

College Operating Procedures (COP)



Procedure Title: Purchasing Card Program
Procedure Number: 04-0201
Originating Department: Office of Financial Services

Specific Authority:

Board Policy
Florida Statute 1001.64; 1010.04
Florida Administrative Code

Procedure Actions: 08/28/14

Purpose Statement: The purpose of this procedure is to streamline the College's payment processes by delegating the authority and responsibility to make certain purchases directly to the Cardholder.

Guidelines:

This program will allow the Cardholder to purchase approved commodities and services directly from vendors. Each Purchasing Card (P-Card) is issued to a named individual, and Florida SouthWestern State College (FSW) is clearly shown on the card as the governmental buyer of goods and services. The P-Card is intended to complement the purchase order process and **not** replace it. The greatest benefit of the P-Card is eliminating the need for a majority (but not all) of petty cash, blanket purchase orders, and check requests issued by departments.

Procedures:

I. ISSUANCE OF THE P-CARD

- A. All requests for a P-Card can be made via the Purchasing Card Application accessible through the portal, under the online workflow forms. All requests will be approved by the Budget Administrator and appropriate Vice President.
- B. P-Cards will be issued to full-time employees only. No student employees or OPS temporary employees may be issued cards.
- C. In order to obtain a P-Card, 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 attend a training session on the use of the P-Card and the reconciliation process.
- E. The Cardholder must sign the Cardholder Agreement form BO-057 before the card will be distributed.

II. CARD USAGE

- A. The P-Card may only be used by the employee whose name is embossed on it. No other person is authorized to use the card.
- B. The Cardholder may initiate college-related purchases for his/her designated department and on behalf of the department staff.

- C. Use of the card will be limited to commodities and services that are pre-authorized for purchase and with vendors that accept VISA cards.
- D. The Cardholder should inform the vendor that the purchase is for official State of Florida purposes, and therefore, is not subject to Florida sales tax. It is the Cardholders responsibility to have the tax removed if/when tax is charged. Out of state businesses are not obligated to honor the college's tax-exempt status.
- E. If orders are placed by telephone or the internet, the Cardholder must confirm that the vendor will charge the P-Card only when shipment is made and only for the goods being shipped so that receipt of the commodities may be certified on the monthly statement of account from Bank of America. Cardholders will obtain the total cost of the order from the vendor (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 vendor 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. CARD LIMITS

- A. Each P-Card has a standard single and monthly spending limit per billing cycle.
- B. The Cardholder may request a temporary spending limit increase by completing the Temporary Limit Increase Form BO-054.
- C. The Cardholder may request a permanent limit increase by completing the Permanent Limit Increase Form BO-055. All approved permanent increases will be monitored to ensure that increases in place are still warranted.

IV. AUTHORIZED USES OF P-CARDS

- A. The P-Card may be used for the following:
 - Membership dues & fees.
 - Educational materials & supplies.
 - Maintenance supplies.
 - Approved travel related purchases (excludes meals).Additional allowable items can be found in the Cardholder Manual.

V. PROHIBITED USES OF P-CARDS

- A. The P-Card may **NOT** be used for the following:
 - Personal items. The use of the P-Card for personal expenditures is strictly prohibited.
 - Cash Advances.
 - Rental or lease of land or buildings.
 - Long distance telephone calls.
 - Purchase of consultant or personal services.
 - Alcoholic beverages.

- Non-college related purchases.
- Orders for services, except minor repairs (less than \$250.00) to equipment.
- Meals (dependent on funding type).

Additional prohibited items can be found in the Cardholder Manual.

- B. Sharing of the card is prohibited and may result in the revocation of the P-Card.
- C. A single purchase shall not be split into two or more transactions to stay within the single purchase or Cardholder limit. Any Cardholder in violation of this requirement may be subject to forfeiture of the use of the P-Card.
- D. Exceptions: In the event of an emergency or special circumstance the Assistant Vice President, Financial Services has the authority to approve exceptions.

