

## Purchasing Card Policy and Procedures

Adopted by President's Cabinet 12/18/18

East Georgia State College (EGSC) follows the Georgia Department of Administrative Services (DOAS) Purchasing Card Policy and the University System of Georgia Board of Regents Purchasing Card Business Procedures Manual which can be found at the following links:

DOAS Purchasing Card Policy:

<http://doas.ga.gov/state-purchasing/statewide-card-programs/purchasing-cards>

BOR Purchasing Card Procedures:

[www.usg.edu/business\\_procedures\\_manual/Section3/C1127](http://www.usg.edu/business_procedures_manual/Section3/C1127)

This Policy and Procedure provides East Georgia State College Cardholders and Approvers clarification for items that may be unclear in the DOAS and USG Policy and Procedures, further guidance for campus procedures and consequences for violation of policy.

### Parties Involved

**Purchasing Card Program Administrator (P-Card Administrator):** The P-Card Administrator establishes EGSC internal procedures related to the Purchasing Card. All EGSC procedures are within the scope of the terms and conditions of the State of Georgia Purchasing Card Program Policy and best business practices and controls.

Some of the duties of the EGSC Purchasing Card Administrator are:

1. Reviewing and evaluating Purchasing Card applications from EGSC staff.
2. Adding and deleting Purchasing Card users.
3. Maintaining policies and procedures to support the EGSC Purchasing Card Program, Cardholders, and program participants.
4. Reviewing and analyzing reports and statistical data to evaluate user activity and to assure compliance with the policy and regulations governing the use of the Purchasing Card. These activities include monitoring inconsistencies within the report data and ensuring that corrections occur.
5. Serving as the point-of-contact with EGSC, Bank of America, DOAS and other state agencies.
6. Assisting EGSC management with program review and analysis; suggesting changes and adjustments for improvements.
7. Assisting departmental personnel in establishing internal approval procedures for purchasing card transactions.
8. Interpreting EGSC and program policies and procedures for EGSC staff.

**Purchasing Card Program Coordinator (P-Card Coordinator):** The P-Card Coordinator is delegated authority by the P-Card Administrator. Delegated duties include but are not limited to:

1. Conduct Purchasing Card orientation/training sessions for all new Purchasing Card holders, including coordinating and conducting group sessions and individual sessions for refresher training.
2. Timely review and reconciliation of documentation to individual P-Card statements.
3. Timely allocation of P-Card transactions to the General Ledger.

**Cardholder:** Employees are eligible for a card based on their department's need for Purchasing Card privileges; prospective Cardholders must meet established College requirements.

Cardholder responsibilities include, but are not limited to:

