

Snow College

Purchasing Card Policies and User Guidelines

1.0 Definitions and Program Overview

The Purchasing Card system has been established to provide a convenient means with which to make purchases of low dollar items, while at the same time containing the costs associated with the procurement of these items.

- 1.1 Purchasing Card (P-Card):** A charge/credit card issued to an employee of Snow College for the purpose of making authorized purchases on the College's behalf. The College will issue payment for authorized charges made with the Purchasing Card.
- 1.2 Cardholder:** An employee of Snow College responsible for expending College funds, whose name appears on the Purchasing Card and who is accountable for all charges made with the card. **P-Card statements must be reconciled monthly and signed by the Cardholder AND an Administrative Reviewer/Supervisor.**

The Cardholder is responsible for all charges against the card along with all itemized invoices/receipts and other supporting documentation. Once submitted to the Controller's Office for review as outlined within this policy, the documentation will be maintained electronically by the Controller's Office for a minimum of five years. Cardholders are responsible to ensure charges are allocated to the appropriate Index Number (cost-code) and accounts (previously object-codes). The Cardholder will initiate journal entry corrections to reallocate original posting of purchases on the Purchasing Card to multiple Indexes or accounts.

- 1.3 Administrative Reviewer/Supervisor:** P-Card statements must be reconciled monthly and signed by the Cardholder and an Administrative Reviewer/Supervisor. The Administrative Reviewer/Supervisor is responsible to ensure that the transaction log agrees with the p-card statement, that itemized receipts in the correct amounts are included to support each transaction, and that all transactions are purchases in support of Department business purposes. If the Cardholder's immediate supervisor is not available to review and sign, the Administrative Reviewer then becomes the Cardholder's supervisor from the next level of management.
- 1.4 Compliance Officer:** The employee responsible for reviewing 100% of purchasing card transactions to verify that they are appropriate and supported by adequate documentation. **The Compliance Office, within the Controller's Office is authorized to objectively question any and all Cardholder purchases.**
- 1.5 Internal/External Audits:** Internal and external auditors may perform selected audits of Purchasing Card transactions as well as audit the controls within the Purchasing Card process.

- 1.6 Program Administrator(s):** The Office of Purchasing Services' employee(s) responsible for administering the Purchasing Card program for the College and to act as the main contact between the College and the Purchasing Card provider.
- 1.7 Transaction/Charge limit:** A dollar limitation of purchasing authority assigned to the Cardholder for each total charge made with the Purchasing Card. This amount must be less than \$3,000 per purchase. (Note: Capital outlay item(s) over \$1,000 may be purchased using the card, but must have an asset tracking form completed and turned into the accounting office and a copy kept with the Purchasing Card transaction. Purchases from \$2,000 to \$3,000 must follow the department bidding procedures.) If desired, departments may establish lower limits for a given Cardholder. **Splitting orders to remain under the Cardholder single transaction limit or to avoid the required bidding procedures is not allowed. No exceptions will be made. Criminal penalties may apply as per State Procurement Code, Utah Code Annotated, 63G-6a-101 et seq.**
- 1.8 Monthly Spending Limit:** A dollar limitation of purchasing authority assigned to the Cardholder for the total of all charges made during each monthly billing cycle. This amount will be set by each department or administrative area in conjunction with the Program Administrator, but cannot exceed \$5,000 per billing period. An exception can be given, in writing, to the Program Administrator by the Vice President of Finance and Administrative Services or the President of the College.
- 1.9 Statement of Account:** A listing of all transactions charged to the Cardholder's account through the end of the monthly billing cycle. The Purchasing Card Provider has the electronic statements available for download, directly to the Cardholder, on a monthly basis.
- 1.10 Default Index:** The College FOAPAL (cost-code) assigned to an individual Cardholder's Purchasing Card. Only one Default Index can be assigned to a given Purchasing Card and all charges made with the Purchasing Card will be posted to that Default Index.
- 1.11 Support Documentation:** A merchant produced or non-College document that records the relevant details for each item purchased, including: date, quantities, amounts, description of what was purchased, total charge amount, and merchant's name and address (e.g. sales receipt, itemized invoice, packing slip, credit receipt, etc.). The approved "Missing Receipt Form" may be used as support documentation under special circumstances if the original transaction receipt is not available. The record retention for all Purchasing Card transactions is five years from the statement date.
- 1.12 Purchasing Card Provider:** The financial institution with which the College has contracted to facilitate the Purchasing Cards used by the College.

