FAYETTEVILLE STATE UNIVERSITY

PROCUREMENT CARDS

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

Category: Financial and Business Affairs

Applies to: ● Administrators ● Faculty ●Staff

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Related Policies/ Regulations/Statutes: Purchasing
Regulation on University Procurement and Purchasing Card Programs [UNC Policy #1300.7.2[R]]

Contact for Info: Chief Procurement Officer (aka Director of Procurement and Disbursement Services)
Procurement Card Administrator
Travel Administrator

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, services and approved business travel expenses 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 and/or travel 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 website and must be completed and returned to the University's Procurement Card Administrator for processing.

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 or back of the P-Card.

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 twelve (12) months shall be reviewed by the card program staff to determine if card deactivation is necessary.

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
- Monthly limit - $25,000.00

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 purchased with a University-issued P-Card must comply with the University's spending guidelines. Certain merchants whose primary business activities involve items that are generally considered non-allowable purchases have been blocked through the use of Merchant Category Codes (MCCs). As a result, a P-Card transaction may be declined if the card is presented to a vendor associated with a blocked MCC.

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 card program administration staff is aware of any changes in the Cardholder's profile information (e-mail address, work telephone number, etc.). Any such changes shall be provided in writing to the P-Card Administrator within a reasonable amount of time.

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. Any cardholder that transfers to another Unit shall obtain approval from its new leadership in writing and approved by the Chief Procurement Officer or the Chief Procurement Officer's designee. This may be in the form of a new card application or any other written documentation granting approval.

F. Reconciliation

It is the responsibility of the P-Cardholder or the P-Cardholder's designated reconciler to ensure that all transactions are reconciled and approved in the University's card management system within **thirty (30) days of either the transaction postdate or the conclusion of applicable travel.**

Failure to complete the required reconciliation within the prescribed timeframe may result in suspension of the P-Card. The P-Card will remain suspended until all outstanding reconciliation requirements have been completed, approved, and reviewed by the program staff. After suspension of the card, it is the cardholder's responsibility to notify the administrator of completion of all outstanding tasks. Timelines for card reinstatement may vary.

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 number listed on the back of the card to notify the bank. The cardholder should be prepared to provide the reference number related to the claim provided by the Bank of America representative to the University's P-Card Administrator for record.

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 must contact the bank's customer service department by phone. The bank may issue a credit if it is determined that the charge is not valid. Should the charge not be reimbursed, the transaction must be coded to an unrestricted, non-state FOAP or reimbursed by the employee dependent upon the nature of the transaction.

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 may 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 within the card management system. The Reconciler is responsible for reviewing and reconciling the P-Cardholder's transactions in the card management system.

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.

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 every other year. Failure to complete the designated bi-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.