1. Abiding by and making each purchase in accordance with DOAS Statewide Purchasing Card Policy, University System of Georgia Business Procedures, and this document.
2. Ensuring that the Purchasing Card is issued in the cardholder's name and signed in ink on the back of the card.
3. Ensuring that all purchases made using the Purchasing Card are executed by the Cardholder. The card is not to be used by other employees or shared with other employees within a department or division.
4. Holding and keeping the Purchasing Card, the card number, and all transactions made with the card secure.
5. Obtaining approval signatures prior to making a purchase (except where noted in the OPB approved P-card Plan for Purchasing Agent, Director of Facilities, and IT).
6. Receiving and inspecting all ordered supplies, materials, and equipment; and reporting any discrepancies to the vendor. Sales tax should not be included as a charge since the state is sales and use tax exempt.
7. Obtaining, validating, and reconciling all sales slips, register receipts, and/or Purchasing Card slips and providing them to Cardholder's supervisor for reconciliation and approval.
8. Approving monthly statements (manual and/or electronic) to certify charges prior to submission to the approving Supervisor and ultimately to the Business Affairs Office. The Cardholder shall personally sign the card Statement.
9. Documenting attempts to resolve disputes or billing errors directly with a vendor. If the attempt is unsatisfactory, the P-Card Administrator, with the assistance of the Cardholder, is responsible for submitting Bank of America dispute forms to the bank in a timely manner.
10. Ensuring that an appropriate credit for disputed items or billing errors appears on a subsequent Cardholder Statement.
11. Immediately reporting a lost or stolen card to Bank of America at 1-888-449-2273 (24 hours a day, 365 days a year).
12. Notifying the P-Card Administrator of a lost or stolen Purchasing Card at the first opportunity during normal business hours.
13. Destroying the card (cut in half) and returning it to the P-Card Administrator when the integrity of an existing card has been compromised,
14. Knowing the approved types of vendors with which the Purchasing Card can be used.
15. Contacting the P-Card Administrator if a vendor that accepts Visa® does not accept the State Purchasing Card.
16. Ensuring that cash is never accepted in lieu of a credit to the Purchasing Card account in the event of a refund for any reason.
17. Ensuring that prohibited/restricted items are not purchased.
18. Ensuring that the appropriate purchasing or payment procedures are followed and not bypassed.
19. Ensuring that transactions are not split to avoid the Single Transaction Limit (STL) or to avoid established rules set forth by the DOAS State Purchasing and/or EGSC Business Affairs.
20. Cardholders should notify the P-Card Administrator or the Vice President for Business Affairs if directed by their supervisor to execute disallowed transactions even after the Cardholder has notified the supervisor that the transaction is not allowed. All reports will be handled without retribution.

### **Supervisors/Approvers:**

The initial internal control for p-card purchases is the requirement of two pre-approval signatures by the Budget Manager and by Business Affairs. These signatures must be obtained before the purchase is made. The next important internal control is the monthly review of the Cardholder's statement by the approving official. The approving official/manager is responsible for ensuring that all purchases made by the Cardholder are

appropriate and that the charges are accurate. Therefore Supervisor/Approver's responsibilities include but are not limited to:

1. Reviewing and approving each purchase before it is made.
2. Reviewing and approving monthly statements and supporting documentation such as detailed receipts on a timely basis for submission to Business Affairs.
3. Participating in p-card training and providing documentation of completion of the training along with signing and submitting the Ethical Statement of Values form.

## **Record Keeping**

To facilitate reconciliation and approval of your monthly Cardholder statement of account, it is MANDATORY that the Cardholders obtain and retain supplier (vendor) documentation for purchases. Proof of purchase and proof of receipt are required.

**Proof of Receipt:** The term most frequently applies to the printed record given to a Cardholder at "check-out" that identifies the vendor, the date of sale, lists the purchases made, the total amount of the transaction including any discounts, and other adjustments, the amount paid and the method of payment. Acceptable receipts include printed receipts and/or electronic receipts. Invoices and statements should include the following information in accordance with the Georgia Vendor Manual Ch. 8, Section 8.2:

- Contractor name, address, and I.D. number;
- Agency name, address, and zip code;
- Item description and line number;
- Quantity, unit, unit price, and extension for each item;
- The invoice number and invoice total;
- Discount, if applicable;
- Date of order and shipping date;
- Back order, if any, and shipping date.

If a receipt is missing, a missing receipt form must be prepared with the above information and signed by the Cardholder and Supervisor.

**Proof of Delivery:** A packing slip must be included with each purchase. Include the date of delivery and the Cardholder signature to verify receipt of the merchandise. If a packing slip is not available, note the delivery date on the purchase receipt. The Cardholder and Supervisor must sign the purchase receipt if the packing slip is missing.

**IMPORTANT:** The business purpose of each transaction must be notated on the supplier documentation unless it is obvious or intuitive. Please remember that restricted expenditures include items for personal consumption or benefit such as meals, food, cash, motor vehicle fuel, professional services, gift cards, entertainment and travel (Reference: OCGA 50-79 & 80).