2.0 Applicable Procurement Card Policies

- 2.1 Issuance:** All cards are issued in accordance with this policy.

2.2 Internal Review: Card usage will be reviewed by the Compliance Office and any misuse of the card may result in card cancellation, disciplinary action, termination of employment, and/or legal action by the College. All P-Card reconciliation packets are reviewed monthly by the Compliance Office. After the Cardholder and Administrative Reviewer/Supervisor have both signed the monthly transaction log, the entire P-Card reconciliation packet, inclusive of the signed transaction log, the Purchasing Card Provider's monthly statement, and all receipts and other supporting documentation, must be forwarded to the Compliance Office by the 20th of each month. It is essential that Cardholders meet this deadline. Cardholders that habitually miss the deadline will be placed on Cardholder notice; continued lateness will result in P-Card deactivation or revocation of P-Card privileges.

2.3 Card Ownership and Usage: All proposed Cardholders must attend the required training before card issuance and refresher training when a new card is issued.

The Cardholder is the individual responsible for expending College controlled funds.

The Cardholder must sign all Purchasing Card transaction logs.

Cards are non-transferable from one individual to another.

As per policy of the Purchasing Card Provider, cardholders only have a 60-day window from the post date of a fraudulent charge to report the fraudulent charge. If a fraudulent charge is not reported within the 60-day window, the charge will be deemed a personal purchase by the Cardholder and the Cardholder will be responsible to reimburse the College.

THE CARDHOLDER IS RESPONSIBLE FOR ALL PURCHASES MADE ON THE PURCHASING CARD

2.4 Restrictions and Authorized Card Use: All restrictions will be set up and administered through the Purchasing Card Program Administrator(s) in the Office of Purchasing Services. Departmental dollar levels will be established at the time of application and can be modified, if necessary, at a later date.

Using the Purchasing Card to obtain items for personal use or for non-College purposes is not allowed, even if the Cardholder intends to reimburse the College.

Cardholders are authorized to use the Purchasing Card to purchase merchandise or allowed services, as required, as a function of their duties at the College, from any supplier with the exception of the following unless authorized by the Vice President of Finance and Administrative Services or the President of the College:

- A. Unapproved printing or imprinting (Printing approval should be obtained from Office of Purchasing Services, PRIOR to placing any order.)
- B. Alcoholic beverages

- C. Fines, late fees, penalties, (including parking tickets)
- D. Gifts, gift cards, gift certificates, flowers, or cards - except as allowed in the College's gift policy.
- E. Entertainment
- F. Computers, unless purchased through a College authorized vendor contract
- G. Cell phones, phone accessories, or cell phone plans
- H. Student events, tuition, scholarships, or stipends
- I. To set up blanket, open, or standing orders
- J. Any non-authorized Merchant Commodity Code purchases
- K. Personal purchases. **All purchases must be business related**
- L. Cash advances or cash awards, including honorariums
- M. Special services; independent contractors, performers, consultants, and speakers; including personal services, doctor visits, hospital and attorney fees
- N. Fuels, i.e., gasoline and diesel fuel for operating personal or state licensed (College motor pool) vehicles (you can purchase fuel for **vehicle rentals** when rental and fuel are charged on the same purchasing card)
- O. Meals for per-diem (per-diem meals for student groups are allowable).

