FAYETTEVILLE STATE UNIVERSITY

PROCUREMENT CARDS

Authority: Issued by the Chancellor, Changes or exceptions to administrative policies issued by the Chancellor and only be made by the Chancellor.

Category: Business, Finance and Administrative Services

Applies to: ● Administrators ● Faculty ● Staff

History: Approved – July 1, 2015

Related Policies: Purchasing Policies and Procedures [FSU]

Contact for Info: Procurement Card Administrator (910) 672-1199
Purchasing Director (910) 672-1086

I. INTRODUCTION

The Fayetteville State University (University) Procurement Card (P-Card) is designed to improve efficiency in processing low dollar purchases ($1,000.00 or less). The P-Card is a Visa Card which is to be used when an item(s) to be purchased is not available through E-Buy. This policy provides information and guidance to members of the University community on the usage of the P-Card.

II. PROCUREMENT CARD

The P-Card is essentially a standard Visa card in which the liability rests with the University instead of the individual cardholder. This differs from the American Express travel card, in which the liability is solely on the cardholder. The P-Card cannot be used for University travel related expenses and under no circumstances can the P-Card be used for personal purchases.

The P-Card is issued to an employee to allow the employee to purchase goods and services on behalf of the University within a set spending limit. An employee in possession of a P-card is responsible for the safeguarding of the P-Card against fraud and misuse. Any fraud or misuse resulting from an employee’s use or possession of the P-Card will subject the employee to disciplinary action.

III. ISSUANCE OF A P-CARD

P-Cards may be issued to an employee who is authorized by the University to purchase goods and services. To apply for a P-Card, the Enrollment Form and the Memorandum of Understanding and Agreement Form must be completed and returned to the University’s Procurement Card Coordinator. These forms are accessible on the University’s Purchasing Department’s website.

If a P-Card is issued, it will have the University’s and the cardholder’s name on the front of the P-Card. The cardholder shall be the only individual authorized to make purchases using the P-Card.
The cardholder shall be responsible for the safeguarding of the P-Card against fraud. Giving a P-Card or P-Card number to any individual or using a P-Card not assigned to the individual may result the revocation of P-card privileges and disciplinary action. It is highly recommended that the P-Card be kept in a secure place.

Prior to the issuance of a P-Card, all cardholders, unit heads, and departmental reconcilers shall attend training sessions offered by the Division of Business and Finance.

P-Cards have a three (3) year expiration date. Employees whose P-Cards are set to expire will received a new P-Cards prior to the expiration date of the current P-Cards. Before the issuance of a new P-Card, the P-Cardholder will be required to attend a training session offered by the Division of Business and Finance.

IV. LIMITATIONS ON CARD USAGE

A. Limitation on the Amount of Purchase

Limits on an employee’s P-Card shall be established by the Division of Business and Finance based upon the needs of the department. However, standard limits are as follows:

- Single transaction limit - $1,000.00
- Daily/Monthly limit - $5,000.00

Employees desiring to purchase items exceeding $1,000.00 must receive approval from the University’s Procurement Card Administrator.

B. Limitation on Type of Purchase

The University has blocked all categories of charges deemed inappropriate such as travel and entertainment, alcoholic beverages, gambling, etc. If a transaction is made pertaining to a prohibited purchase without prior authorization, the P-Card will be cancelled and the account closed.

C. Purchasing from a Non-Approved Vendor

It is the P-Cardholder’s responsibility to insure purchases are only from legitimate vendors. If there are any questions regarding the legitimacy of a vendor or individual, the Purchasing Department should be contacted. The P-Card number should not be provided to a questionable vendor.

The P-Card cannot be used to purchase from vendors who fall under a blocked category on the MCC list. If it is found that a particular vendor should not have been blocked, the University may consider allowing the purchase to be completed.

V. P-CARDHOLDER RESPONSIBILITIES

The P-Cardholder is responsible for purchases made that commit the University. Thus, the P-Cardholder shall be held responsible for ensuring that the purchase and the vendor are legitimate and that the amount of the purchase does not exceed the limits outlined above. In addition, the P-Cardholder is responsible for the following:
A. **Verification of Purchases and Itemized Receipts**

The P-Cardholder shall be responsible for verifying that the total amount of the purchase (including shipping, handling, postage, freight, insurance, etc.) does not exceed the P-Card limits.

The P-Cardholder shall be responsible for ensuring that a receipt for the purchase is received.

B. **Changes to P-Cardholder’s Information**

The P-Cardholder is responsible for ensuring that the Purchasing Department is aware of any changes in the P-Cardholder’s personal information (address, telephone number, project/grant, etc.). Any changes shall be immediately emailed to the Purchasing Department.

C. **P-Card Surrender**

P-Cards remain the property of the University and must be surrendered immediately upon termination of P-Cardholder’s employment, transfer of P-Cardholder to another University unit or upon the request of a supervisor or the Director of Purchasing.

D. **Reconciliation**

It is the responsibility of the P-Cardholder or the P-Cardholder’s designated reconciler to ensure that the P-Cardholder’s monthly purchasing card reconciliation voucher packet is submitted in a timely manner to the Purchasing Department. The packet should include the following:

- Transaction log
- Bank Statement; and
- Itemized Receipts; and
- Invoices and packing slips

The reconciliation voucher packet is due on or before the 5th of the month following the end of the billing cycle. Any packet which has not been submitted by the due date shall result in the suspension of the P-Card. Items submitted after the due date shall be charged to a departmental non-state funded account.

If, within a six-month period, a P-cardholder fails on two or more occasions to include the proper documentation in the reconciliation voucher packet, the P-cardholder will be required to attend training offered by the Purchasing Department. If the P-cardholder fails to attend the required training, the P-card will be suspended.

E. **Inactive Accounts**

To protect the security of the program, any P-Card that has not been used for six (6) months will automatically be suspended. To reactivate a P-Card the P-Cardholder must
either contact the University’s Procurement Card Coordinator or call the number found on the back of the P-Card.

VI. DISPUTED TRANSACTIONS

Purchases appearing on the monthly statement from the bank may be disputed up to thirty (30) days from the date of the statement.

If a dispute arises, the P-Cardholder should contact the vendor for information regarding the disputed charge. If the cardholder is unable to obtain satisfaction from the vendor the cardholder must contact the University’s Procurement Card Coordinator.

The P-Cardholder may complete the on-line transaction dispute form and contact the bank’s customer service department. The bank may issue a credit if it is found that the charge is not valid.

VII. SUSPENSION OF P-CARDS

P-Cardholders who consistently abuse a P-Card (i.e., personal purchases, authorizes others to use the card) or violate a University policy will automatically have the rights to use the card suspended. Additionally, the employee authorized to use the card may be subject to disciplinary action.

P-Card privileges may be suspended upon a first violation. Subsequent violations may result in a suspension ranging from four (4) weeks to a permanent revocation of the P-Card privileges. Permanent revocation shall result in cancellation of the P-Card and associated account.

VIII. REINSTATEMENT AFTER P-CARD SUSPENSION

If a card is suspended, a Unit Head may request that a review be conducted by the University’s Procurement Card Coordinator to determine if the rights to the P-Card should be reinstated. To request a review, the Unit Head should submit the following documentation to the University’s Procurement Card Coordinator:

- Monthly Purchasing P-Card Reconciliation Voucher packets;
- A memorandum providing an explanation as to why there was a violation of a University policy or consistent abuse of the P-Card; and
- An outline of steps that will be implemented to prevent any future abuse or violation of University policy.