



PALM BEACH STATE
COLLEGE

❖ **PURCHASING CARD MANUAL** ❖

Revised 01/2010

OVERVIEW

Palm Beach State has implemented a Purchasing Card (P-Card) Program to serve as an alternate and more efficient method for purchasing small dollar goods. This method will allow departments to make transactions without having to submit a purchase order. Transactions are normally for purchases of goods, including any shipping, handling, or related costs, valued under \$1,000.

This method reduces the need for petty cash funds and the inherent risks of the money being mishandled or stolen. It also reduces the number of check requests.

Each Card issued will have its own specified dollar amount limits (i.e., per transaction, per day, per month, etc.) and specified restrictions (i.e., various categories of purchases allowed/not allowed, known as MCC Codes). Each Card can be tailored to fit a department's specific needs. Standard default limits include routine supplier MCC codes, and per transaction limits not to exceed \$999.99. Special requests are required to work outside the preapproved limits.

REQUEST FOR CARD ISSUANCE

All requests for P-Card issuance must be submitted via the P-Card Program: Cardholder Application/Agreement form, which must have the requesting employee's departmental approval, and final approval from Controller. The requesting Department Head should request any special restrictions to be added to those that are automatically imposed by the College.

Any College employee authorized and approved to use a P-Card shall be required to sign and date the P-Card Program: Cardholder Application/Agreement form plus attend mandatory training prior to being issued the P-Card. This agreement serves to duly inform the employee of cardholder responsibilities in the use and safeguarding of the P-Card, including the consequences. Serious or repeated misuse or abuse of the P-Card will result in the revocation of the P-Card as well as disciplinary actions, up to and including, termination of employment and prosecution to the extent permitted by law.

RESPONSIBILITIES

❖ CARDHOLDER

The cardholder is responsible for the following:

1. Checking to ensure adequate budget appropriations exist **before** incurring any P-Card charges.
2. Safeguarding the P-Card at all times.
3. Ensuring that the cardholder is the sole user of the P-Card.
4. Using the P-Card strictly according to the policies and procedures set forth in this manual.
5. Remaining informed of any updates to these policies and procedures.
6. Notifying Bank of America, the P-Card Specialist, and the Controller promptly when the P-Card has been lost, stolen, or misused.
7. Restricting purchases to only those authorized for College-related purposes.
8. Surrendering the P-Card upon the request or order of the respective Department Head, P-Card Specialist, Purchasing Manager, or Controller. Keeping all transaction documents (i.e., charge tickets, credit slips, invoices, delivery tickets, etc.) and reconciling and submitting them as required to the P-Card Specialist. **Transactions not supported by the proper documentation are the responsibility of the cardholder.**
9. Processing payment within PantherNet and verifying approval within the specified time.
10. Notifying the P-Card Specialist of any problems (i.e., P-Card denial, sales tax exemption, etc.) experienced when using the P-Card.
11. Ensuring that the vendor provides a transaction document whenever the transaction is done by phone, mail, or fax.

12. Ensuring all deliveries are made to a College authorized receiving address (provided at training), and note “P-Card”/Your Name on delivery documents (i.e., shipping address fields, etc). Deliveries are not to be sent to off-site locations including residences, etc.
13. Notifying the P-Card Specialist promptly of any purchase mistake made contrary to this manual.
14. Giving all charge slips or receipts, including any credit slips, to your Department Head prior to going on leave. This also includes processing any outstanding P-Card transactions within PantherNet and sending them for approval.
15. Accepting only a credit transaction whenever an item has to be returned to a vendor; however if the vendor cannot issue a credit slip, then notify the P-Card Specialist before going any further with the vendor. (**Cannot accept cash credits**)

❖ DEPARTMENT HEAD

The Department Head is responsible for the following:

1. Timely approvals within PantherNet, certifying the legitimacy of the listed transaction, and assuming the overall responsibility for any employee’s use of a P-Card.
2. Assigning an “alias approver” prior to going on leave.
3. Reviewing all receipts and signing the reconciled monthly billing statement for overall legitimacy of all transactions.
4. Approving all requested changes to P-Cards within their department and requesting said changes be made with the Finance Department.

❖ CONTROLLER’S OFFICE

The Controller is responsible for the following:

1. Approving the issuance and replacement of all P-Cards requested by a Department Head.
2. Approving requested P-Card dollar limitations and restrictions of Department Heads.
3. Approving any necessary P-Card dollar limitation or restriction overrides to the Provider as a result of an emergency situation.
4. Canceling or overriding MCC codes as needed.
5. Maintaining a record of any failures by a cardholder or a department to comply with the policies and procedures of the program; and, reviewing the noncompliance count and the seriousness of each noncompliance, to determine if the suspension or revocation of a P-Card(s) is required.

❖ P-CARD SPECIALIST

The College P-Card Specialist oversees the program and assists cardholders with problem resolution. The P-Card Specialist is available to handle problems and to lend guidance to cardholders.