- 2.5 Sales Tax Exemption:** Snow College's Sales Tax Exemption number is 11972586-002-STC and is imprinted on each Purchasing Card. It is the responsibility of the Cardholder to seek a sales tax exemption when making a purchase. If sales tax is charged, the Cardholder must indicate on the Purchasing Card Transaction Log the amount of tax charged in order for the College to seek reimbursement from the Utah Tax Commission, where applicable. Sales taxes refunded to the College will NOT be returned to individual department budgets. Utah Hotel Tax is no longer exempt at the point of sale and will be required to be paid at the time of purchase.
- 2.6 Systems Management:** The Snow College Office of Purchasing Services is responsible for managing the system in conjunction with the Compliance Office.
- 2.7 Cardholder Account Management:** Each Academic or Administrative Department is responsible for managing its' Cardholder accounts. The areas of responsibility are defined within each department to assist in the management of all Cardholder accounts.
- 2.8 Questions:** All questions related to the Purchasing Cards should be referred to the Snow College Purchasing Card Administrator(s). Questions regarding monthly reviews of P-Card documentation should be addressed to the Compliance Office.
- 2.9 Payment to Card Provider:** One single payment to the Purchasing Card Provider will be made by the College Accounts Payable/Controller's Office within six days after receipt of the Purchasing Card Statement of Account. This process is time sensitive and it is critical that the College make payment to the Card Issuer within the stipulated contractual timeframe.
- 2.10 Corporate Liability:** The Purchasing Card Provider Program carries corporate, not individual liability.

3.0 Procedures

3.1 How to Obtain a Purchasing Card: A completed Cardholder Purchasing Card Application/Change Form must be submitted for each prospective Cardholder. The form must be filled out completely and signed by the Account Administrator or Business Office personnel responsible for the default index listed on the form. The form should then be submitted to the Program Administrator(s) in the Office of Purchasing Services for processing.

Each prospective Cardholder must attend a Cardholder training session before a card can be issued. Contact the Program Administrator(s) in the Office of Purchasing Services for the next convenient session.

All prospective Cardholders must sign a Cardholder Agreement Form to be eligible to receive a Purchasing Card.

3.2 Keeping Cards Secure: The Cardholder is responsible for the security of the card(s) and all transactions made with the card(s).

A. The Cardholder should sign the back of the card upon receipt and contact the issuer to activate the card.

B. The Card should be handled as if it were cash.

C. **The card number must NOT be given to a company or to a sales representative to “keep on file” for future use, unless the Cardholder has obtained a PCI Compliance Certificate from the vendor and has provided a copy of this certificate to the Compliance Office.**

3.3 Mapping of FOAPALS: Each card is mapped (assigned) to a particular College FOAPAL (cost-code) and all charges on a given Purchasing Card will be charged to that FOAPAL. Departments or employees/Cardholders using multiple College FOAPALS will be issued a separate card for each applicable Index. **It is the responsibility of the Cardholder, and Administrative Reviewer/Supervisor to notify the College Program Administrator(s) of any Index changes or closures for their cards.** The accounts indicated will reflect the Merchant Commodity Code assigned to the vendor. If an account change is necessary for any transaction, it may be processed by using the Banner reallocation screens or the Journal Entry Form.

3.4 Violations: Improper use of the Purchasing Card may result in disciplinary action being initiated against the Cardholder, based on Section 2 of this document. All Purchasing Card transactions will be reviewed and violations of policy and procedure will be monitored and recorded. If a violation occurs, points will be given according to the Violation Types listed below, and the Cardholder and the Card Account and/or Business Manager will be notified, by email, as to the nature of their violation and the accumulated points. **If a Cardholder is issued three (3) violations in a fiscal year period, the Card may be revoked.**

Violation Types	Point Value
Personal Purchase	150
Splitting of Transaction	150
Purchase of a Restricted Item	50
Unauthorized Purchase made by someone other than Cardholder	50
Itemized Receipt/Support Documentation missing (1st violation)	40
Itemized Receipt/Support Documentation missing (2nd violation)	50
Itemized Receipt/Support Documentation missing (3rd violation)	60
(The Missing Receipt Form must not be used more than twice in any fiscal year or violation points will be assessed.)	
3rd Use of Missing Receipt Form	40
4th Use of Missing Receipt Form	50
5th Use of Missing Receipt Form	60
Over Per diem Rates (see current College Travel Policy Rates) Points assessed per transaction NOT per statement.	30

If a total of 150 points is accumulated during any one fiscal year the card may be revoked.

