencies should enter cancel warrant transactions for all field warrants issued in the financial system and subsequently cancelled.

AAM 38.155 Undelivered Warrants (01-06)

Undeliverable warrants are returned to the Department of Administration and, from there, routed to the agency that requested the disbursement. Whenever an agency receives such a warrant, immediate action must be taken to forward it to the payee. If this cannot be done, it is the responsibility of the agency to cancel the warrant in a timely manner. Under no circumstances will an agency hold a warrant in excess of ten days after the date of receipt by the agency.

AAM 38.160 Warrant Redemption (01-06)

The state and its warrant clearing bank use a process called positive pay to limit the state's risk during the warrant redemption process. The state notifies the bank of issued warrants after they are interfaced into the financial system. The bank verifies warrants being cashed against the state's warrant issue file. Errors and fraud are identified early in the warrant redemption process and can be addressed timely.

The Division of Finance is responsible for working with the Department of Revenue, Treasury Division, Cash Management section and the state's warrant clearing bank to address problems and rejects in the warrant redemption process.

AAM 38.165 Cancellation of Warrants (01-06)

A warrant issued for the incorrect amount, to the incorrect vendor, or mutilated and therefore unredeemable may be cancelled if the physical warrant is in hand. If appropriate, the payment may be re-issued to complete the state's obligation in accordance with [AS 37.10.010](#).

AAM 38.170 Stop Payment of Warrants (01-06)

A warrant issued for the incorrect amount, to the incorrect vendor, or not received by the vendor and presumed lost may be stop paid. If appropriate, the payment may be re-issued to complete the state's obligation in accordance with [AS 37.10.010](#).

AAM 38.175 Stale-dated Warrants (01-06)

Alaska Statute [37.05.180](#) provides a six-month limitation on redemption of warrants.

Generally no warrants presented to the state treasury are paid unless presented to the Department of Revenue within six months from the date of issue. Any warrant not presented to the Department of Revenue for redemption within six months from the date of issue will be stale-dated.

It is the responsibility of the Department of Administration, Division of Finance to determine if a warrant should be stale-dated and to transfer the monies to the Department of Revenue, Treasury Division, Unclaimed Property section as provided in [AS 34.45](#). It is the responsibility of the issuing agency to perform due diligence before such a transfer occurs.

Pursuant to [AS 34.45.280\(e\)](#), not more than 120 days prior to a warrant stale-dating, the issuing agency of a warrant to be stale-dated must send written notice to the payee at the last known address. This due diligence notice should include the following information: when the warrant will stale-date, who to contact within the agency for a replacement warrant if necessary, and that upon stale-dating, any re-issues will be administered through the Unclaimed Property section.

The payee of a stale-dated warrant may request the state to honor the payment obligation by contacting the Unclaimed Property section.

A warrant may not be stop paid to circumvent the stale-date process unless transferring the funds to Unclaimed Property would violate a federal grant.

AAM 38.180 Forgeries (10-09)

A forgery occurs when a warrant is endorsed with an unauthorized signature, meaning one made without actual, implied, or apparent authority. When an agency is notified that the endorsement for a state warrant was forged, the agency should:

- Obtain a notarized Affidavit of Forgery from the claimant.
- Request a copy of the redeemed warrant from the Department of Revenue, Treasury Division, Cash Management section.
- Prepare and certify a Warrant Status Change Request form.
- Provide these documents to the Division of Finance. (see exceptions below)

The Division of Finance will issue a replacement warrant, as long as the state's bank is able to provide a credit to the state. The Division of Finance is responsible for working with the Cash Management section and the state's bank to complete the process.

There are two exceptions to this policy:

- The Permanent Fund Dividend Division submits the Affidavit of Forgery and a copy of the redeemed warrant to the Division of Finance. The Division of Finance enters a journal entry to credit the Permanent Fund Dividend Fund. The Permanent Fund Dividend Division will reissue a warrant, if appropriate.
- State agencies that issue checks instead of warrants work directly with the Cash Management section on forgeries.

AAM 38.185	Holder-in-Due Course (07-16)
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An entity becomes a holder-in-due course for a state warrant when the institution has negotiated the warrant in good faith, and the warrant is returned unpaid by the state's warrant redemption bank. Under [AS 45.03.302](#), a financial institution (or person entitled to enforce an instrument, store owner, etc.) may enforce redemption of a negotiable instrument (the warrant) by filing a claim for reimbursement of the item if the situation meets the criteria specified in the statute.

Any agency that receives a holder-in-due course claim from a holder should forward the claim to the Division of Finance to determine the validity of the claim. If the holder has met the obligation to exercise due diligence to identify the endorser and has exhausted all available avenues for recovery of the funds, the claim will be considered.

AAM 38.190	Checks (07-16)
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All warrant specifications, storage, handling and verification requirements listed in [AAM 38.110 - 135](#) should also be used for any checks issued by a state agency. Each agency printing their own checks is responsible for compliance with banking standards. Industry wide banking standards includes the use of fraud deterrent technology wherever possible.

