

College Operating Procedures (COP)



Procedure Title: Purchasing Card Program
Procedure Number: 04-1014
Originating Department: Office of Financial Services

Specific Authority:
Board Policy
Florida Statute 1001.64

Procedure Actions: Adopted: 08/28/2014; 02/10/2020; 12/15/2020, 12/01/2025

Purpose Statement: The purpose of this procedure is to streamline the College's payment processes by providing a more efficient means of making purchases.

The Purchasing Card (PCard) program affords Cardholders the convenience of purchasing approved commodities directly from merchants without going through the purchase order or reimbursement process. The PCard supplements the purchasing methods already in place and is not intended as a replacement or to circumvent purchasing guidelines and requirements. Using the PCard streamlines the purchasing process by expediting purchases and reducing workflows.

Procedures:

I. ISSUANCE OF THE PCARD

- A. All requests for a PCard are to be made via the Purchasing Card Application, accessible through the MyFSW portal, from the College Services link. All requests will be routed for approval by the Budget Administrator and appropriate Vice President.
- B. PCards are to be issued to full-time employees only. Student employees and OPS temporary employees may not be issued PCards.
- C. In order to obtain a PCard, each Cardholder must have one (1) Reconciler and one (1) back-up Reconciler within the department.
- D. The Cardholder and assigned Reconcilers will be required to complete a training session on the use of the PCard and the reconciliation process.
- E. The Cardholder must sign the Cardholder Agreement, Form BO-057, which is maintained on file by the Purchasing Card Specialist. This agreement outlines the Cardholder's responsibilities for proper use and specifies the consequences of misuse.

II. CARD USAGE

- A. The PCard may only be used by the employee to whom the card is issued. No other person is authorized to use the card.
- B. The Cardholder may only initiate purchases that are necessary in order to perform job duties for their designated department and on behalf of the department staff.
- C. The Cardholder and/or reconciler should ensure budget is available prior to making purchases.

D. The Cardholder is responsible for ensuring that all purchases made on behalf of the College in the State of Florida are exempt from sales tax. Out-of-state businesses are not obligated to honor the college's tax- exempt status. In instances where sales tax is charged to a purchase, the Cardholder may be responsible for reimbursement of the sales tax.

E. If orders are placed by telephone or the internet, the Cardholder must confirm that the merchant will charge the PCard only when shipment is made and only for the goods being shipped so that receipt of the commodities may be verified on the monthly statement of account from Bank of America. Cardholders will obtain the total cost of the order from the merchant (including shipping, if applicable) before placing the order to ensure that it does not exceed the Cardholder limit.

F. If an item needs to be returned, the Cardholder should return the item(s) to the merchant within ten (10) business days for replacement or credit. Any action taken under this provision shall be documented in writing. ***Under no circumstances should the cardholder take cash for returned merchandise.***

III. PCARD SPENDING LIMITS

A. The default spending limits for all cards will be \$1,000 Single Transaction and \$5,000 Monthly Cycle Limit.

B. The Cardholder may request a temporary spending limit increase by completing the PCard Limit Increase Request that can be found in the MyFSW portal, from the College Services link.

IV. AUTHORIZED USES OF PCARDS

A. Generally, the Cardholder's index(s) will determine what purchases are allowable. The PCard Specialist should be contacted for clarification if questions arise as to whether or not a purchase is allowed. Some examples of allowable PCard purchases are:

- Professional and Institutional membership dues & fees.
- Educational materials & supplies.
- Maintenance supplies.
- Authorized travel-related purchases, excluding meals.
- Automobile maintenance for College-owned and leased vehicles.
- Additional examples of allowable items can be found in the PCard Manual.

V. PROHIBITED USES OF PCARDS

A. Possessing a PCard is a privilege, and a deliberate attempt to use the PCard for personal gain is considered theft. The PCard is to be used solely for securing goods necessary to fulfill department needs in an economical and efficient manner. A PCard cannot be used to receive cash advances, cash credits, or to purchase non-business or personal items. Employees who misuse or abuse this privilege are subject to PCard revocation and/or disciplinary action, including termination and prosecution by Florida Southwestern State College and Bank of America. Any accidental personal purchases placed on the PCard must be immediately reimbursed and properly documented.