If a Cardholder is approaching the 150-point limit, attendance at a formal training session will reduce their accumulated violation points by half or to a minimum of 75 points on the date of attendance. One training session per fiscal year is allowed to reduce the accumulated points. If a Cardholder is violation free for one year following the training session, their violation points will be eliminated.

3.5 Using the Purchasing Card: Confirm that the selected vendor accepts the **Visa®** Card. If not, choose another vendor or submit a requisition to the Office of Purchasing Services so the purchase can be made via a Purchase Order Form. Inform the Program Administrator(s), via the Department Contact, that the original merchant did not accept the Purchasing Card.

Processing Fees Charged by Merchant: Inform the Program Administrator(s), via the Department Contact, if a merchant charges any fee(s) for accepting/processing the **Visa®** card.

Placing Orders Electronically: When making purchases via telephone, fax, computer, mail order, etc., give the merchant the card number embossed on the card and direct the merchant to include the following on the shipping label and/or packing slip:

A. Cardholder name and phone number.

- B. Department name.
- C. Complete campus delivery address including building name and room number or the address for the College's Receiving Department if the shipment is to be delivered there.
- D. The words "Purchasing Card Transaction".

Advise the vendor NOT to display Purchasing Card numbers or tax exempt numbers on the outside of the shipping containers.

Using the Internet/Worldwide Web: Cardholders are required to follow any Departmental or College-wide guidelines set up for Web purchases.

- A. It is recommended that any purchases made over the Internet be with companies that you have used via traditional methods in the past.
- B. Ensure that your purchase is encrypted in an acceptable manner.

The Cardholder is responsible for purchases made, regardless of the method used. It is important to determine whether a website is the most appropriate method to use. Convenience should be weighed against price and risk.

3.6 Shipping and Receiving: Regardless of who receives the shipment, the Cardholder remains responsible for obtaining all documentation (packing slips, mail order form copies, etc.) related to the purchase and verifying that the documentation complies with the requirements for hard copy support documentation as defined in Section 1 of this policy.

When placing an order that will be shipped to the College Central Receiving Department, give your Department and Cardholder name to the supplier and ask for that information to be marked clearly on the outside of the package.

Address for Central Receiving:		
Snow College Campus	or	Snow College Richfield
c/o <u>Your Name & Department</u>		c/o <u>Your Name & Department</u>
Purchasing Card Transaction		Purchasing Card Transaction
150 East College Ave.		800 W 200 S
Ephraim, Utah 84627		Richfield, Utah 84701

3.7 Inspection of Goods Received: The Cardholder is responsible to inspect the goods upon arrival. All packaging materials should be retained until it is determined the items received are undamaged and acceptable.

3.8 Merchandise Returns and Exchanges: The Cardholder is responsible for contacting the supplier when merchandise purchased with the Purchasing Card is not acceptable (incorrect, damaged, defective, etc.). Arrangements for a return, credit, or an exchange need to be pursued with the supplier.

Contact the supplier and follow directions closely. Be aware that in some instances the

supplier may assess a restocking fee. This fee may be negotiable and can occasionally be reduced or eliminated.

Merchandise Returned for Credit: If merchandise is returned for credit, the Cardholder is responsible for obtaining a credit receipt from the supplier and retaining that receipt with the support documentation for that purchase. **Receiving cash or checks to resolve a credit is prohibited.**

Merchandise Exchanged: If merchandise is to be exchanged, the Cardholder is responsible for returning the merchandise to the supplier and obtaining a replacement as soon as possible. Documentation showing the proper resolution of the exchange is to be retained with the support documentation for that purchase.

- 3.9 Disputes:** If the Cardholder disputes a charge, the nature of the dispute and the final resolution must be documented. This documentation must be retained with the Statement of Account on which the disputed charge appears.

Vendor Resolution: Whenever possible, the Cardholder should try first to resolve disputed charges directly with the vendor. Most vendors prefer to resolve the dispute themselves and are willing to provide help. If the vendor agrees that an error has been made, the vendor should process a credit to the Purchasing card account. Future follow-up is required to ensure all credits due are received, and are the responsibility of the Cardholder.