The State's policy regarding checking accounts requires the implementation and use of payee positive pay as a standard fraud deterrent method. Use of payee positive pay requires agencies that issue checks to transmit a file of the issued item, check number, issue date, check amount and payee name to the bank for upload into the fraud protection system prior to the release of the physical printed check. The standard state format for payees is FirstName MI LastName. For small volume checking accounts instead of sending a file upload to the bank, check issued records may be entered manually via the bank's website.

State agencies are required to reconcile daily the control totals of the issued checks file transmitted to the bank with the control totals of the bank's ARP report provided online the next business day after issue file transmissions.

The bank will validate all items presented for payment with issue records prior to paying the check. Electronic images of exception items are delivered to the agency for review and pay/no pay decisions must be made each banking day.

State checking accounts must be reconciled daily. Redeemed checks and electronic images of payee positive pay exception items will be verified, reconciled, and pay/no pay decisions made on a daily basis for maximum fraud deterrence.

AAM 38.195 Confidential Payments (07-16)

Confidential payments are warrants that are made to payees who are determined by state statute, federal regulation, or the Attorney General's office to be confidential.

Agencies must ensure all disclosures of confidential payments are restricted to those individuals with the business need to know information about the payment.

Agencies that process payments to confidential payees must use appropriate processes and procedures as defined by the Division of Finance to ensure it is excluded from Checkbook Online, and payment inquiry systems, or other publications of state financial information.

AAM 38.200 Electronic Funds Payment Overview (07-16)

An electronic funds payment is a disbursement of state funds and is subject to the same guidelines and controls as other payments. The expenditure must be a valid obligation of the state and supported by proper documentation.

Electronic payments have numerous benefits to both the state and the payee. The most important benefits are security, payment speed, lower cost, automated reconciliation, and process efficiency.

The State uses the following forms of electronic payment transactions:

- Direct Deposit by Automated Clearing House Transactions (ACH) (disbursement) (ACH)
- Direct Payment by ACH (collections)
- charge cards aka P-cards ([AAM 38.300](#))
- wire transfers

Direct deposit by ACH is the State's preferred payment method. Where necessary, international and domestic wire transfers are completed by the Department of Revenue, Treasury Division, Cash Management section.

An agency may not take a state warrant to a bank and request that the bank electronically transfer funds to a vendor.

AAM 38.210	Electronic Disbursement Requirement (07-16)
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Per [AS 37.25.050](#), disbursements made by a state agency should be made electronically where possible.

Regulations on electronic disbursements are identified in [2 AAC 15.130](#). The Division of Finance is responsible for offering the option of electronic payments to vendors on the financial system.

The Division of Personnel is responsible for ensuring all new employees are encouraged to use electronic payroll payments.

Agencies are responsible for offering electronic payment methods to vendors as required by [AS 37.25.050](#) and must direct interested vendors to the Division of Finance website for the direct deposit setup form.

Agencies are also responsible for establishing pay processing procedures that ensure payments to state vendors are made by electronic methods (direct deposit by ACH or state charge card) unless the payments meet exceptions to electronic payment methods as provided in [AS 37.25.050 \(b\)](#).

The state is not liable to pay fees imposed by a recipient's financial institution for electronic disbursements made by the state.

AAM 38.220	Automated Clearing House (ACH) (07-16)
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ACH transactions are generally high-volume, low-value batch transactions. ACH transactions may be originated as credits or debits. The state uses several types of ACH transactions:

- Direct deposit of vendor payments
- Direct deposit of payroll, retirement benefits, unemployment insurance benefits and other government payments.
- Direct debits of accounts to collect loan payments, taxes, fees, and other government collections.

The Department of Revenue, Treasury Division, Cash Management Section maintains contracts with a bank to act as the state's originating

depository financial institution (ODFI). An ODFI facilitates electronic payments between the state and the receiver's financial institution.

AAM 38.225	Electronic Payments by Direct Deposit (07-16)
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The State of Alaska uses direct deposit by ACH to make electronic payments directly to a vendor's or payee's bank account. This program transmits payments to vendors or individuals securely and efficiently, and at lower cost.

The vendor setup form is available from the Division of Finance website at: <http://doa.alaska.gov/dof/acct/epay.html>.

Agencies are responsible for entering payment requests in the financial system. The Division of Finance prepares a summary report and disbursement memorandum for Treasury's approval daily.

Contact the Division of Finance when necessary to reverse or cancel a payment transaction. A request should be made as soon as possible after knowledge of the incorrect payment is discovered.

The Division of Finance provides Payment Inquiry on its website.

The payment inquiry application for the State's accounting system IRIS is available at: <http://doa.alaska.gov/dof/vendor.html>

The State of Alaska preference is to make all payments electronically with few exceptions as described in [AS 37.25.050 \(b\)](#).

Vendors or individuals not able to identify payments received from the state, are given access to the Vendor Self Service system to identify their payments.