VI. DOCUMENTATION REQUIREMENTS

- A. For each transaction, an itemized receipt must be obtained as proof of purchase.
- B. If a receipt is lost or cannot be obtained, the Cardholder shall submit the Replacement/Missing Receipt form BO-056 listing their purchase(s) (itemizing), total and the name of the merchant, to their reconciler and email the P-Card Specialist a copy for each time it is used as a receipt.
- C. For purchases made via the internet, a screen print from the internet site, which indicates that is the receipt, may be printed for receipt purposes.
- D. Monthly statements reviewed and signed by the Cardholder and Budget Administrator verifying the purchase (s) is for official college business.
- E. All receipts and statements are to be kept in a binder divided up with monthly tabs per Cardholder, per fiscal year.

VII. AUDITS

- A. Internal control plans call for periodic internal audits of the program by the Office of Financial Services, P-Card Specialist. 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 P-Card 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.

IX. RESPONSIBILITIES

A. THE **CARDHOLDER** WILL:

- Safeguard the P-Card at all times.
- Comply with the procedures set forth in the Cardholder Manual.
- Deal directly with the vendor to authorize and obtain the materials and supplies and certify receipt. Be responsible for all actions related to the successful completion of the order.
- Make only authorized purchases. Unauthorized purchases or careless use of the credit card may cause the Cardholder to be liable for the total dollar amount of such unauthorized purchases, plus any administrative fees charged by the bank in connection with the misuse of the card. Personal use and sharing of cards is prohibited. Cardholder may be subject to disciplinary action.
- Forward all receipts and statements to the reconciler within three (3) days of purchase or within three (3) days of completion of travel if purchase was made while traveling on college business.
- Resolve the disputed purchases, credits or billing errors.
- Provide any information necessary to minimize the liability for a lost or stolen card.
- Review and sign monthly bank statement.
- Submit any changes of their application through workflow.
- Surrender the card upon termination, voluntary departure, or transfer of departments.

B. THE **RECONCILER** WILL:

- Comply with the procedures set forth in the Reconciler Manual.
- Properly reconcile charges in Banner adhering to established time frames.
- Review Banner daily, checking for new transactions and clearing outstanding charges.
- Maintain all required documents (receipts, statements, etc.) in an activity binder per Cardholder, per fiscal year. P-Card records should be maintained for five (5) years within the Cardholders department and should be available, per state and internal auditing requirements.

C. THE **P- CARD SPECIALIST** WILL:

- Assume overall responsibility for administering the P-Card program.
- Inform the Accounting Coordinator when situations arise involving improper use of the P-Card.
- Recommend to the Budget Administrator and appropriate Vice President the revocation of the purchasing authority and P-Card use by employees who fail to follow established P-Card procedures.
- Ensure coordination of the program with the Cardholder, and the Office of Financial Services to include training.
- Establish internal control, billing statement review and approval procedures with the Cardholder.
- Setup each Cardholder and Reconcilers per approved application, in Banner.

- Provide training on the use of the P-Card to each Cardholder and Reconciler.
- Retrieve canceled cards from employees, including cards from employees no longer working for the department.
- Audit P-Card expenditures, to ensure that purchased goods are necessary, for official use, and that purchases are in compliance with established policies and procedures.
- Request P-Cards from Bank of America for approved staff.
- Monitor resolution of disputed purchase, credit, or billing errors.

X. LOST OR STOLEN CARDS

- A. Report any lost or stolen P-Card immediately to Bank of America toll free at 1-888-449-2273. Notify the P-Card Specialist via email. Do not order a replacement P-Card. The P-Card Specialist will order the replacement card.
- B. Vendors 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 vendor 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 P-Card Specialist for it to be destroyed.

XI. DISPUTED TRANSACTIONS

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

XII. CHANGES IN EMPLOYEE STATUS

- A. Changes to the Cardholder, Reconciler, back up Reconcilers or transfer of departments, must be submitted to the P-Card Specialist with the approval of the appropriate Budget Administrator using the Purchasing Card Application for revisions via workflow.
- B. The card is the property of Florida SouthWestern State College. The cardholder is to surrender the card to the P-Card Specialist upon request, retirement, termination or transfers departments. The P-Card Specialist will then destroy the card. This is in accordance with COP 05-0306 regarding Resignation and Personnel clearance procedures.