

## 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>	Financial and Business Affairs
<b>Applies to:</b>	<ul style="list-style-type: none"> <li>● Administrators</li> <li>● Faculty</li> <li>● Staff</li> </ul>
<b>History:</b>	Revised – February 11, 2025 Revised – June 1, 2016 Approved – July 1, 2015
<b>Related Policies/ Regulations/Statutes:</b>	Purchasing Regulation on University Procurement and Purchasing Card Programs [UNC Policy #1300.7.2[R]]
<b>Contact for Info:</b>	Chief Procurement Officer Procurement Card Administrator

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#### I. PURPOSE

Fayetteville State University’s (University) Procurement Card (P-Card) program is designed to expedite applicable University transactions quickly and efficiently by minimizing paperwork and processing time, acquiring appropriate goods and services in a timely manner, and decreasing difficulty with vendors. The purpose of this policy (Policy) is to provide information and guidance to members of the University community on the University’s P-Card program and the usage of the P-Card. The University expects P-Cardholders and P-Card program administrators, officers, and staff to abide by this Policy, the UNC System regulation, and state law.

#### II. REQUIREMENTS FOR THE ISSUANCE OF A P-CARD

P-Cards may be issued to permanent employees who purchase goods and services on behalf of the University on a recurring basis. For special circumstances, an exception to this requirement may be granted by the Chief Procurement Officer or the Chief Procurement Officer’s designee. Such exceptions must be documented in writing by the Chief Procurement Officer or the Chief Procurement Officer’s designee.

##### A. Application/Terms and Conditions

University employees seeking to be issued a P-Card must complete a P-Card application (“Application”) and a P-Cardholder agreement (“Agreement”) prior to the issuance and usage of a P-Card. These forms are accessible on the University’s *Engage Portal* and must be completed and returned to the University’s Procurement Card Administrator for approval.

Failure to uphold the terms and conditions of the Agreement will result in revocation of an issued P-Card. Such failure may also result in disciplinary action, potentially including termination of employment and criminal prosecution, as well as direct repayment or potential paycheck withholding equal to any unauthorized P-Card charges made by the employee.

**B. Design**

Issued P-Cards shall have the University's logo and the University's and Cardholder's name on the front of the P-Card. A statement shall also be included on the P-Card that the P-Card is to be used "for official use only. "

**C. Deactivation of an Inactive Account**

To protect the security of the P-Card program, any P-Card that has not been used for a minimum of six (6) months shall be automatically deactivated.

**III. PURCHASE LIMITATIONS**

**A. Amount of Purchases**

The Chief Procurement Officer shall establish P-Card limits. Currently, the standard limits are as follows:

- Single transaction limit - \$2,500.00
- Daily limit - \$5,000.00
- Monthly limit - \$15,000.00

Employees who need to purchase items exceeding \$2,500.00 must receive approval from the Chief Procurement Officer or the Chief Procurement Officer's designee and must be documented in writing.

**B. Type of Purchases**

Goods and services not allowed to be purchased using P-Card, include but are not limited to items such as entertainment, alcoholic beverages and gambling, have been blocked utilizing Merchant Category Codes (MCC) for vendors providing such goods and services. The P-Card will be declined if presented to a type of vendor that falls under a blocked MCC.

Additionally, if a P-Card is used to make a non-allowable purchase without prior authorization, the P-Card will be suspended, and the account may be subject to closure.

**C. Non-Legitimate Vendors**

It is the Cardholder's responsibility to ensure purchases are only from legitimate vendors. If there are any questions regarding the legitimacy of a vendor or individual, the P-Card Administrator should be immediately contacted. The P-Card should not be provided to a questionable Vendor.

#### IV. P-CARDHOLDER RESPONSIBILITIES

The University places a great deal of trust in University employees to utilize University resources solely in the best interests of the University. Thus, all purchases on a P-Card shall be strictly for official University business. As such, it is expected that University employees authorized to use a P-Card will do so in compliance with the following:

**A. Spending Limits**

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 approved P- Card spending limits.

**B. Itemized Receipt**

The P-Cardholder shall be responsible for ensuring that an itemized receipt for the purchase is received and that the business purpose is documented to support the purchase.

**C. Authorized User**

Usage of the P-Card shall be restricted to the authorized P-Cardholder whose name appears on the P-Card. The authorized P-Cardholder shall not allow anyone to use the assigned P-Card. In the case of a special circumstance, an exception to this requirement may be granted by the Chief Procurement Officer or the Chief Procurement Officer's designee. Such an exception must be documented in writing by the Chief Procurement Officer or the Chief Procurement Officer's designee.