If a vendor or individual continues to have problems identifying their payments, they should contact the Division of Finance who will work to resolve their payment identification problems. Disabling Direct Deposit by ACH for a vendor or individual due to payment identification issues will be reviewed on a case by case basis by the Division of Finance.

AAM 38.230	Other ACH Transactions (07-16)
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Agencies may create National Automated Clearing House Association (NACHA) formatted files of transactions for either crediting or debiting consumer or corporate accounts. These files of batched transactions must be transmitted to the state's ACH processing bank for payment processing and settlement. Any exceptions shall be approved by Department of Revenue, Treasury Division, Cash Management section.

All ACH transactions must be authorized by the receiver and State Agencies are responsible for obtaining required authorizations from receivers of ACH transactions. Pre-notes are zero-dollar entries that are sent through the ACH system prior to live entries and verify the bank information is valid. Prenotes do not validate the owner of a specific bank account.

The Effective Entry Date must be accurate in transmitted ACH files. State agencies may not send ACH files to the ODFI using the file origination date or the current day in the Effective Entry Date field, or the Settlement Date field. State agencies are required to follow the correct 1 or 2 days effective date requirement as specified for the specific ACH payment program.

It is recommended that agencies plan to use the effective entry date for 2 day settlements all ACH credit files transmitted by the state.

A summary journal entry transaction must be processed in the financial system for the ACH activity. The agency is responsible for preparing an “Authorization to Disburse” memorandum and providing the memo and a copy of the journal entry transaction to Cash Management for approval by 2:00 p.m. on the day prior to settlement of the ACH transactions.

If Cash Management is not notified prior to the settlement of transactions, those transactions may be rejected as unauthorized.

Agencies may contact Cash Management with any questions regarding the ACH system and its operating rules.

AAM 38.231	Prepaid Debit Cards (07-16)
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Prepaid debit cards are used by the state for various payment programs. Prepaid debit cards provide a method for an agency or program to make a direct deposit electronically to a prepaid debit card rather than to issue a paper treasury warrant for specific payment types. Program examples currently in production include the following:

- Unemployment benefit payments
- Child Support payments
- Public Assistance benefit payments

Prepaid debit cards provide a method to make payment to a payee that otherwise does not have a bank account. Prepaid card programs are designed to provide payee convenience and can reach the “un-banked” or “under-banked” payee, while still providing the originator with a lower

cost electronic payment method. Prepaid card programs lower cost and increase security over traditional paper based Treasury Warrant payments.

Agencies interested in implementing a prepaid card solutions can contact the Treasury Division for more information.

Cardholder questions about their cards, card balance or transaction details should be referred to the agency program hosting that prepaid card.

AAM 38.235	Wire Transfers (07-16)
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Wire transfers are generally used for very large-value, real-time, irrevocable transactions. Funds are moved in real time once a properly authorized request has been processed by the originating bank. The Department of Revenue, Treasury Division, Cash Management section is the only state agency authorized to initiate wire transfers.

Wire transfers are a costly payment method which is used sparingly for specific payment types where it has been deemed appropriate by the Treasury Division and in the State's best interest.

Prior to Cash Management initiating a wire transfer for an agency, the agency must provide complete banking information for the receiver. Cash Management will need a minimum of two business days to set up a wire template. It may take more than two days if information is missing or the state's wire transfer bank requires additional information. The banking information required includes:

- Beneficiary's financial institution number.
- Beneficiary's financial institution name.
- Beneficiary's account number.
- Beneficiary's account name.
- Any intermediary financial institution information, if applicable.
- Any comments to be used for descriptive information pertaining to the wire. At no time should bank account numbers or the names of individuals be used in this field.

To request that Cash Management initiate a wire transfer payment the requesting department must prepare an "Authorization to Disburse" memorandum, together with a Journal Entry (CH8) transaction. For instructions on preparing these documents, see the Accounting Procedures Manual.

A journal entry records agency expenditures and funds the disbursement liability account pending transfer to the recipient. A copy of the financial transaction in final status must be attached to the memorandum.

The "Authorization to Disburse" memorandum is addressed to the Cash Manager. The memorandum must reference the document number of the journal entry. The "Payable To" section must include the same vendor and banking information that was provided to Cash Management with the request to set up a wire template.

The telephone number on the memorandum must be that of the person approving the transaction.

The memorandum is signed by the approving officer initiating the transaction, approved by the certifying officer of the requesting agency, and scanned images are transmitted to the Department of Revenue, Treasury Division a minimum of one day before the disbursement date.

Requests received after 2:00 p.m. will be held over and processed on the following business day.

On the scheduled disbursement day, Cash Management will initiate the wire transfer. Cash Management will not process wire transfers without sufficient funds in the disbursement liability account for a transaction. Once Cash Management has transferred the funds to the recipient, the Cash Management group will debit the liability account and credit cash in the state's financial system.

