



# State of Arizona Accounting Manual

Topic 45 Expenditures, Expenses and Disbursements  
Section 24 Amazon Prime

Issued 01/29/18  
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## **INTRODUCTION**

This section of SAAM addresses questions as to whether an agency may appropriately use State monies to pay for an Amazon Prime Membership. These questions arise because of issues involving “free” two-day shipping on many items, frequently discounted prices, the use of the P-Card to pay for Amazon Prime Membership and purchases, etc.

It is important to understand that an Amazon Prime Membership can only be issued in the name of an individual, not in the name of an agency; that an annual membership is not refundable for early termination of membership; that membership cannot be transferred from one individual to another; and, that “free” shipping in actuality requires a significant, prepaid annual membership fee.

A Personal Amazon Account is a way merchandize and services can be purchased, without “free” two-day shipping, from or through Amazon without paying for an Amazon Prime Membership.

Questions also arise as to whether the State would owe an individual for the occasional or even frequent use of that individual’s Amazon Prime membership to benefit from free shipping of merchandise to an agency.

## **POLICY & PROCEDURES**

1. An agency may not use State monies to:
  - 1.1. Pay for an Amazon Prime Membership for any officer, employee, contractor, volunteer, board member or any other person (hereinafter collectively and individually referred to as a “person”).
  - 1.2. Reimburse a person, in part or whole, for his Amazon Prime Membership or use thereof in connection with any order placed for, on behalf of, or for delivery to the agency.
2. An agency may, subject to certain limitations, use State monies to reimburse, by any practicable, legal and appropriately documented and reviewed means, a person for the actual cost of merchandise received by the agency purchased using a person’s Amazon Prime Membership or Personal Amazon Account.

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- 2.1. A person who is not an officer, employee, volunteer or board member should not be directly reimbursed by an agency.
- 2.2. In the case of an independent contractor, temporary worker, or employee of a contractor or other organization/entity providing goods and/or services to the State, all payments and/or reimbursements should be made to the employer of that worker.
3. An agency may not use a P-Card or Central Travel Account to pay for merchandise purchased using a person's Amazon Prime Membership or Personal Amazon Account.
4. If transaction privilege tax (sales tax) is not collected as part of the transaction, use tax reporting and remittance is required. See SAAM 4506 for additional information on this subject.
5. Agencies and agency personnel must comply with the State Procurement Code, State contracts, and directives and guidelines issued by the State Procurement Office in making any purchases.