



**STATE OF HAWAII  
STATE PROCUREMENT OFFICE**

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March 8, 2011

**PROCUREMENT CIRCULAR NO. 2003-06, Amendment 14**

TO: Office of the Governor  
Office of the Lieutenant Governor  
Executive Department Heads  
State Librarian

Chief Procurement Officers:

Department of Education, Superintendent  
Office of Hawaiian Affairs, Chairperson of the Board  
Hawaii Health Systems Corporation, Chief Executive Officer (Excluding  
Regional System Boards and hospitals)  
Judiciary, Administrative Director of the Courts  
Senate, President  
House, Speaker of the House of Representatives

Counties of Hawaii, Kauai, Maui and City & County of Honolulu  
Executive Branch, Finance Director  
Legislative Branch, Chairperson of the County Council  
Boards/Departments of Water Supply, Manager/Chief Engineer

FROM: Aaron S. Fujioka

A handwritten signature in black ink, appearing to read "Aaron S. Fujioka".

SUBJECT: State of Hawaii Emergency Purchasing Card (pCard) Program

This Procurement Circular 2003-06, Amendment 14 replaces:

Procurement Circular No. 2003-06, Amendment 8, dated December 12, 2006; and  
Procurement Circular No. 2003-06, Amendment 9, dated November 23, 2007.

Emergencies arise with little or no warning and departments should be able to address emergency situations quickly and efficiently. An emergency pCard is an effective tool in supporting departments in emergency situations. This program enhances the department's ability to respond to an emergency to quickly acquire the necessary goods and services when the Governor issues an emergency proclamation.

The Emergency pCard program was first introduced on December 12, 2006, and again on November 23, 2007. Currently 93 emergency pCards are in place within the departments of Accounting and General Services, Agriculture, Health, Public Safety, and Transportation in preparation of a Governor's emergency proclamation.

While some departments chose not to implement an emergency pCard program when it was previously introduced, the features and advantages of the program are worthy of reconsideration for applicability to your program operations.

Benefits of the emergency pCard program:

- Unrestricted merchant category codes, unless restricted by the department (except cash withdrawals and financial services, such as payments to securities-brokers/dealers and money transfers). Departments are able to use the emergency pCard to purchase, for example, food items, gasoline, clothing, hotel accommodations, etc. quickly.
- Departments can establish higher than normal credit limits (i.e. \$50,000) to accommodate anticipated emergency needs.
- 24-hour internet access to view and track transactions and the ability to separate reconciliation statement for capturing data and producing statistical and management reports for future federal reimbursement.

Internal controls have been established to minimize unauthorized use or fraud such as:

- "Emergency pCard" designation and distinct **RED** color card to differentiate from the regular pCard to avoid using the incorrect card;
- Embossed with a photo imprint is required as an additional security measure;
- Department is notified, within hours, when usage of an emergency pCard has been detected; and
- Protected by First Hawaiian Bank's zero liability policy regarding fraudulent or unauthorized transactions. This means that the State is not liable for payment of any charges that occurred on a lost/stolen card. As a MasterCard brand, the emergency pCard is also protected by MasterCoverage®, the liability protection program, which protects the State from employee misuse of charge privileges.

Departments are encouraged to evaluate their programs to determine if an emergency pCard program is warranted. Interested departmental pCard administrators should contact the State Procurement Office to discuss the options and implementation procedures.

If there are any questions, your staff may call Bonnie Kahakui at 587-4702, or you may call me at 587-4700.