**D. Changes to P-Cardholder's Information**

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

**E. P-Card Surrender**

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

**F. Reconciliation**

It is the responsibility of the P-Cardholder or the P-Cardholder's designated reconciler to ensure that the P-Cardholder's transactions are reconciled and approved in the University's card management system no later than the 15<sup>th</sup> of the month following the billing cycle's end date. The billing cycle end date is designated as the 7<sup>th</sup> of each month. Failure to reconcile transactions will result in the suspension of the P-Card until the reconciliation is completed.

**G. Disputed Transactions**

**1. Vendor Transactions**

If a P-Cardholder believes that a transaction is invalid or erroneous, the P-Cardholder should immediately contact the vendor regarding the transaction. If the P-Cardholder is unable to remedy the dispute with a vendor, the P-Cardholder shall contact the University's P-Card Administrator for assistance.

**2. Bank Statements**

Invalid or erroneous transactions appearing on the P-Card monthly bank statement may be disputed up to thirty (30) days from the date of the statement. To dispute such transactions, the P-Cardholder should 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.

If a transaction is disputed, the Cardholder is still responsible for reconciling the transactions in the card management system and must upload all supporting documentation to support the dispute.

**V. P-CARD MISUSE**

Misuse of a P-Card may automatically result in the suspension or revocation of the P-Card. A suspension will result in the loss of the P-Cardholder's privileges during the period of the suspension, which may be for a period of 30 days or more. A revocation will result in the permanent cancellation of the P-Card and the P-Cardholder will not be eligible to receive another P-Card in the future.

Dependent on the violation(s), a P-Cardholder whose card is suspended or revoked may be subject to disciplinary action up to and including dismissal. There also exists the possibility that criminal charges may be filed. Additionally, the University may direct repayment or withhold from the P-Cardholder's paycheck an amount equal to any unauthorized P-Card charges made by the P-Cardholder.

**VI. P-CARD PROGRAM PERSONNEL**

The following personnel will be responsible for administering and monitoring the P-Card program. Rebates received by the University as a result of P-Card activity shall be prioritized to support staffing costs associated with the University's P-Card program.

**A. Procurement Card Administrator**

The Procurement Card Administrator (P-Card Administrator) shall be responsible for implementing the P-Card program, the requirements of this Policy, the UNC System regulation and state law.

The P-Card Administrator's duties and responsibilities shall include, but not be limited to

the following:

- Receiving and reviewing P-Cardholder applications;
- Reviewing transaction limit exceptions for disposition by the Chief Procurement Officer or his or her designee;
- Ensuring transaction limit and merchant category code controls are activated;
- Reviewing payments of monthly P-Card bills;
- Enforcing the terms and conditions of the P-Cardholder's Agreement; and
- Ensuring P-Cards are deactivated for P-Cardholders who are no longer eligible to participate in the P-Card program.

**B. Reconciler**

A responsible employee in the P-Cardholder's department or the P-Cardholder shall be designated as the assigned reconciler (Reconciler) for the P-Cardholder on the P-Card application form. The Reconciler is responsible for reviewing and reconciling the P-Cardholder's transactions in the card management system no later than the 15<sup>th</sup> of the month following the billing cycle end date.

The Reconciler's responsibilities shall include, but not be limited to the following:

1. Ensure they have received supporting documentation with documented business purpose for each purchase, each purchase has been made pursuant to this policy and state law, and that any discrepancies are pursued immediately.
2. Discrepancies reviewed by staff may include but are not limited to failure to receive the goods or services purchased, fraud or misuse, altered charges, duplicate charges, and incorrect amounts.

**C. Approver**

The P-Cardholder's direct supervisor (Approver) shall be responsible for reviewing and approving all P-Card transactions in the card management system no later than the 15<sup>th</sup> of each month following the billing cycle end date.

The Approver shall review all supporting documentation for each purchase and ensure that each purchase is in compliance with this Policy. Additionally, the Approver shall ensure that no discrepancies exist prior to approving a purchase. If a discrepancy exists, the Approver shall analyze the transaction to determine the cause of the discrepancy and correct the matter.

**VII. TRAINING**

All P-Cardholders, Reconcilers, and Approvers are required to complete P-Card training each year. Failure to complete the designated annual training will result in the revocation of the P-Card assigned to the P-Cardholder.

**VIII. AUDIT OVERSIGHT**

On at least an annual basis, the University's Director of Internal Audit (Director) shall evaluate

the University's compliance with this Policy, the UNC System regulation, and state law and report the findings to the University's Board of Trustees' Legal, Audit, Risk and Compliance Committee. Inclusive of this review and report, the Director, along with the Chief Procurement Officer, shall review the University's list of active P-Cardholders.