1. The P-Card Specialist is responsible for:
 - a. Verifying accuracy of submitted documentation prior to payment.
 - b. Assisting users with reconciliations.
 - c. Paying the P-Card Vendor in a timely fashion.
 - d. Performing monthly/periodic reviews of cardholders’ transactions to ensure compliance and look for trends.
2. The P-Card Specialist will follow certain summary and detailed reviews as directed by the Controller to further audit the program’s compliance and efficiency.
 - a. Major areas to monitor will be Travel, limit compliance, restricted or declined authorizations, unusual purchase patterns, etc.
 - b. Per the Controller’s Office, the Card Provider’s software will be utilized as appropriate for periodic review.

PROCESSING PROCEDURES

❖ CARDHOLDERS

1. Cardholders must maintain their transaction(s) and send for approval within 3 business days of the purchase. It takes 3-5 days for charges to appear in PantherNet. Use “Maintain Purchasing Card Transactions” Screen (**CM-PC-BA**).
2. Check vendor ID to see if automatically filled. If not, search list of approved vendors (F1) or leave blank.
3. In the description field write: What was purchased and for what purpose the item was used. For travel related transactions: Purpose, city, and dates of travel.
4. Assigning the appropriate Org unit number(s) and general ledger (GL) code(s) to the P-Card transaction. **Always verify this field.**
5. Send for approval. It is the cardholder’s responsibility to make sure the transaction has made it through the approval process and gets to the Finance Department (P-Card Specialist’s PantherNet Approval Queue) within one week of the transaction being loaded into PantherNet.
6. Be sure to resolve any backorder issues within one billing cycle (one month from date of purchase).

❖ OUTSTANDING TRANSACTIONS:

Cardholders with transactions more than 30 days past due (3 business days + 30 calendar days), will have their card suspended until transactions are processed. Repeat offenders will be reported to their Department Head, along with the appropriate VP, Provost, and/or Controller who can choose to suspend the card for 30 days or more and revoke card privileges on a case by case basis.

RECONCILIATION

Statements are sent to the cardholders near the first week of each month. Cardholders shall reconcile their receipts, invoices, charge slips, and credits to PantherNet before the end of each month. The total dollar amount of the receipts, including any credits issued, must equal the total of the statement. Statements with all attached receipts should then be sent to your Dean/Department Head for review/signature and forwarded to the P-Card Specialist, MS #59.

❖ MISSING STATEMENTS:

Statements are due by the end of the month following the statement cycle. If the statements are not received, an email notification will be sent to the cardholder and Department Head. If the statements are still outstanding 45 days following the statement cycle, the P-Card will be suspended along with notification to the appropriate VP and Provost. At this point a review/investigation will be done and P-Card privileges will be revoked on a case by case basis.

RECEIPT REQUIREMENTS

Receipts are a critical part of the P-Card program. Accurate, detailed records of P-Card purchases allow P-Card administrators and State auditors to verify and audit your purchases for compliance with College Policy and State Laws/Rules.

Your receipt must be original and include specific information:

- Unit Cost of each item purchased.
- Description of each item purchased.
- Total cost of purchase(s).
- Vendor name and address.
- Date of purchase(s) and/or date of goods received.

Remember a receipt may be an original:

- Cash register receipt.
- Fax confirmation.
- Email.
- Complete web/mail order form.

DISCREPANCIES/BILLING DISPUTES

If you have a problem with a charge, try to reach a resolution with the merchant that provided the item. Your receipt will be your proof of purchase. Cardholders must notate the dispute by pressing F6 on the transaction screen, adding a description, and placing the transaction in 'Disputed' status.

The cardholder is responsible for resolving any disputes or outstanding issues, clearing erroneous charges, and requesting credit for returned merchandise directly with the vendor. Most billing problems can be resolved expeditiously in this manner.

The cardholder must first attempt to reach a resolution directly with the merchant. The cardholder must document all attempts to resolve the problem. If you cannot resolve the issue, contact the P-Card Office for assistance.

NOTE: Do not remove or cross out the item on the statement, or delay processing the payment because of credits or disputes.

If a vendor issues a credit to the College for a returned item, the cardholder is responsible for ensuring that proper credit is given on the subsequent monthly billing statement.

IMPORTANT: Any use of the College P-Card for personal expenses may result in the surrender of the P-Card and disciplinary actions, up to and including, termination of employment.

SPECIAL TRANSACTIONS

The P-Card Program is more a form of payment, rather than any change to purchasing rules, and as such does not seek to change current purchasing guidelines such as bid limits, capitalization requirements, or types of items allowed to be purchased by the College. Budget/Encumbrance restrictions, supervisor approval, etc. are all still in place, and are not meant to be circumvented.

If there are any doubts as to what can and cannot be purchased, the cardholder must contact the P-Card Specialist or Purchasing Manager for clarification prior to purchase. Supervisory approval is a must. If an emergency situation exists, the current emergency purchase procedures must be followed.

