

Purpose

The intent of this policy is to ensure that faculty and staff utilize the University-issued procurement card in a fiscally responsible manner and in accordance with established State and University guidelines.

Definitions

Procurement Card (SPCC): Charge cards offer the University the opportunity to streamline its procedures for procuring and paying for small dollar goods and services. The card program reduces the volume of invoice processing transactions and the associated administrative costs by eliminating vendor invoices and consolidating multiple vendor payments into one monthly payment to the charge card vendor. Vendors are paid directly by the purchasing card contractor.

Card Administrator: University Purchasing employee assigned by the Purchasing Director to administer the program registered with GE MasterCard and the Department of Accounts to make changes for the University.

Card Company: Contractor providing banking services related to the use of the Procurement card.

Card Holder: University employee issued a Procurement card.

Authority, Responsibility and Duties

A. Card Administrator

The Card Administrator is responsible for:

1. Issuing cards;
2. Ensuring that annual analysis of each cardholder's usage and limits is performed and documented;
3. Canceling cards promptly as appropriate;
4. Monitoring and canceling inactive cards;
5. Removing (either permanently or temporarily) the Industry Restrictions (Travel, Accommodation, Gas/Oil, Car Rental and Restaurant/Food) on individual accounts on a case-by-case basis;
6. Training cardholders in proper card usage, security, and procurement guidelines;
7. Ensuring cardholder's supervisors are trained in their roles using the Supervisor training which is available on Department of Accounts (DOA) web page;
8. Communicating with Department of Account's Charge Card Administration team on such matters as who is to receive access to monthly billings, additional statements, and management reports;
9. Ensuring that the Fiscal Office notifies Department of Accounts (DOA) if the paper bill from GE MasterCard is not received by the designated staff member by the 23rd of each month;
10. Ensuring agency and cardholder compliance with all Small Purchase Charge Card (SPCC) policies and procedures presented in this manual, in updates, on the Department of Accounts (DOA) website, or in mandatory training sessions,(including proper processing of monthly payments);

Virginia State University
Policies Manual

Title: Small Purchase Charge Card Policy

Policy: 5504

11. Managing vendor issues pertaining to not receiving ordered goods/services or incorrect charges. If resolution can not be made at the Program Administrator level, notify GE MasterCard through Strategic Account Management (SAM), providing the necessary information referenced on the back of the monthly bill;
12. Ensuring card compliance with all SPCC policies and procedures issued by the Department of Accounts (DOA), including proper processing of monthly payments;
13. Notifying Department of Accounts (DOA) and GE MasterCard promptly of any potential or confirmed fraudulent use of the purchasing card and steps that are being taken to address (e.g., card cancellation, communication with the vendor and/or GE MasterCard, notification of law enforcement officials as appropriate).

B. Department Manager

The Department Manager is responsible for:

1. Determining which employees shall be issued procurement authority via use of the SPCC.
2. Reviewing and approving, evidenced by original signature and date, the reconciled statement before forwarding it to Invoice Processing by the 23rd of the month. The Department Manager certifies that all information provided on the log and its attachments are correct and valid State expenses.

C. Cardholder

1. Authorized use of the purchasing card is limited to the person whose name appears on the face of the card. The purchasing card or its number must not be loaned to another person. If a cardholder knowingly allows another person to use the card, the named cardholder's privileges will be revoked for a minimum of three months. This does not preclude a cardholder from placing an order with a vendor by telephone or electronically and then sending a representative to claim the items ordered. The card number must not be faxed to vendors.
2. The purchasing card should be kept in an accessible but secure location. The card number on the purchasing card should not be posted or left in a conspicuous place.
3. If the purchasing card is lost or stolen, the cardholder must immediately notify the University's Card Administrator and the card contractor.
4. Purchase logs must be maintained as each purchase is made so spending limits can be monitored and purchasing activity can be reconciled to the monthly charge card statements. A new purchasing log must be established at the beginning of each new billing cycle. The log should contain, but not be limited to, the following information:

- Agency name and unit
- Cardholder name
- Date of purchase
- Vendor name
- Description of purchase
- Amount of purchase

5. Returns, Credits and Disputed Items

The cardholder must use the following guidelines when returning or disputing an item:

- If an item needs to be returned for any reason, contact the vendor in order to send the item back to the vendor in the manner agreed upon. The cardholder is required to document contact names, dates/times of contacts, and what transpired. This documentation should be kept with the resolution action (credit/refund) once the issue is resolved.
- Request a credit from the vendor for items that are returned. This credit will appear on a subsequent charge card statement. A credit can not be applied to a payment until it appears on the statement.
- Store credit cards, credits and rebates issued by the vendor are the property of the University and used for legitimate University purchases only.
- Maintain all documentation pertaining to returns on file for reconciliation to the charge card statement. The vendor will issue documentation of the return to the cardholder (such as a credit receipt).
- Enter the return in the purchasing log.
- Contact Vendor regarding disputes or questionable charges. For charges not resolved between the cardholder and the vendor, contact the card contractor, who will investigate the dispute on the cardholder's behalf and assist in the resolution. The cardholder will provide the card company with all documentation to include phone calls, PCO number, quotes or contacts with the vendor to aid in a more timely resolution.
- Report all fraudulent charges (not authorized by the cardholder) immediately that appear on the statement to the Card Administrator and the card company. The telephone number is on the back of the card.

