

The University Procurement Card (PCard)

Program Guidelines Manual

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Procedures and guidelines will be changed to meet the needs of the Procurement Card (PCard) Program. For the most current guidelines, please refer to our website at: <http://purchasing.astate.edu>

INTRODUCTION

Welcome to the State of Arkansas/University Procurement Card (PCard) Program. The program is designed to help better manage low-dollar supply purchases and bring many benefits to you, the University, and our vendors. The PCard will facilitate the acquisition of lower dollar goods and services needed for conducting official University business. It is intended that the PCard be issued to select University full-time employees to enhance the University and departmental effectiveness or economy of operations. Liability for payment, total responsibility and accountability for the PCard transactions resides at the department level. **Personal purchases are strictly forbidden and may result in disciplinary action.**

It is accepted that no policy and guideline statement can cover all eventualities. Exceptional cases will be resolved as circumstances and prudent business practices warrant on a case-by-case basis.

University departments, as a condition of participation in the PCard program, shall abide by the terms of the guidelines unless written exception is requested and approved by Procurement Services.

The success of the Procurement Card Program and its continuing use depends on your participation and cooperation. Please be sure to read and follow the program guidelines as specified within this document.

WHAT IS THE PROCUREMENT CARD?

The Procurement Card is a Mastercard credit card issued by Bank of America. It is a fast and flexible purchasing tool which offers an alternative to the existing purchasing processes. The program provides an extremely efficient and effective method for purchasing and paying for supplies with a total cost of up to **\$2500.00** or less per *transaction* with a maximum monthly limit not to exceed \$2500, without the approval of the division Vice-Chancellor. **The PCard is to be used only for official business purchases for the University.**

The issuance of a PCard to you represents the trust bestowed upon you by the University to protect its assets and integrity. Under your oversight, review and approval, you provide the key point of control to maintain appropriate spending activities to protect your departmental funds.

The Procurement Card will be issued in the individual cardholder's name with the wording "For Official Use Only" clearly indicated on the card.

MAKING A PURCHASE

When making a PCard transaction the Cardholder shall check as many sources as reasonable to assure the best price, quality, service and delivery is in the best interest of the University. Products ordered must be picked up or delivered to an authorized University address only. Products may not be delivered to a personal residence unless authorized by the appropriate Dean, Chair, or Vice Chancellor. Shipments to non-university addresses can result in cancellation of the PCard.

GENERAL POLICIES AND PROCEDURES

- Procurement cards will only be issued to an individual in the individual's name.
- Cardholder's Dean/Director and appropriate Vice Chancellor must approve applicants request for a PCard.
- Procurement cards will be available only to full-time employees of the University.
- A default account will be assigned to each procurement card.
- Each account code will belong to one department. However, a department may have more than one account code.
- Cardholders will be linked to their department by their account code.
- Departments will be responsible for the basic accounting procedures and maintenance of submitting the monthly statement and receipts in a timely manner.
- A criminal and credit background check will be conducted prior to a PCard being issued.
- Employee must attend a training session and take a test of understanding before a PCard may be issues.

SPOT AUDITS

Procurement Services reserves the right to initiate monthly spot audits on P-Card purchases. Assets that are easily susceptible to theft or loss shall be tracked for inventory purposes.

GIFT CARD PURCHASES WITH THE PCARD

Gift cards cannot be purchased with your PCard unless approved in advance by Procurement Services.

To request approval, complete the Gift Card Request Form (available on the Procurement Services website). Email the completed and signed form to procurement@astate.edu.

Gift Card Request Forms require the cardholder's signature and Dean/Department Head's signature.

The Pcard Administrator will review the form and if all requirements are met and the expense is deemed appropriate; the form will be sent to the Director of Procurement Services.

The Pcard Administrator will return a copy of the "Approved" or "Denied" Form to the to the Cardholder.

- If "Approved" the cardholder can proceed with the purchase. The approved Gift Request Form must be maintained and scanned with the PCard receipt.
- If "Denied" the cardholder must re-evaluate his/her programming and develop another plan for the event.

Things to Remember:

- All gift card purchases must be pre-approved.
- Failure to obtain pre-approval will result in the cardholder being held personally liable for the purchase

- and the incident receive the appropriate number of violation points.
- Gift cards cannot be given to employees for employee recognition.
- Student Prize Form is required for student recipients of gift cards.