## **Assignment and Control of the Purchasing Card**

### **Who is Eligible for a Card**

East Georgia State College allows limited access to Purchasing Card privileges to full-time permanent employees of the college that have completed the requisite 6 month provisional period.

Temporary and part-time EGSC employees are not eligible to be Purchasing Card cardholders.

### **How to Obtain a Card**

A department/division must complete and submit a *Purchasing Card Request and Change Form* with the appropriate signatures. Purchasing cards are only distributed to those who understand State of Georgia Purchasing guidelines and who can successfully pass a credit worthiness report. The employee must read and understand EGSC's *Purchasing Card Policies and Procedures*. In addition, Cardholders are required to sign the *East Georgia State College Cardholder Purchasing Card Agreement* and the Ethical Statement of Values prior to card distribution.

### **Training**

EGSC requires that all Cardholders and Approvers participate in training prior to issuance of a Purchasing Card.

In addition, cardholders and approvers must participate in annual refresher training each fiscal year. Failure to participate in the training and acknowledgement of receiving said training will result in the permanent loss of P Card Holder status.

### **Changes**

If a Cardholder changes departments or positions, or leaves employment, the Purchasing Card Administrator must be notified immediately and the card must be destroyed (cut in half) and returned to the Purchasing Card Administrator for cancellation.

Name changes and other changes to a Cardholder's profile can be made by submitting a *Purchasing Card Request & Change Form* to the P-Card Administrator

### **Lost, Stolen, or Misplaced Cards**

In order to protect the College's interest, lost or stolen Purchasing Cards must be reported immediately to Bank of America (24 hours) by calling 1-888-449-2273, and then reported to the Cardholder's immediate supervisor and Purchasing Card Administrator or their representative in Business Affairs. If you have misplaced your card, contact Purchasing Card Administration immediately so that the card can be temporarily deactivated while an attempt is made to locate the card.

To report a fraudulent transaction on your Purchasing Card, contact Bank of America Customer Service at 1-888-449-2273. The bank will request pertinent information regarding the transaction, cancel your current card, and order a new card for the Cardholder. Once you have notified Bank of America, notify your immediate supervisor, and then contact the P-Card Administrator.

Report any instance of Fraud, Waste, and Abuse to the EGSC Ethics and Reporting Hotline:

<https://ega.alertline.com/gcs/welcome>.

## **Reconciling Monthly Statements**

A complete Purchasing Card package must be submitted to the Business Office by 5 PM on the 5th day of the month. The Purchasing Card package will include the following: a copy of the individual's p-card statement, signed, dated and approved; all corresponding purchasing card fund request forms and the attached required documentation including invoices, receipts, and/or packing slips. After the original statement is signed, approved, and dated, it must be forwarded to Business Affairs.

For additional guidance on how to prepare this statement, contact the Purchasing Card Coordinator.

## **Resolving Errors and Disputes**

Problems with merchandise delivery or incorrect billing may occasionally arise. It is the **Cardholder's responsibility** to initiate action to resolve all such issues.

Cardholders must contact the supplier directly when a billing problem or a problem with merchandise is first noted to attempt to resolve such problems directly with the supplier. When appropriate, one should ask the supplier to provide a credit to your Purchasing Card account. Under no circumstances should there be a direct cash refund from suppliers for credit card transactions. If, however, a direct cash refund is received, contact the P-Card Administrator for the proper course of action.

If a Cardholder is unable to resolve the problem directly with the supplier, the Cardholder should notify the P-Card Administrator to assist in resolving or filing a Bank of America dispute form

**Important Note: All Bank of America disputes must be filed within 60-days of the transaction date. Do not continue to use vendors who have not resolved errors within 30-days of the cycle date following the error or dispute.**

Additional procedures for special situations as described below should be followed by Cardholders:

## **Lost or Misrouted Products**

If a sufficient amount of time has elapsed without receiving the ordered product, the following steps should be taken:

1. Contact the supplier to determine when the product was shipped, what carrier shipped it (i.e., UPS, FedEx, US Mail, etc.), and what location it was shipped to.
2. If there is no record of the shipment by the carrier, call the supplier and request a proof of delivery.
3. If the supplier cannot supply this documentation, the supplier should acknowledge that no product was actually delivered, and either the Purchasing Card account should receive a credit, or product reshipped.
4. If a satisfactory resolution cannot be reached with the supplier within a 30-day period, contact the P-Card Administrator to file and process a dispute. **There are only 60 days from the date of the transaction for a dispute to be filed.**

## **Incorrect Quantity or Defective Product**

The Cardholder must always check any incoming order as soon as it is received to ensure the product received matches what was ordered in terms of quantity, description, and quality. If there is a discrepancy (e.g., damage or defects), do the following:

1. Contact the supplier to resolve the issue over the telephone. This should be sufficient to resolve most discrepancies.
2. If satisfactory resolution cannot be reached with the supplier, contact the P-Card Administrator to file and process a dispute.

## **Cardholder Statement Discrepancies**

If discrepancies are noted on the monthly Cardholder Statement (for quantity, price, duplicate billing, no credits from prior transaction, billing for item not received, etc.) take the following steps:

1. Contact the supplier and attempt to resolve the discrepancy. Keep a record of all communications with the supplier.
2. If satisfactory resolution cannot be reached with the supplier, contact the P-Card Administrator to file and process a dispute.

## **Sales Tax Charged by a Supplier**

As previously detailed in the *Making a Purchase* section of this Guide, EGSC is exempt from paying sales tax on purchases. Accordingly, sales tax should not be billed by suppliers. In the event sales tax is charged by a supplier and appears on a Cardholder statement, the following steps need to be taken by the Cardholder:

1. Contact the supplier and request that a credit be processed for the amount of the sales tax charged.
2. Maintain written records of communications with suppliers regarding credits for sales tax.
3. If the supplier refuses to issue a credit or does not issue a credit within the next billing cycle, please notify the Purchasing Card Administrator concerning your attempts to obtain a credit for the sales tax billed. DO NOT place any further orders with the supplier. The Purchasing Card Administrator will notify all other Cardholders to refrain from doing business with the supplier.

Recovering charged sales tax requires time and effort that is not very productive for anyone. It is, therefore, essential that EGSC cardholders make vendors aware that EGSC is exempt from sales tax.

## **Making Returns/Exchanges**

1. Cardholders must usually prepare a shipping order for all returns or exchanges of merchandise purchased using a Purchasing Card. On the shipping order, be sure to indicate that this was a Purchasing Card purchase and state the amount of credit due for the returned item. In some instances, a vendor may supply a return authorization number (RA number) which should be noted on the shipping order. If the supplier provides a material return authorization number, be sure to include that number on the shipping order.
2. A copy of the shipping order should be attached to the monthly Cardholder Statement with details surrounding the return.
3. All return credits must be applied to the Purchasing Card account, and must not be taken in cash.
4. Be sure to note the shipping arrangements on the documentation (i.e., if the supplier or state paid for the freight).

It is the **Cardholder's responsibility** to follow up and obtain a credit for any recoverable amounts.

## **Process Review & Compliance**

The P-card Administrator and the Vice President for Business Affairs develop and review internal control procedures regularly and review all purchasing card transactions and procedures.

The primary purpose of these reviews is to ensure the program policies and guidelines are being followed. Findings of failure on the part of a EGSC's Purchasing Card Administrator, Department, or Cardholder to properly implement stated procedures for use of the Purchasing Card may result in revocation of Purchasing Card Program privileges for EGSC.

A secondary purpose for conducting reviews is to identify opportunities for improvement within the Purchasing Card Program.