AAM 38.240	International Payments (07-16)
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Agencies can request the Department of Revenue, Treasury Division, Cash Management section to make payments to individuals and vendors in countries other than the United States. Payments may be made in US dollars or the other country's local currency either by international wire transfer or bank draft.

Agencies are encouraged to request international wire transfers rather than bank drafts. Bank Draft use is recommended for Canada only and reserved for payments less than \$5,000 USD.

Cash Management initiates an international payment when the requesting department prepares an "Authorization to Disburse" memorandum, together with a Journal Entry transaction and submits it to Treasury for processing.

If payments are requested in local currency of the destination country, the journal entry is processed for the estimated USD equivalent amount, until the payment has been completed and the final USD equivalent is known. At that point in time the Agency will modify the original journal entry to reconcile to the final payment amount.

Final payment amounts are derived from the foreign currency exchange rate that was used for the currency exchange transaction.

"Authorization to Disburse" memorandums are addressed to the Cash Manager. The telephone number on the memorandum must be that of the person approving the transaction.

The memorandum must be signed by the employee initiating the transaction, approved by the requesting agency, and sent to Cash Management a minimum of one day before the disbursement date by 2:00 p.m.

Requests received after 2:00 p.m. will be held over and processed on the following business day. Once the payment is complete and the funds have been paid to the recipient, Treasury will record a debit to the liability account and credit cash.

For international wire transfers, agencies must provide complete banking information for the receiver in the "Authorization to Disburse" memorandum including:

- Beneficiary's account name.
- Beneficiary's account number.
- Beneficiary's financial institution SWIFT number.
- Beneficiary's financial institution name.
- IBAN (required for countries in Europe).
- The type of foreign currency in which the payment must be paid (e.g. Euros, Canadian dollars, Great British pounds, Japanese yen, etc...).
- Any intermediary financial institution information, if applicable.
- Required references to be used for descriptive information pertaining to the wire (e.g. invoice number, contract number, etc...).

For bank drafts, the agency must provide the person's or vendor's name, phone number, physical shipping address, the type of foreign currency the draft must use, and any references to be used for the remittance advice.

AAM 38.300

One Card Alaska Program Overview (04-15)

As provided in [AS 37.25.050](#), disbursements made by a state agency should be made electronically, either through an electronic funds transfer (ACH or wire transfer), or by using a charge card. Regulations on electronic disbursements are identified in [2 AAC 15.130](#). Electronic disbursements requirement policies are specified in [AAM 38.210](#).

The One Card Alaska program (the program) has been established to provide State of Alaska corporate charge cards to state employees and central travel system (CTS) accounts to state agencies as a more convenient, efficient, and cost effective purchasing method for state travel and procurement.

The One Card Alaska program includes the One Card and the Central Travel System accounts. The One Card is a Visa corporate charge card (the Card) that may be used by a state employee with any merchant who accepts Visa. The Card may be used for in-store, mail, phone, fax, or internet purchases. The One Card has spending limits that automatically cycle (refresh) monthly. The One Card is distributed to frequent travelers and procurement staff and is used for ongoing travel and procurement transactions for multiple vendors. The Central Travel System account is a card-not-present account used primarily by the State's E-Travel office to charge air, and in-state hotel and car rental expenses.

The Cards provide a convenient payment method for most state purchases. They can be used to pay for goods and services regardless of required procurement level, and can be part of the effort to reduce paperwork and streamline the purchasing process. For example, if a Card is used for a procurement that costs no more than \$2,500, it may be used after receiving only one quotation or informal proposal from an Alaskan vendor. However, a state procurement representative may solicit non-Alaskan vendors only if the representative has determined in writing that soliciting from Alaskan vendors is not practicable [ref. [AAM 81.220](#) & [2 AAC 12.400\(f\)](#)].

Another benefit from increased use of Cards and CTS accounts is higher rebates paid to the State of Alaska from the provider. Card and CTS transactions are considered electronic payments therefore using Card and CTS accounts also improves compliance with [AS 37.25.050](#), the electronic payment legislation passed in 2004 that requires all state payments, with few exceptions, to be made electronically.

For these reasons, the State's policy is to use the Card to pay for purchases whenever practical.

Personal charge cards should not be used to purchase goods and services for the State. The use of personal cards reduces transparency into the financial operations of the State, prevents accurate tax reporting required by the IRS, decreases rebates paid to the State, and does not allow for sales tax exemption.

A few exceptions to this policy exist, including infrequent travelers who have not been issued a Card and need to make payment for lodging or car rental where the CTS is not an acceptable form of payment.

Sections [38.300 - 360](#) set out policy related to the One Card Alaska program. The One Card Alaska forms, documents, and links related to the program are available on the Division of Finance website at: http://doa.alaska.gov/dof/charge_cards/index.html.

The program may not be used:

- To avoid or bypass appropriate procurement, travel, or payment procedures; rather, it is intended to complement the existing procedures.
- To bypass or replace the contract award process.
- For personal use.