SPECIAL ATTENTION NEEDS TO BE PAID TO THE FOLLOWING ITEMS:

- TRAVEL – All Travel must be PRE-approved and the appropriate forms must be filed with the Travel office. The P-Card is NOT be used to reserve airlines or rental cars. Travel reservations are done through the Travel office.
- GASOLINE – For use in Palm Beach State vehicles only. Must have College vehicle number on receipt and in PantherNet description. **Never to be used for personal vehicles.**
- COMPUTER EQUIPMENT/SOFTWARE – Must get written pre-approval through Central IT and submit with the monthly statement. Usually not allowed.
- CAPITAL EQUIPMENT – Not allowed without special permission and must coordinate with Inventory.

- MEMBERSHIPS – Must be requested by P.O. to prevent duplication. The College does not pay for personal memberships of any kind.

THE FOLLOWING ARE UNAUTHORIZED PURCHASES INCLUDING, BUT NOT LIMITED TO:

- Cash advances/Gift Cards/Gift Certificates, etc. and similar devices.
- Contractual Services.
- Telecommunications (outside the pre-approved Telecommunications/Facilities communication Depts.)
- Employee benefits.
- Decorative items.
- Renewals that are automatic (i.e., subscriptions, etc.).
- No Tips/Gratuities of any kind.

SALES TAX

The College is exempt from paying local, county, and state sales taxes. A copy of the College's Tax Certificate should be provided to the vendor whenever a transaction is made, if the vendor does not have it on file already (see approved vendor list from Purchasing). Sales Tax certificate for College use (ONLY) is available at <http://www.palmbeachstate.edu/x12945.xml>. Pocket sized tax exemption certificates are also available from the P-Card Office.

P-CARD CHANGES

All requests for changes (i.e., additions, deletions, cancellations, etc.) to P-Card limits/restrictions must be authorized by the respective Department Head, approved by the Controller, and implemented through the P-Card Specialist.

❖ **CANCELLATION/REPLACEMENT**

All requests for P-Card cancellation or replacement must be handled with the P-Card Specialist and the Controller. This request must be authorized by your respective Dean/Department Head. The P-Card and the exit sign-off sheet must accompany any cancellation, termination, or retirement to the Administrator. A written memorandum must accompany any request for a replacement of a P-Card which was lost, stolen, or damaged. This memo from the Department Head must explain what happened that resulted in the request for replacement.

❖ **EXPIRED P-CARDS**

As your P-Cards expire, you should receive new P-Cards. Once you receive and successfully activate the new P-Card, please do the following with the OLD P-Card:

1. Cut the P-Card lengthwise through the numbers.
2. Send the bottom half (or half with name) securely to the P-Card Office so we may verify destruction, and log for audit purposes.
3. Destroy/shred/discard top half, and make any note for your records such actions.

If your P-Card is about to expire, and your new P-Card hasn't arrived, please call P-Card company and simultaneously coordinate with the P-Card Office to ensure safe delivery.

LOST/STOLEN P-CARDS

Upon discovery that a P-Card has been lost or stolen, the cardholder is responsible to immediately notify the Provider at 800-798-6125 and notify the respective Department Head, P-Card Specialist, and Controller of the circumstances. The Department Head will be required to send a memorandum to the Controller with an explanation as to what happened. This memo must be attached to a Card Change Request form requesting a P-Card cancellation and replacement.

Keep paperwork related to P-Card data locked in a secure location, separate from the P-Card. This paperwork should include account numbers, phone numbers, and other pertinent information to manage the P-Card.

MISUSE OF P-CARDS

Any cardholder, who purchases any merchandise deemed by the Department Head, Purchasing Manager, or Controller as inappropriate or unnecessary, will be required to pay for said purchase.

If a department is found to have (a) not reported a misuse, (b) one or more misuses occur within a 12-month period of time, or (c) failed to submit its statement as required for payment to the P-Card Office, the Controller has the authority to terminate the use of all P-Cards issued to employees of that department.

Any cardholder found to have misused a P-Card may be subject to (a) loss of P-Card and/or disciplinary action by the respective Department Head, (b) dismissal from College employment, or (c) the College filing criminal charges against the employee with the local District Attorney's Office.

P-CARD USED FOR PERSONAL CHARGES - PROCEDURES AND FOLLOW-UP

The P-Card is clearly marked as a Corporate Card for the College, including unique colors, logo, and tax ID. Therefore, there is no reason to believe it can be mistaken for a personal card. Cardholders are encouraged to keep it secure and separated from other personal cards at all times.

If there is personal card use, the P-Card will be immediately suspended until a review/investigation has been done by the issuing Department Head and Controller's Office. Cardholder will be required to reimburse the College for the charges. If reimbursement does not occur within 15 days, the debt will be deducted from cardholder's next salary payment, along with notification to appropriate VP and Provost. At that point a review/investigation will be done and P-Card privileges will be suspended/revoked on a case by case basis.

Explicit Guidance: It is against Florida Statutes to make loans to employees, and further against Florida Statutes for employees to derive personal gain from the College's tax exempt status.