B. Below are examples of prohibited PCard purchases:

Personal items.	Capital Assets
Cash Advances	Travel without prior approval
Rental or lease of land or buildings	Split transactions
Gift Cards	Recurring purchases

Retail Store Memberships
Contractual Services or Services in
general
Technology (without IT approval)

Purchases that require competitive
procurement
Purchases made after the fact

Additional prohibited items can be found in the PCard Manual.

- C. Sharing of the card is prohibited and may result in the revocation of the PCard.
- D. A single purchase may not be split into two or more transactions to stay within the single transaction limit. Any Cardholder in violation of this requirement may be subject to forfeiture of the use of the PCard.
- E. Exceptions: In the event of an emergency or circumstances beyond the Cardholders' control, exceptions may be approved by the PCard Specialist, Director of Procurement Services or AVP Finance and Accounting, or as designated.

VI. DOCUMENTATION REQUIREMENTS

- A. For each transaction, an itemized receipt must be obtained as proof of purchase. If a receipt is lost or cannot be obtained, the Cardholder shall submit the Replacement/Missing Receipt form BO-056 listing their itemized purchase(s), the transaction total, and the name of the merchant, to their reconciler.
- B. For purchases made via the internet, a screen print from the internet site indicating receipt of the order, may be printed for receipt purposes.
- C. Monthly statements reviewed and signed by the Cardholder, the Cardholder's immediate supervisor, Budget Administrator and/or the assigned reviewer verifying the purchase(s) is for official college business.
- D. All receipts and statements are to be uploaded to the electronic storage system in Banner as outlined in the Pcard manual per Cardholder.

VII. AUDITS

- A. Internal control plans call for periodic internal audits of the program by the Office of Financial Services. These audits will include, but are not limited to, the verification of proper record retention in accordance with State guidelines, monthly reconciliations, and the appropriateness of purchases.
- B. All new Cardholders will be subject to a 90-day audit on their PCard activity.

VIII. RECONCILIATION OF PURCHASES

- A. Reconciliations between the Cardholder's charge receipts and what is reported as being charged by Bank of America must be reconciled as soon as proper documentation has been provided to the Reconciler.
- B. Reconciliations may be prepared by a Cardholder, but in no case may a Cardholder approve his/her own charges.
- C. The Cardholder's Budget Administrator or immediate supervisor must review the reconciliation periodically to consider appropriateness of purchases.
- D. If an Index from another department is used, such as PR funds, the appropriate Budget Administrator's approval is required as back up and should accompany the purchase receipt.

E. Prepaid Expenses. In general, most purchases that require a prepaid expense should be made on a Purchase Order. A prepaid expense is that portion of an expense that is for a period of time that crosses Fiscal periods, July through June. For example, if a membership begins in January and ends in December of the next year, there would be six months of prepaid expense, July through December. In these cases where the prepaid portion of the expense exceeds \$1,000, the total amount should be split between the current fiscal year as an expense account code and the remaining future amount charged to the prepaid account code. This applies to payments such as subscriptions, and dues that cross fiscal periods.

IX. RESPONSIBILITIES

A. THE CARDHOLDER WILL:

- Always keep the PCard secure and protected from unauthorized use.
- Comply with the procedures set forth in the PCard Manual.
- Work directly with the merchant to authorize purchases, obtain materials or supplies, and certify receipt of the goods. The Cardholder is responsible for ensuring the successful completion of each order.
- The Cardholder shall make only authorized purchases on behalf of the College. Unauthorized or careless use of the PCard may result in the Cardholder being held personally liable for the total amount of such unauthorized transactions, including any administrative fees assessed to the transaction.
- Personal use of the PCard, or sharing of the card or card information, is strictly prohibited. Misuse of the PCard may result in disciplinary action, up to and including termination of employment and possible legal action.
- Forward all receipts and statements to the reconciler within three (3) business days of purchase.
- Resolve any disputed purchases, credits or billing errors.
- Review and sign monthly bank statements and send to the reconciler within three (3) business days of receipt.
- Submit any changes of their application through workflow.
- Surrender the PCard upon termination, voluntary departure, or transfer of departments.