6. Charge Card Statement Reconciliation

The cardholder is responsible for retaining documentation of purchases and returns and reconciling them, with the aid of the purchasing log, to the monthly charge card statement. The following Reconciliation Procedures must be followed:

- Forward the monthly reconciliation to supervisor, along with written certification that it has been reconciled to the purchasing log and supporting documentation and attach either a copy of the eVA purchase order or vendor sales receipt. If there are no charges, the cardholder must submit the log and written certification noting no transactions. The supervisor and cardholder are required to sign it.
- Document items requiring resolution on subsequent monthly charge card statements.

Virginia State University
Policies Manual

Title: Small Purchase Charge Card Policy

Policy: 5504

Policy Statements

- A. The small purchase transaction maximum is \$5,000 per transaction and the maximum monthly limit is \$100,000. The Program Administrator may not increase a cardholder's per transaction limit above \$5,000, or their monthly limit above \$100,000, without express written authorization by the Department of Accounts. VSU limits are \$1,000.00 per transaction and the monthly limit is \$50,000.
- B. Purchasing cards may be issued to full or part time employees. Contract workers are not eligible to receive cards. Purchasing cards must be used for official University purchases only and all purchases must comply with the same State procurement regulations in effect for any other means of payment. Use of the card for personal items, cash advances, and business travel expenses, with the exception of airline and mass transit tickets, is not permitted. Accommodations and Restaurant purchases must be blocked on all cards. Temporary or permanent removal of these restrictions to allow for non-travel related purchases (e.g., meeting rooms or catered business meals) will be considered by the University Card Administrator on a case-by-case basis.
- C. Cardholders must receive training on the use of the card and sign an employee agreement form prior to obtaining the purchasing card.
- D. Purchases made with the SPCC are exempt from sales tax. The exception is prepared foods. "TAX EXEMPT" wording is embossed on the face of the card. Cardholders are responsible for informing suppliers of the tax-exempt status when making telephone and over-the counter purchases.
- E. The cardholder must certify that the goods and services were legitimate purchases and received in accordance with State procedures and regulations, at the end of the billing cycle. The purchase log provides a location for the supervisor and the cardholder's certification signature. The statement must be reconciled, signed and countersigned. This should be completed prior to receipt of the next statement. The monthly statements, receipts/packing slips, supporting documentation, and log sheets must be retained in the department.
 1. Invoice Processing must pay Corporate Purchasing Card statements/invoices by the contract due dates to avoid finance/late charges and comply with the Commonwealth of Virginia's Prompt Pay Act. Therefore, Invoice Processing will charge the department's default index number for the amount due. Any corrections needed to the index number distribution will be the responsibility of the department.
 2. Departments must retain copies of their statements and all documentation for a period of three years. These records are subject to review by University officials and auditors.
 3. The cut-off date for statement billing will be about the 15th of each month. Cardholders can access their card statement on-line at: <http://www.genetservice.com>
- F. Inappropriate Usage shall result in a requirement for immediate restitution and inclusion in the employee's Human Resource file. Termination must be considered if circumstances warrant the report of non-compliance to State Auditor and State Police. Goods and/or services procured using the Small Purchase Charge Card (SPCC) for personal use constitutes inappropriate usage.
 1. Level I
Level I violations by the Cardholder include:
 - Failure to maintain appropriate documentation

- Failure to reconcile statements timely and obtain appropriate signatures and dates on log sheets or statements
- Faxing card number

Actions by the Card Administrator:

- First violation: Written notice to the cardholder and supervisor outlining the violation and suspension of card for 30 days.
- Second violation: Report of the incident to the Cardholder's Division Manager/Department Head, Internal Audit Department and appropriate Vice President.
- Third violation: Closing of the account, in which case the administrator will notify the cardholder's supervisor.

2. Level II

Level II violations by the Cardholder include:

- Card sharing – allowing another individual to use card
- Failure to respond to compliance/audit requests
- Order splitting – dividing requirements to remain under transaction limit

Actions by the Card Administrator:

- First violation: Suspend card privileges for a minimum of 30 days.
- Second violation: Forfeit procurement authority.
- Third violation: Permanent termination of card privileges.