The State of Alaska is financially responsible for all purchases made using the Card and CTS accounts. The program is based upon the strength of the state's financial resources, not the personal finances of the cardholders. All Card and CTS accounts are issued with corporate liability, under which the state is liable for the cost of purchases.

All Cards are issued to employees based on the request of a supervisor, manager, or division director.

AAM 38.310	Cardholder's Responsibility (10-10)
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The cardholder recognizes the Card is the property of the state and the cardholder is responsible for the physical security of the Card and its appropriate use. The cardholder is also responsible for maintaining the security of card data such as the account number, the expiration date, and the card verification code (CVC), the 3-digit security code located on the back of a card.

Cardholders may use their cards to make authorized state purchases for other state employees, but may not allow others to use their cards or card data for purchases. As a rule, the Card is issued in the cardholder's legal name and this individual accountability is a key control over the program.

Prior to receiving a Card, each employee must read and sign the State of Alaska One Card Alaska Charge Card Program Cardholder Usage Agreement acknowledging the cardholder's responsibilities under the program.

Allowable Use – Procurement

The Card is to be used for purchases within established State of Alaska, departmental, and federal procurement policies. Amounts of purchases may not exceed the purchasing authority limits of the cardholder. Refer to [AAM 81](#) and [82](#) for state procurement policies.

Allowable Use – Travel

The Card is to be used for all approved business travel expenses including the following allowable uses:

- **Airline Tickets** – Airfare should be charged to the traveler’s Card or a central travel system account (CTS).
- **Lodging** – The cost of lodging expenses should be charged to the traveler’s Card, a CTS account, or should be direct billed.
- **Rental Car Expenses:**
 - For rental cars arranged through Budget Rent a Car in Anchorage, Fairbanks, and Juneau, all rental car expenses should be charged to a CTS account or to the traveler’s Card.
 - Rental car expenses for all other car rental agencies should be charged to the traveler’s Card.
- **Meals and Incidental Expense Allowance** – state travelers receive an allowance to cover meals and incidental expenses. Some state departments have established policies allowing use of the Cards for cash advances for M&IE allowances. Generally, the Card should not be used for purchasing meals as these are not a state expenditure.

Refer to [AAM 60m](#) and [60t](#) for state moving and travel policies.

Inappropriate / Personal Use of the Card

Use of the Card in any manner not in accordance with these program policies may result in personal liability, revocation of the Card and all purchasing authority, and disciplinary action up to and including dismissal in accordance with applicable collective bargaining agreements. Misuse of the Card may constitute a violation of the Alaska Executive Branch Ethics Act, which may result in civil penalties of up to \$5,000. Additionally, unauthorized use of a card for personal purposes is theft under [AS 11.46](#). If the amount of the personal use is over \$500, the cardholder may be subject to felony prosecution.

Purchase activity will be audited by the cardholder’s agency and inappropriate use will be handled in accordance with the policy on inappropriate charge card use by state employees. This document is available on the Division of Personnel website at

http://doa.alaska.gov/dop/fileadmin/Human_Resource_Services/pdf/InappCardUse.pdf.

Public Record

All charges billed to the Card are considered a matter of public record and may be disclosed to the public, the news media, and/or other requesting parties.

Administrative Responsibilities

General payment policies require retention of receipts and other travel / purchasing documentation ([AAM 60.220](#), [AAM 35.020](#)). The cardholder must retain, and within two business days, submit to administrative staff sales slips, cash register receipts, invoices, order forms, receiving reports, and other source documents that are necessary for full accounting and reconciliation of all purchase transactions.

It is the cardholder's responsibility to submit to the travel desk a completed Travel Authorization form with all receipts, ticket stubs and other source documentation attached within five business days of completion of each trip.

Cardholders are responsible for self-registering in the card and account management and reporting system in order to have access to monthly online statements of their card transactions. On a monthly basis, cardholders must review card transactions in the online statement and immediately report to the departmental program administrator any suspected fraudulent charges.

Cardholder Common Carrier Travel Accident Insurance Beneficiary Designation

Travelers who use their Cards for their state-sponsored travel purchases may designate beneficiaries for the \$500,000 common carrier travel accident insurance. This form and information about the insurance is available from the Division of Finance website at:

http://www.doa.alaska.gov/dof/charge_cards/state_ee.html#insur.

If no beneficiary is designated or if no beneficiary is living on the date of the insured traveler's death, the benefit will be paid to the first surviving beneficiary identified by the issuing bank.

Lost Luggage Insurance Claims

It is the cardholder's responsibility to file claims for payment of benefits under the issuing bank's lost luggage insurance. Benefits apply when an employee loses personal luggage on a flight that was booked using the Card or central travel account (CTS) for a state business trip. Information

about Lost Luggage Insurance is available from the Division of Finance website at:

http://www.doa.alaska.gov/dof/charge_cards/state_ee.html#insur.