CARDHOLDER RESPONSIBILITIES

Cardholders are responsible for knowing and applying all of the rules related to the PCard program. The Procurement Card may not be used for travel, entertainment, cash and other categories as determined by Procurement policy. Misuse of the card will subject the Cardholder to disciplinary action in accordance with the University Policies and Procedures relating to disciplinary action and termination for cause. The Cardholders' responsibilities include:

- Only the cardholder and authorized delegates are permitted to use the PCard.
- Ensure the Procurement Card is used only for legitimate University business purposes.
- Maintain the Procurement Card in a secure location at all times.
- Not allow other individuals to use the Procurement Card unless a Cardholder Delegation Form has been completed.
- Adhere to the purchase limits and restrictions of the Procurement Card and ensure the total transaction amount of any single transaction does not exceed \$2500.00 per item or single invoice.
- Adhere to the purchasing rules and regulations of not splitting orders to circumvent the \$2500 limit.
- Obtain all original itemized sales slips, register receipts, and/or credit card slips and provide to the Department Liaison for reconciliation, approval and allocation of transactions.
- Attempt to resolve disputes or billing errors directly with the vendor and immediately notify the Departmental Liaison and the Procurement Card Administrator if the dispute or billing error is not satisfactorily resolved.
- Ensure that an appropriate credit for the reported disputed items(s) or billing error appears on a subsequent Cardholder's Statement.
- **Do not accept cash or gift cards in lieu of a credit to the procurement card account.**
- **Immediately report a lost or stolen card to Mastercard at 1-888-449-2273 (24 hours a day, 365 days a year).**
- Return the procurement card to Procurement Services upon terminating employment with the University or upon request of the Procurement Card Administrator or Department Head.
- If the cardholder is changing departments within The University they must contact the Procurement Card Administrator to coordinate the change.

CARDHOLDER LIABILITY

The Procurement Card is a corporate purchasing Mastercard charge card, which will **not** affect the Cardholder's personal credit. The department is liable for all charges made on the PCard issued to the cardholder. This includes transactions made on a lost or stolen card before it is reported lost or stolen. It is the Cardholder's responsibility to ensure that the card is used within stated guidelines of the Procurement Card Cardholder Manual as well as The University's Policies and Procedures relating to the expenditure of University funds. Failure to comply with program guidelines may result in revocation of the card, notification of the situation to management, and further disciplinary action that may include termination of employment.

Ultimate responsibility for use/misuse of charges rest with the cardholder.

CARDHOLDER TERMINATION

The Procurement Card Administrator may close an account if a Cardholder:

- Moves to a new job on campus in which a Procurement Card is not required.
- Terminates employment from the University.
- For any of the following reasons, which will also subject Cardholder to disciplinary action in accordance with the University's Policies and Procedures, relating to disciplinary action and termination for cause.
- The Procurement Card is used for personal or unauthorized purposes. **Note:** Use of the card for personal and/or unauthorized purposes could be interpreted as fraud, which could be grounds for employee termination.
- The Procurement Card is used to purchase alcoholic beverages or any substance, material, or service, which violates policy, law or regulation pertaining to the University.
- The Cardholder splits a purchase to circumvent the limitations of the Arkansas Procurement Law.
- The Cardholder fails to provide Department Liaison with required receipts.
- The Cardholder fails to provide, when requested, information about any specific purchase.
- The Cardholder does not adhere to all of the Procurement Card policies and guidelines.
- Failure to provide a receipt will result in employee reimbursing the University for the purchase.

DOCUMENTATION OF EXPENDITURES

Bank of America will electronically bill the University within 3-5 days after the close of the billing cycle on the 15th of each month. The Cardholder must provide valid documentation of each transaction.

SPENDING CONTROLS

The Procurement Card is to be used only for the purchase of supplies and services. The University's spending parameters for each procurement card issued is set at **\$2500.00 per individual single transaction** with a monthly maximum that is not to exceed \$2500, unless approved by the division Vice- Chancellor. The University, through the Procurement Services Department, will adjust limits as determined by demonstrated and/or special need.

EMERGENCY TRANSACTIONS

Emergency transactions over the single purchase limit of \$2500.00 may be handled on a case by case basis at the discretion of Procurement Services. An exception to this rule will be made if it applies to the University disaster plan.

CREDITS

Vendors will issue all credits to the individual Procurement Card account for any item they have agreed to accept for return. This credit will appear on a subsequent statement. **Under no circumstances should a Cardholder accept cash in lieu of a credit to the Procurement Card account. If a vendor issues cash or gift cards as credit, the PCard holder and/or liaison is to contact Procurement Services. The University will cease doing business with a vendor that reimburses with cash or gift cards.**

END OF FISCAL YEAR PROCEDURE

To ensure that PCard expenditures are properly recorded in the year goods and services are received, the Cardholder shall inform the supplier, for any June transactions, that the transaction should be posted the same day as the actual transaction took place.

PCARD ALLOWABLE PURCHASES

Membership - Individual- Must have signed memo from Dean/Director and Vice Chancellor. This memo should outline the benefits of membership for the university, the individual and the cost. Memo must be completed **prior** to purchasing a membership with the PCard. Send memo to procurement@astate.edu and reference PCard purchase. – *The memo is an A-State Jonesboro policy only.*

Membership - Institutional - No memo is required

Subscriptions or books - Educational, professional, books, magazines, periodicals, and newspapers.

Promotional Items - These items must be purchased from a licensed Affinity vendor. This list is on the Procurement website. These are items that bear the University's trademarked logos, if you are not sure please ask for clarification. Purchasing from non-licensed vendors will result in that amount being refunded to the PCard account from private (Foundation) or personal funds. This would be a violation on the PCard.

Postage - UPS/FedEx/USPS or another carrier.

Post Office box rental for department.