3. Level III

A Level III violation consists of deliberate fraud by charging personal transactions against the card. Suspected fraud shall be reported to the Chief Audit Executive for disposition in accordance with University policy. Verified level II violation requires immediate restitution of funds as well as disciplinary action up to termination of employment.

G. Card Termination

The card shall be terminated under any of the following conditions:

1. The University no longer employs cardholder. It should be the responsibility of the Department of Human Resources and/or the Cardholder's Supervisor to notify the Purchasing Department.
2. Consistent pattern of non-compliance as evidenced by reviews and audits.
3. Inactivity for more than nine months.

Virginia State University
Policies Manual

Title: Small Purchase Charge Card Policy

Policy: 5504

It is the responsibility of the Supervisor to retrieve the procurement card and forward the card to the Card Administrator from the employee at termination or card revocation and destroy the card. It is preferred that the Card Administrator destroys the card in the presence of the employee. The Card Administrator will complete the necessary steps to close the account within two weeks of card termination or cancellation.

References

Virginia Department of Accounts CAPP Manual, Topic No. 20335 – “Agency SPCC”

Exhibit #1: “Commonwealth of Virginia Corporate Purchasing Card Request”

Exhibit #2: “Commonwealth of Virginia Corporate Purchasing Card Employee Agreement”

Approved by: Eddie N. Moore, Jr., President

Date: December 10, 2007

Virginia State University
Policies Manual

Title: Small Purchase Charge Card Policy

Policy: 5504

Commonwealth of Virginia Corporate Purchasing Card Request

Virginia State University, 212

Agency Name and Number

Date of Request _____

TO: _____
Program Administrator

FROM: _____
Unit Manager/Supervisor

A purchasing charge card is hereby requested for the following employee under my supervision (**please print or type all information as requested below**).

Name as it should appear on the card: _____

Mailing Address: _____

Employee's Work Phone (____) _____

Employee's Email: _____

Employee's Date of Birth (MM/DD/YY): _____

(Date of Birth is required for the cardholder's Security Code with GE MasterCard)

I hereby certify that I have examined this employee's duties and estimate that the purchasing card will be used for approximately _____ transactions per month at a dollar value range of \$1.00 _____ to \$1,000.00 per transaction (attach analysis).

[NOTE: A "transaction" is one order placed with a vendor who accepts the card.]

Based on these estimates, I am requesting limits of \$1,000.00 _____ per transaction (not to exceed \$5,000) and \$50,000.00 _____ total per month (not to exceed \$100,000) be placed on this card. I will examine this cardholder's activity at least annually and provide written recommendations regarding limit changes.

I further certify that I will review and approve this cardholder's transactions and supporting documentation on a monthly basis.

Signed: _____ Date: _____
Requesting Authority

Approved by Program Administrator: _____

Date Turbo file submitted to DOA: _____

Supporting Documentation Attached

**Commonwealth of Virginia Corporate Purchasing Card
Employee Agreement**

I, _____, acknowledge receipt of an GE MasterCard Corporate Purchasing Card. As a Cardholder, I agree to comply with the following terms and conditions regarding my use of the Card.

1. I understand that I am being entrusted with a valuable purchasing tool and will be making financial commitments on behalf of my agency and will strive to obtain the best value for the agency by using State contracts and other "preferred suppliers" as identified by the Agency's Purchasing Department.
2. I understand that my agency is liable to GE MasterCard for all authorized charges made on the Card.
3. I agree to use this Card for approved purchases only and agree not to charge personal purchases. I understand that my agency will review the use of this Card and the related management reports and take appropriate action on any discrepancies.
4. I will follow the established procedures for the use of the Card. Failure to do so may result in either revocation of my privileges or other disciplinary actions, including termination of employment.
5. I agree to return the Card immediately upon request or upon termination of employment (including retirement). Should there be any organizational change that causes my cost center to likewise change, I also agree to return my Card and arrange for a new one, if appropriate.
6. If the Card is lost or stolen, I agree to notify the Program Administrator and GE MasterCard immediately.
7. I understand that in order to properly purchase goods and services, I must use eVA for those purchases that qualify and record the PCO (Purchase Card Order) number on the purchasing log. For those goods and services excluded from eVA by Section 14.9.b of the Agency Procurement and Surplus Property Manual (APSPM) and purchased via the internet, not through eVA, the vendor must have a Secure Socket Layer (SSL) Version 2.0 or greater. To ensure the vendor has a SSL, the address window must start with https://. I will record the vendor's website address on the purchasing log.
8. I understand that whenever I commit an order with my SPCC I am certifying that funds are available for proper completion of the transaction.

Employee Signature/Date

Agency and Agency Code

Supervisor's Signature

Date

Agency Address

Program Administrator's Signature/Date