AAM 38.315	One Card Alaska Statewide Program Administrator Responsibility (10-10)
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The Department of Administration, Division of Finance, Systems Administration section acts as the statewide One Card Alaska program administrator. Statewide program administrator responsibilities include:

- Issuing Requests for Proposals for charge card payment services.
- Negotiating all contract terms and conditions with the issuing bank.
- Contract management throughout the life of the contract.
- Assigning appropriate entitlement and security access levels in the online card and account management and reporting system to department program administrators.
- Tracking and maintaining department program administrators in the Organization Directory File (ODF).
- Managing and administrating the statewide program.
- Establishing statewide policies governing the program.
- Providing liaison services between the issuing bank, its processor, Visa, and agencies.
- Assisting agencies in the implementation, administration, and management of individual department programs.
- Reviewing, approving, and submitting to the issuing bank agency requests for new managing and central travel system (CTS) accounts and changes to managing and central travel system account structures.
- Establishing managing and central travel system structures in the ODF and in the charge card reconciliation system, AutoPay.
- Optimization of the Card program to ensure maximum incentive/rebate benefits to the state.
- Establishing statewide fraud and misuse detection and reporting.

AAM 38.320	One Card Alaska Delegation of Authority (01-08)
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The Department of Administration, Division of Finance is responsible for the administration and maintenance of delegation of authority for the statewide One Card Alaska program. The director of the Division of Finance delegates full authority to department Appointing Authorities for the day-to-day administration and management of programs within their departments.

Appointing Authorities may delegate full authority to other persons in their departments. The delegation of authority for a department's program from the Appointing Authority to department program administrators must be communicated to the Division of Finance, Systems Administration section through submittal of completed One Card Alaska Program Administrator AccessOnline Entitlement Authorization forms. This form is available from the Division of Finance website at: <http://www.doa.alaska.gov/dof/forms/index.html#cc>

Full Authority

Full authority allows the department program administrator to perform day-to-day administration and management of the department's One Card Alaska program. An employee granted full authority acts as the department administrator for the individual department's program. Refer to [AAM 38.325](#) for a list of department program administrator responsibilities granted under full authority.

AAM 38.325	One Card Alaska Department Program Administrator and Delegate Responsibilities (10-10)
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Department Program Administrator

To participate in the program, an agency must establish at least one department program administrator to oversee the program within the agency and at least one additional person as a back-up department program administrator.

Department program administrator responsibilities include:

- Determination of and changes to One Card program department contacts, authorities, and security.
- Design and structure of the department's One Card program, including types of accounts used and restrictions on account usage.
- Enforcement and administration of the statewide policies established for the issuance and usage of charge cards to department employees.
- Request central travel system (CTS) and managing accounts for department travel and procurement expenditures.
- Request changes to the managing and CTS account structure for the agency.
- Delegate limited program administration functions to other departmental staff through completion of One Card Alaska Program Administrator AccessOnline Entitlement Authorization forms.
- Request new entitlements and changes to existing entitlements for department program administrators. Complete the AccessOnline

Add User Request spreadsheet and submit it to the Division of Finance.

- Ensure the agency is set up with approval functionality on card and account set up in AccessOnline when update authority is granted to program administrator delegates.
- Track program administrator delegates through the financial system Organization Directory File (ODF) employee tracking reports and ensure delegate entitlement authorizations are revoked on separation of the administrator from state services or on transfer to another state agency.
- Provide training to program administrator delegates on statewide and department One Card program policies and entitlement and reporting capabilities of the online card and account management and reporting system.
- Daily review of active work queues in the card and account management and reporting system and authorize new Card account setups processed by program administrator delegates to obtain cards for employees upon request by the supervisors or managers.
- Maintain department cardholder accounts, including adding new accounts, canceling accounts, and inactivating accounts for seasonal employees, and changing information on existing accounts online in the card and account management and reporting system.
- Determine appropriate travel, procurement, or dual-use credit limits for each departmental cardholder and establish the appropriate merchant category codes (MCCs) and MCC groups that best utilize the card and account management system's controls over cardholder credit limits and purchase authorities.
- Increase a credit limit or authorize a temporary addition of an MCC or MCC group in a cardholder's account to accommodate an authorized purchase that is declined at the point-of-sale. Ensure the temporary change to the credit authorization limit or MCCs is removed on successful completion of the previously declined transaction.
- Verify the secure distribution of new and reissued cards to department employees.
- Track and secure the Cards issued for the agency.
- Timely audit of expenditures made on the Cards to ensure inappropriate and fraudulent charges are detected and dealt with expeditiously.
- Proactive and timely initiation of dispute activities to ensure protection and full exercise of the state's time-limited dispute rights and insurance options. Refer to [AAM 38.350](#) for policies on billing statement disputes.
- Train all agency cardholders on secure methods of carrying, using and storing Cards.