Purchasing Card Provider: If the dispute cannot be resolved directly with the vendor, the Cardholder must first call 1-800-344-5696 and then complete a Cardholder Dispute Form as directed by Purchasing Card Provider. **A charge cannot be disputed beyond 60 days** past the transaction date as noted on the Statement of Account. The amount of the next statement will be reduced by the amount of the disputed item until the transaction in question is resolved.

- 3.10 Lost Cards:** The Purchasing Card is the property of Snow College. If the card is lost or stolen, notify the Program Administrator and contact the Purchasing Card Provider customer service immediately (1-800-344-5696).

Written confirmation of cancellation must then be accomplished by mail or fax to the College Purchasing Card Program Administrator.

The Purchasing Card Provider will block additional use of a lost card upon telephone notification. Prompt action in these circumstances can reduce the College's liability for fraudulent charges.

The following forms can be found on the Snow College Office of Purchasing Services website.

Purchasing Card Application Form:

A completed Purchasing Card Application Record is required when requesting a new P-Card or may be used to make changes to an existing P-Card account.

P-Card Agreement Form:

The completed Purchasing Card Agreement Form is required for every card issued and must be completed by the Cardholder and returned to the Office of Purchasing Services upon receipt of the P-Card.

P-Card Transaction Log Form:

The use of the Transaction Log is required and was developed as a way for Cardholders and managers to track the Purchasing Card transactions and assist in reconciling both the Purchasing Card Provider statement and College monthly transaction statements. The log includes transaction date, vendor name, transaction details, amount, date received, sales taxes paid, and capital asset items.

P-Card Missing Receipt Form:

The Missing Receipt Form is to be used only in exceptional circumstances and if the Cardholder cannot obtain a replacement receipt for the lost invoice from the vendor/supplier. It cannot be used more than twice (2) in any fiscal year without the Cardholder receiving user violation points.

P-Card Support Documentation/Hosting Pre-Approval Form:

The Support Documentation/Hosting Form must be used when pre-approval for food/meal purchases is required. This form may also be used as support documentation for Purchasing Card transactions that could be viewed as personal purchases but were made for official College business purposes. All itemized receipts and other explanatory documentation for the activity should be attached to this form and be retained with the applicable monthly P-Card statements. This form is provided for Cardholder convenience. The same equivalent information may be provided in an alternative format.

Purchasing Card – Questions with Answers

Who can I obtain a Snow College Visa® Purchasing Card?

An employee whose position requires them to make small dollar purchases or is responsible for expending College funds.

What is a small dollar purchase?

Small dollar purchases are typically for several hundred dollars or less. For example, it could be a single item costing \$200, or a group of items totaling less than \$2,000.

How does someone obtain a card?

Complete the Purchasing Card Application and Change Form and obtain approval from your College or Department card manager. Completed forms are then forwarded to the Program Administrator for processing with the issuing bank. All Cardholders must attend a Cardholder training session and sign and submit a completed Purchasing Card Agreement Form.

Who handles Cardholder information changes?

The Department card manager must approve any changes and then forward the information to

the Program Administrator in the Office of Purchasing Services.

Who is the Program Administrator?

The Program Administrator, located in the Office of Purchasing Services, coordinates all activities related to the College Purchasing Card Program.

Why not simply use a purchase order?

The Office of Purchasing Services and the Business Office are attempting to not only simplify the purchasing process, but to reduce total acquisition costs. Using the Purchasing Card will increase flexibility, simplify the purchasing process and reduce costs.

How do I use the card?

The Purchasing Card functions just like a typical charge card, with certain limitations on some types of transactions. You should always obtain and file a detailed receipt of the items purchased and use it for statement reconciliation purposes.

Can I use the card over the telephone or internet?

Yes, just as you might use your personal credit card. The supplier will ask for the card number and expiration date. **No card number should be “kept on file” for future reference by any supplier.** Record your transaction on your activity log and instruct the supplier to provide you with an itemized/detailed receipt showing the items purchased. All receipts must be retained by the Cardholder for their monthly internal review. At that point, the receipts will be retained electronically by the Controller’s Office for a minimum of five years. **Remember to give vendors detailed shipping instructions and the Utah State Tax Exempt Number printed on your card.**

What limits are placed on the card?

