

# FAYETTEVILLE STATE UNIVERSITY

## PROCUREMENT CARDS

<b>Authority:</b>	Issued by the Chancellor. Changes or exceptions to administrative policies issued by the Chancellor may only be made by the Chancellor.
<b>Category:</b>	Business, Finance and Administrative Services
<b>Applies to:</b>	● Administrators      ● Faculty      ● Staff
<b>History:</b>	Revised – June 1, 2016 Approved – July 1, 2015
<b>Related Policies:</b>	Purchasing Policies and Procedures [FSU]
<b>Contact for Info:</b>	Procurement Card Administrator (910) 672-1199 Purchasing Director (910) 672-1086

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### I. INTRODUCTION

Fayetteville State University's (University) Procurement Card (P-Card) is designed to improve efficiency in processing repetitive, low dollar purchases. The P-Card is a Corporate Visa Card, issued to Fayetteville State University, which is to be used for allowable University business purposes. 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*. The P-Card cannot be used for University travel related expenses, unless authorized by the Division of Business and Finance, 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 allowable goods and services on behalf of the University within set spending limits. 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 Application 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 Purchasing Department's website.

Issued P-Cards 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.

Giving a P-Card or P-Card number to any individual or using a P-Card not assigned to the individual may result in 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 receive a new P-Card prior to the expiration date of the current P-Card. 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 - \$2,500.00
- Daily Limit - \$5,000.00
- Monthly limit - \$15,000.00

Employees desiring to purchase items exceeding \$2,500.00 must receive approval from the University's Procurement Card Administrator.

##### **B. Limitation on Type of Purchase**

The University has blocked some Merchant Category Codes (MCCs) for Vendors who provide goods and services not allowed on the P-Card such as travel and entertainment, alcoholic beverages, gambling, etc. The P-Card will be declined if presented to a type of Vendor that falls under a blocked MCC. If a transaction is made pertaining to a non-allowable purchase without prior authorization, the P-Card will be suspended and the account will be subject to closure.

##### **C. Purchasing from a Non-Approved Vendor**

It is the 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.

#### **V. CARDHOLDER RESPONSIBILITIES**

The Cardholder is responsible for purchases made that commit the University. Thus, the 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 Cardholder is responsible for the following:

**A. Verification of Purchases and Itemized Receipts**

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

The Cardholder shall be responsible for ensuring that a receipt for the purchase is received and that the business purpose is written on the receipt.

**B. Changes to Cardholder's Information**

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

**C. P-Card Surrender**

P-Cards remain the property of the University and must be surrendered immediately upon termination of Cardholder's employment, transfer of 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 Cardholder or the Cardholder's designated reconciler to ensure that the Cardholder's transactions are reconciled and approved in the card management system within seven (7) days of the date the billing cycle ends, unless the seventh (7<sup>th</sup>) day falls on a Friday, Weekend, or Holiday (due the prior business day). The Purchasing Department will post a P-Card Transaction Deadline Schedule each year for reference. Items not approved in the card management system by the deadline will be charged to the Cardholder's default FOAP (Fund, Organization, Account, and Program).

After the approvals have been completed in the card management system, the Cardholder's Reconciler or Approver must ensure that the monthly P-Card Reconciliation Packet is submitted to the Purchasing Department by the fifth (5<sup>th</sup>) of the month following the end of the billing cycle. The packet should include the following:

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

Any packet which has not been submitted by the due date will result in the suspension of the P-Card until the reconciliation packet is received. A second occurrence will result in the suspension remaining in effect for four (4) weeks from the date the transaction logs are received in Purchasing and will also require a memo from the Department Head before the suspension is lifted. A third occurrence will result in the same actions as the second occurrence, plus the Cardholder and Reconciler must re-attend training before the suspension is lifted.

**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 Cardholder must either contact the University's P-Card Administrator 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 Cardholder should contact the Vendor for information regarding the disputed charge. If the Cardholder is unable to remedy a dispute with a Vendor, the Cardholder should contact the University's P-Card Administrator for assistance.

The 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**

Cardholders who consistently abuse P-Card privileges (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 Cardholder 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 P-Card Administrator to determine if the P-Card should be reinstated. To request a review, the Unit Head should submit the following documentation to the University's P-Card Administrator:

- 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.