Department Purchases- Invoices for small purchases of supplies, project materials, items needed for daily operation or maintenance.

Office Supplies - Pens, staples, stapler, file folders, binders, etc. Consumable such as these used daily in an office. Can be purchased from any vendor. Our Staples contract provides discounts and free shipping.

Batteries-These may be purchased from any vendor.

Office Furniture -May be purchased locally or a state contracted office furniture supplier.

Computer Supplies/Accessories - Keyboard, mouse, jump drives, external hard drives, cables, and extension cords may be purchased from any vendor.

Cleaning Supplies/Hand Sanitizer/Kleenex/Clorox Wipes/Disinfectant Sprays - Used in the office for prevention of viruses. May be purchased from any vendor.

Catering - Sodexo is the only caterer. The use of the PCard is encouraged for Sodexo.

Food - Departments sometimes purchase items for student activities either on or off campus. Approval for these purchases may be obtained by emailing Procurement Services. Water or soft drinks must be Coca-Cola products. List included with this booklet.

Shipping of items - All items purchased with a PCard must be shipped to the University's Central Receiving. Exception being satellite sites for departments such as Childhood Services, Nursing, and Academic Affairs satellite campuses. No item may be shipped to a home address.

Property Control of Purchased Items - Most items purchased over \$500 must be tagged by Property Control, extension 2315.

This list is a generalization of purchases with the PCard. If you are unsure about an item please contact the Pcard Administrator at procurement@astate.edu.

NON-ALLOWABLE PURCHASES

Travel - of any kind. No airfare, hotel, shuttle, conference registration fees, etc.

E-Bay - purchases are not allowed on the PCard

Alcoholic Beverages

Cash Advances

Office Decor - for an individual's personal office

Gasoline - or any type of fuel

Gift Cards - Gift cards cannot be purchased with your PCard unless approved in advance by Procurement Services. To request approval, complete the Gift Card Request Form (available on the Procurement Services website) and email the completed and signed form to procurement@astate.edu.

Software & Technology- All software, including apps, must go through IT Services. VPAT and IT Questionnaire required. Case by case basis may be approved by Pcard Administrator.

Printers, fax machines, scanners - unless on the exemption list

Toner- unless on exemption list

Televisions may not be purchased with a PCard until first consulting David Engelken in ITS

Food or Meals - Prior permission from Procurement Services for certain items, through email and cc Credit Card Coordinator. Purchases without email permission from Procurement Services is a violation on the PCard. Food form must accompany receipt. Sodexo purchases are allowed.

Single transaction - over \$2500 or total of an invoice or order over \$2500.

Splitting - an invoice to circumvent the \$2500 limit

Computers, Cellular Phones, Wearable Technology Devices - including tablet computing devices (ex. iPad, laptops, Go-Phones, air pods, apple watch, etc.)

Greeting Cards - Christmas cards, note cards, thank you notes, birthday, sympathy, get well or other similar printed cards.

Flowers or gifts - No birthdays, baby showers, funerals, illness of an employee or anniversary for faculty or staff for any occasion.

Office Party supplies - other than official functions of the university. Expenses associated with any event which primarily celebrates the anniversary, wedding, birthday, retirement or other significant moments in the life of an employee.

Supplies for employees - such as coffee, creamer, sugar is for guest only not employees. May be purchased for guests with prior permission from Procurement Services.

Student Gifts - such as Student Appreciation Day

Professional services - such as lawyer or architect

Parking tickets on campus or otherwise - may not be paid for with the PCard

Other - purchases not permitted under the University's policy and/or procedures

Delivery of items - Orders must be picked up or delivered to an authorized University address only. Purchases may not be delivered to a personal residence unless authorized by the appropriate Dean, Chair, or Vice Chancellor.

Signing of a contract for purchase or services - If the department has a contract, agreement, or terms and conditions that require a signature, this must go through the Procurement office, with the exception of Sodexo.

NOTE: If you are unsure if a purchase is allowed, please contact the Pcard Administrator in Procurement Services at procurement@astate.edu.

PCard Violation and Consequences Procedure

Violations to any policy regarding the purchase of goods or services will be investigated and may result in one or more of the following actions:

- Written warning to cardholder with a copy sent to the department supervisor.
- Mandatory attendance at additional training.
- Revocation of PCard privileges.

Human error and extraordinary circumstances may be taken into consideration when investigating any violation of policy.

The PCard Administrator has the authority to investigate and to determine whether a violation of Procurement policy has occurred and to recommend actions that may be taken as a result of such determinations. Procurement Services will consider the facts and circumstances of each incident, and act as deemed appropriate and permitted by applicable law and/or the University policy.

Policy Violations include but are not limited to:

- Purchase of items for personal use
- Purchase of items defined as non-allowable
- Use of the Pcard for purchases to circumvent the spending limit by splitting the purchase into more than one transaction
- Failure to return the Pcard when employee reassigned, terminated or upon request

Procurement Service will permit three (3) PCard violations in a fiscal year before terminating a cardholder's privileges. After the third violation the cardholder will be required to attend retraining with their supervisor. The PCard will be suspended until retraining.