- Immediate notification to the Human Resource Manager in the Division of Personnel and Labor Relations of all suspected inappropriate use of Cards for investigation and to ensure appropriate and expedient disciplinary actions are initiated.
- Immediate notification to the issuing bank in the event an employee is terminated for card misuse. The Notification of Termination Date letter requirement is satisfied by processing a T-9 closure of the cardholder account in the card and account management and reporting system no later than two days following the terminated employee's last day.
- Immediate written notification to employee who will be terminated for card misuse that the employee's card has been canceled and the employee no longer has the right to use the card.
- Correction of misapplied payments.
- Inquire on departmental accounts and transaction activity in the online card and account management and reporting system.
- Ensure cards are destroyed by cardholders and cardholder accounts are immediately closed upon employee separation or transfer to another state agency.
- Assign and change default financial coding in the AutoPay, reconciliation subsystem in the statewide financial system.
- Ensure cardholders satisfy documentation requirements for Card purchases.
- Assign responsibilities for reconciling the agency's managing and central travel account (CTS) billing statements.
- Provide feedback to the statewide program administrators regarding the problems and successes of the Card program.
- Safeguard the card numbers and cardholder information from unauthorized access including, but not limited to:
 - Securing hardcopy reports that contain card numbers and cardholder information.
 - Ensuring card data is not distributed via unsecured methods such as email/email attachments, etc.
 - Ensuring card data is not provided to vendors for their retention in merchant environments. Advising vendors not to store this data.
 - Ensuring card data is not stored in internet, intranet, local area networks, etc.
- Determine and establish hierarchy ranges in the AutoPay card reconciliation subsystem to assign descriptions that replace confidential traveler names in the financial system inquiry screens and on financial documents.

If a Card is issued to a department program administrator, the setup and maintenance of the Card in the online card and account management and

reporting system must be delegated to another program administrator within the department.

Program Administrator Delegate

The departmental program administrator may delegate limited view and entitlement authority in the card and account management and reporting system to individuals in the department. Program administrator delegates have the responsibility and authority to view, set up, change or delete charge card accounts in accordance with their delegation and departmental policies.

If a Card is issued to a program administrator delegate, the setup and maintenance of the Card in the online card and account management and reporting system must be delegated to another program administrator within the department.

AAM 38.330	One Card Alaska Supervisor Responsibility (01-08)
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Department supervisors have the authority to request Cards for staff who have state purchasing authority and for staff who travel on state-sponsored business.

It is the supervisor's responsibility to ensure destruction of the Card by a cardholder and, if possible, witness destruction of the Card, and notify the department program administrator on or prior to the cardholder's last day of service when the cardholder separates from the state or transfers to another state department. On the Employee Clearance Form, the supervisor checks off that the Card has been destroyed. This form is available from the Division of Personnel web site at:
http://doa.alaska.gov/dop/fileadmin/Human_Resource_Services/pdf/EmployeeClearanceForm.pdf.

AAM 38.335	One Card Alaska Card Data Storage (10-10)
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The State of Alaska requires its vendors to comply with Payment Card Industry (PCI) Data Security Standards. These standards dictate that corporate charge card and central travel system account data, such as account numbers, expiration dates, CVC security codes, or other data not be retained or stored in merchant environments, including, but not limited to storage of corporate card data in merchant data bases or on any hardcopy media such as display of full account numbers on receipts, retaining lists of account numbers, etc. The state allows storage of card and account numbers and expiration dates in the reservation data base(s) of the state's contracted travel agency for the sole purpose of procuring

travel services for state-sponsored travel. The contracted travel agency must ensure reservation data bases adhere to PCI data security standards.

It is the responsibility of state cardholders, statewide program administrators, departmental program administrators and delegates, and the state's contracted travel agency to maintain the security of the state's card and account data.

AAM 38.340	One Card Alaska Program Controls (04-15)
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The issuing bank offers several point-of-sale controls at the individual cardholder level. These include:

- Single transaction purchase limit for procurement and travel – Restricts the cost of an individual purchase against a pre-set limit.
- Spending limit per cycle – For One Cards, restricts the total amount of purchases against a pre-set monthly limit.
- Merchant category code (MCC) – Restricts the type of purchase allowed by type of merchant (i.e., airline, hotel, retail, etc.). Two MCC restrictions should be established on cardholder accounts with dual travel and purchase authority. A listing of MCC groups from which agencies may choose appropriate restrictions is available on the Division of Finance web site at:
http://doa.alaska.gov/dof/charge_cards/resource/mcc_templates.pdf
- ATM cash – Allows or restricts the cardholder from access to cash withdrawals. If the cardholder is granted access to cash, restricts the amount of cash advance withdrawals to a percent of spending limit per cycle.

These controls should reflect the agency's purchasing and travel patterns and for procurement, the individual cardholder's delegated purchasing authority. These are preventive controls and, as such, should be used judiciously. It is not in the state's interest to prevent authorized purchases with stringent controls at the point-of-sale. For example, the single transaction purchase limit should take into account whether cardholders are authorized to purchase contract award items in excess of their delegated purchasing authority.