Standard limits include:

1. A maximum dollar amount per transaction
2. A maximum monthly expenditure limit
3. Blocked or restricted types of transactions such as travel related expenses. Please refer to the Purchasing Card Policies and Guidelines.

What if I need to return an item after I have purchased it?

Contact the supplier and arrange the return/exchange directly with them. Be sure to obtain any necessary return authorization and a credit receipt for your returned items. **Receiving cash or checks to resolve a credit is prohibited.**

What if my purchase is declined?

Contact the Program Administrator(s) at 435-283-7262 or 435-283-7260.

Do I pay sales tax?

No. As a government entity, all College purchases are exempt from paying taxes (with the exception of Utah Hotel Tax paid for lodging within the State of Utah). The State Tax Exempt Number is imprinted on your Card for convenience in claiming a tax exemption. Due to a number of challenges claiming tax exemptions, points are no longer assessed to individuals who pay taxes with their Purchasing Card. The Controller’s Office seeks reimbursement from the

Utah Tax Commission of all Utah sales taxes paid but these funds are not returned to the purchaser's budget. Contact the Program Administrator or your Card Manager if you have any questions or problems.

What should I do with receipts?

Save them, they are very important!! You need the receipts to reconcile your monthly bank and Purchasing Card Transaction Log. By State and Federal Law, all records must be retained for five years after the statement date.

Do I pay the Bank Visa® Statement?

No, the College will pay the total bank bill. You will need to save your receipts to verify the charges listed on you statement.

How do I reconcile the Monthly Statements?

A monthly statement listing suppliers and purchases made is downloadable from the Purchasing Card Provider. Use your Purchasing Card Transaction Log, along with the detailed receipts to verify that the statement charges match your purchase records. Any disputed transactions will be handled with adjustments issued the next month.

What if there is an incorrect charge on the statement?

If you have a problem with a charge on your statement, identify the problem and try to resolve it directly with the supplier. If the supplier refuses to issue credit or otherwise fails to resolve the problem, call the Purchasing Card Provider customer service at 1-800-344-5696, then complete a Cardholder Dispute Form, as instructed, and forward it to the Bank.

What if there is an unauthorized charge on my statement?

Notify the Purchasing Card Provider customer service at 1-800-344-5696 immediately. If the charge appears to be fraudulent, the card account will be closed and a new card and account number will be opened.

What if I lose a receipt?

Having a detailed receipt is important because it serves as proof of the purchase. It is also proof of certain tax exempt purchases. If a receipt is misplaced, try to get a copy from your supplier. If this is impossible, complete the Missing Receipt Form and file it with your monthly statement. The Missing Receipt Form may be used twice during a fiscal year.

How do the charges made on my Purchasing Card get into the accounting system?

All purchases made on your card will be charged to the account code specified on your application or may be reallocated in the Banner Finance System.

What if my card is lost or stolen?

Contact the Purchasing Card Provider customer Service at 1-800-344-5696 and the Program Administrator(s) Immediately! Prompt action will reduce College liability for any fraudulent charges.

Will my purchases be checked?

YES! Each month you will submit your reconciled P-Card statement, transaction log, receipts

and any other supporting documentation to your Administrative Reviewer/Supervisor for review and approval and then to the Compliance Office for review. Monthly reviews by the Compliance Office will ensure compliance with College policies and procedures.

What if the single transaction dollar limit or the monthly expenditure limit on the Purchasing Card is too low for me?

Have your Administrative Reviewer/Supervisor send a request for higher limits to the Purchasing Card Program Administrator.

What if I use the Purchasing Card to make a personal transaction by mistake?

Have the vendor/supplier reverse the transaction immediately and then submit a billing on your personal card.

Will transactions made on the College Visa® Purchasing Card affect my personal credit rating?

No, the card is to be used for College purchases only.

What if I have a question concerning my account?

Contact the College Program Administrator within the Office of Purchasing Services.

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