## **Purchasing Card Violations**

The Georgia Department of Administrative Services, USG Board of Regents, and EGSC administration expects every individual Cardholder to strictly adhere to the policies and guidelines governing use of the State Purchasing Card. Failure to do so may result in disciplinary action up to and including termination of employment. Additionally, such failure could result in prosecution to the fullest extent of the law, including financial restitution and criminal prosecution.

Violations of policies and procedures governing use of the Purchasing Card can be classified as *minor* or *major*. The action taken is dependent upon the type of violation and the number of previous Cardholder violations. The P-Card Administrator can suspend a Cardholder's privileges with or without input from the EGSC department; however, the department will be notified of any such action. All other actions are determined at the appropriate level. Any alleged violation or questionable transaction could result in an immediate suspension of card privileges pending a review to determine what, if any, action is appropriate.

Listed below are the disciplinary guidelines associated with Purchasing Card violations:

### ***MINOR VIOLATIONS***

Minor violations are instances that are "accidental" and without willful intent, or associated with a delinquent reconciliation statement. Examples include but are not limited to:

1. Using the wrong credit card when doing personal shopping and usually includes immediate discovery and notification of the Purchasing Card Program Administrator/Coordinator as well as restitution,
2. Purchases with the card that should be made through the Entity requisition system or some other means, or
3. Failure to reconcile and return the statement (manually or electronically) in a timely manner.
4. Sales tax in one P-Card statement over \$10. (Sales tax under \$10 in one statement will result in an email reminder and will not be a violation unless habitual)

Cardholders will receive a minor violation in the form of a memo from the P-Card Administrator.

A copy of the violation letter will be sent to the Cardholder's immediate Supervisor, Department Head, and VP for Business Affairs. Any action required by the violation letter will be handled on a priority basis.

An accumulation of three minor violations of the same type or 9 minor violations of any type in a 12 month period will result in a major violation being issued.

### ***MAJOR VIOLATIONS***

Major violations are instances that show “willful intent” to disregard established policy and procedures. Examples include but are not limited to:

1. Purchasing unauthorized or restricted items,
2. Splitting orders to avoid the single transaction limit,
3. Allowing others to use the card,
4. Knowingly making personal purchases.
5. Accumulating minor violations as defined above.

Any major violation will result in immediate temporary suspension of the Cardholder’s privileges and notification to the department. If deemed appropriate, Bank of America, EGSC Public Safety, and the Board of Regents Office of Internal Audit will also be notified. If no fraud or theft is involved, reinstatement of the P-Card privileges can be made after 30 days at the request of the Cardholder’s Supervisor. If a second suspension is required, it will be permanent.

*Adoption and enforcement of any disciplinary actions is coordinated through the Vice President for Business Affairs and Purchasing Card Administration. If Purchasing Card misuse (intentional fraud by the Cardholder) is discovered, the P-Card Administrator **MUST** do the following according to DOAS Directives:)*

1. **Cancel the purchasing card.**
2. **NOTIFY STATE PURCHASING CARD PROGRAM MANAGER, Donna Rayner, (404) 656-5344 (desk), (404) 386-9641 (cell) or drayner@doas.ga.gov**
3. **NOTIFY APPROPRIATE EGSC OFFICIALS –i.e., Vice President for Business Affairs, EGSC Police Department, Human Resources, etc.**
4. **Cardholders who violate the State Purchasing Card Program by committing fraudulent activity against the State must be immediately terminated. (Coordinated through appropriate levels with the minimum of director level involvement.)**
5. **Bank of America will coordinate the filing of appropriate liability waiver documents (insurance claim to recover losses). Notify Bank of America when employee is terminated.**

**Please be aware that Bank of America will provide corporate liability protection under Visa’s Liability Protection Coverage; however, certain conditions apply. The principal condition is that the employee has been terminated and Bank of America is notified of the termination within TWO DAYS of its occurrence. Bank of America will rely on and shall be protected in acting on issuance requests or other requests or instructions which the bank believes to be genuine and to have been signed by a State of Georgia Purchasing Card Administrator.**