Travel Advances

Departments are encouraged to limit the cash advance amount on individual traveler's cards to \$300 per day and a total amount of \$1,000. These represent the maximum amounts of cash advances that are waivable charges eligible for coverage which protects the state under the Visa Liability Waiver Program. A link to information about this program is available from the Division of Finance website at:

http://doa.alaska.gov/dof/charge_cards/resource/Visa_Liability_Waiver_Program.pdf

All travel advances obtained through use of the Card, require employee notification that any monies owed the State of Alaska by the traveler may be deducted from the employee's paycheck. Refer to [AAM 60.070](#) for policies on use of the Card for travel advances and repayment of overpaid advances.

AAM 38.345

One Card Alaska Reconciliation, Approval, and Payment Process (10-12)

The issuing bank is paid daily for all purchases in accordance with contract terms. Each purchase is initially charged to the agency's default financial coding for the related Card or central travel system (CTS) account. The expenditures remain in the default financial coding until reconciled by agency staff.

Subsequent review of Card purchases by cardholders is a detective control critical to the integrity of the program. Cardholders submit their invoices and other purchase support documentation to reconcilers within two days of purchase. Travelers submit their completed Travel Authorizations and support documentation to travel desks within five days from completion of travel. Refer to [AAM 38.310](#) Cardholder's Responsibility.

The AutoPay subsystem within the State's financial system is used by the agencies to reconcile and voucher purchase/charge transactions. This process matches the bank transaction with support documentation, provides the vendor code and actual financial coding, and adds any reference information for posting in the financial system. Review of Card purchases by reconcilers and voucherers is a detective control critical to the integrity of the program.

Transactions reconciled and vouchered through the AutoPay subsystem are available in the financial system for certification and processing. To maintain proper duty segregation:

1. Someone other than the cardholder or traveler should be responsible for the reconciliation and vouchering process, and,

2. Someone other than the cardholder/traveler and reconciler/voucherer should review and certify the zero-warrant transactions that move expenditures from the default coding and record expenditures to the appropriate financial coding.

Timing of Card Program Processes

Each agency finance office is responsible for establishing One Card program processing procedures that protect the state's interest in maximizing dispute rights in cases of fraud and accessing available insurance benefits in cases of cardholder misuse. This requires each agency to establish charge card processes that promote early detection of fraud and misuse.

Each agency finance office is responsible for establishing Card program processing procedures that guarantee the agency meets the annual mid to late August deadline for bringing reconciliations, vouchering and transaction processing current for all AutoPay transactions that will post to prior year appropriations.

Additionally, it is highly recommended that agencies reconcile, voucher, and process all AutoPay transactions by December 31. While this date is no longer a clearing requirement for 1099 (vendor) purposes, it is a deadline for taxable travel payments for the calendar year. Clearing AutoPay transactions related to travel from July through December will ensure accurate calculation of final travel payments and any taxable travel payments associated with the travel.

Processed transactions are archived by each agency with all supporting purchase documentation.

AAM 38.350	One Card Alaska Billing Statement Disputes (01-08)
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Review of online statements and reconciling and vouchering Card purchases identifies most discrepancies between transactions from the issuing bank and amounts actually owed by the state. The state does not deduct disputed amounts from payments to the issuing bank. Instead disputed amounts are initially paid and the state seeks credit for amounts overpaid.

The individual cardholder, reconciler, and/or department program administrator should work with the vendor to receive credit for amounts improperly billed.

If the agency is unable to get satisfaction from the vendor, the disputed transactions should be documented in the online card and account management and reporting system and the agency must work directly with the issuing bank to dispute them. Timeframes for the dispute process are

limited to 60 days from the statement date when the item originally posted, so timely action on the part of the cardholder and other agency personnel is necessary.

The issuing bank will post a credit to the cardholder's account until the dispute is resolved. Once resolved, the cardholder will be notified of the outcome.

AAM 38.355	Canceling and Inactivating the One Card (01-08)
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The immediate supervisor of a cardholder who is separating from the agency must request the employee destroy the Card and, if possible, witness such destruction, [AAM 38.330](#) Destruction of the Card is then checked off on the Employee Clearance Form. This form is available from the http://doa.alaska.gov/dop/fileadmin/Human_Resource_Services/pdf/EmployeeClearanceForm.pdf.

Prior to the cardholder's last day with the agency, the immediate supervisor must also notify the departmental program administrator of the cardholder's separation. At the time the of a cardholder's separation, the agency has the obligation to ensure the cardholder's account is canceled in the online card and account management and reporting system.

Cardholders going on seasonal leave without pay must turn in their Cards for secure storage by the agency until they return. The agency must inactivate the cardholder's account in the online card and account management system. Failure to timely cancel or inactivate accounts may result in agency responsibility for all charges to the Card following the cardholder's separation or leave start dates.

AAM 38.360	Lost or Stolen One Cards (01-08)
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If the Card is lost or stolen, the cardholder must immediately notify the issuing bank, the cardholder's immediate supervisor, and the department program administrator. Failure to notify the issuing bank will result in agency responsibility for all charges. Issuing bank contact information is available on the Division of Finance website at: http://doa.alaska.gov/dof/charge_cards/