B. THE RECONCILER WILL:

- Comply with the procedures set forth in the PCard Manual.
- Properly reconcile charges in Banner in a timely manner.
- Review Banner daily, checking for new transactions and clearing outstanding charges.
- Maintain all required documents, such as receipts and statements in Banner Document Manager by Cardholder. PCard records should be maintained for a period of five (5) years and should be available for audit purposes.
- PCard Reconcilers must ensure that transactions are reviewed and recorded in the correct fiscal year. Special attention should be given to transactions that occur near the end or beginning of a fiscal year and to any purchase of subscriptions, memberships, certifications, or similar, to ensure accurate financial reporting and compliance with accounting standards.

C. THE PCARD SPECIALIST WILL:

- Assume overall responsibility for administering the PCard program.
- Inform the Procurement Director when situations arise involving improper use of the PCard.
- Recommend to the Budget Administrator, immediate supervisor and/or

appropriate Vice President the revocation of PCard use by Cardholders who fail to follow established PCard procedures.

- Ensure coordination of the program with the Cardholder, and the Office of Financial Services to include training.
- Setup each Cardholder and Reconcilers in Banner.
- Provide training on the use of the PCard to each Cardholder and Reconciler.
- Document and process the cancellation of PCards for employees who separate from the College or no longer require use of a PCard within their respective departments. All canceled cards shall be properly recorded and retained in accordance with College policy and recordkeeping procedures.
- Audit PCard expenditures, to ensure that purchased goods are necessary, for official use, and that purchases are in compliance with established policies and procedures.
- Request PCards from Bank of America for approved staff.
- Monitor resolution of disputed purchase, credit, or billing errors.

D. THE BUDGET ADMIN/SUPERVISOR WILL:

- Review and sign monthly statement to ensure appropriateness of charges.
- Review and sign annual audits.

X. INFRACTIONS

A. Departments and Cardholders are responsible and accountable for all purchases made with the PCard. Any employee who fails to use their PCard properly or abuses it may be subject to disciplinary action, up to and including termination.

B. All Cardholders and/or Reconcilers will be given a written warning for any offense or violation. PCard administration will review each circumstance and may offer waivers as needed. Any infractions incurred may result in refresher training for Cardholder and/or Reconciler.

C. After 3 infractions, the Cardholder may have their card suspended until reviewed by Pcard administration.

D. Infractions include, but are not limited to:

- Splitting charges to bypass transaction limits
- Not uploading supporting documentation
- Taxes charged within the State of Florida
- Not reconciling charges
- Insufficient funds
- Inappropriate purchases

XI. LOST OR STOLEN CARDS

A. Report any lost or stolen PCard immediately to Bank of America toll free at 1- 888-449-2273. Notify the PCard Specialist via email.

B. Merchants who have the Cardholder's card number on file (such as subscription(s), mail order(s), and telephone order(s) should be contacted to ensure that they update their records to reflect that a card was lost, stolen or canceled and the account number on file is destroyed. All contact with the merchant should be documented, in writing, by the Cardholder.

C. If the original card is found after it has been replaced, the employee will send it to the PCard Specialist for it to be destroyed or document its destruction to the PCard Specialist.

XII. DISPUTED TRANSACTIONS

- A. If the Cardholder has a problem with a billing charge, it is their responsibility to contact the merchant and try to reach a resolution.
- B. The Cardholder should document all attempts to resolve any problem. If the problem cannot be resolved, the cardholder should contact Bank of America to file a formal dispute.

XIII. CHANGES IN EMPLOYEE STATUS

- A. Changes to the Cardholder, Reconciler, back up Reconcilers or transfer of departments, must be submitted to the PCard Specialist using the Purchasing Card Application for revisions via workflow.
- B. The PCard is the property of Florida SouthWestern State College. The cardholder is to surrender the PCard to the PCard Specialist upon request, retirement, termination, or transfer of departments or document its destruction with the PCard Specialist.