



**PROCUREMENT CARD
(P-CARD) MANUAL**

EFFECTIVE JULY 2011

1.0 Overview

The Georgia State University Purchase Card, hereafter referred to as P-Card, is a valuable tool for quickly and efficiently purchasing and paying for small dollar items without sacrificing control or cost. The card may be used to purchase goods and services valued at \$4,999 or less, including shipping, handling charges, insurance, etc. Some cards, however, may have single transaction limits of less than \$4,999 if requested by Department Head. This tool can be advantageous to the individual purchaser, the purchaser's department, the University, and the supplier. The P-Card can only be used for University related business for which institutional funds will be disbursed.

The purpose of this document is to provide instructions for the issuance and use of the P-Card along with instructions for reconciliation and review of P-Card transactions.

1.1 State of Georgia House Bill (HB) 1113

During the 2007-2008 Legislative session, the state statutes were amended to address required changes in the management of the VISA Purchase Card Program. Detailed below in summary form are the significant policy and procedural changes resultant of HB 1113:

- (A) Imposes civil and criminal penalties for violations
- (B) Specifies rules, regulations, and requirements of the State Purchasing Card Program
- (C) Specifies travel advance rules and prohibits fraudulent reimbursement requests
- (D) Both P-Card cardholders and Approving Officials may be criminally prosecuted for P-Card misuse - a supervisor that according to Section 2(d) "knowingly, intentionally, willfully, wantonly, or recklessly allows or who conspires with an employee who is issued a purchasing card to violate subsection [2] (c) of this code section shall be subject to immediate termination of employment and criminal prosecution.
- (E) Under HB 1113, the use of the P-Card for personal expenditures is strictly prohibited. Cardholders who violate this rule must immediately report the personal use and reimburse the funds. Per USG requirement, the University is required to report misuse to the Board of Regents who will then forward the information to the Attorney General's Office. This is required regardless of a cardholder's intent to reimburse the University. An example would be when a cardholder includes a personal purchase with a departmental order to take advantage of free shipping or pricing discounts.

Under no circumstances is a cardholder permitted to use the P-Card for personal purchases. Using the P-Card for personal purchases may result in disciplinary action, up to and including termination from employment and criminal prosecution. The Official Code of Georgia Annotated

(O.C.G.A.), 50-5-80 states that any cardholder who knowingly uses the card for personal purchases under \$500 is guilty of a misdemeanor. A cardholder who knowingly uses the card for personal purchases of \$500 or more is guilty of a felony punishable by one to 20 years in prison. Supervisors or other approving officials who knowingly, or through willful neglect, approve personal or fraudulent purchases are subject to the same disciplinary actions as cardholders.

- (F) All personal use (intentional and unintentional) of the P-Card should be handled by the cardholder as follows:
- Immediately report the purchase to the Approving Official and the P-Card Administrator
 - Immediately submit a check payable to GSU to the Cashier's Office for the amount of the purchase
 - Attach a memo on letterhead explaining the circumstances of what happened (including a timeline of the incident) and attach a copy of the receipt and/or other supporting documentation. Once a receipt is given to cardholder by the Cashier's Office, submit all paperwork to P-Card Administrator. Note, these purchases will be reported to University Auditing and Advisory Services for disposition. Cardholders are required to personally reimburse the University for any purchase not appropriately documented. Per BOR BPM, Approving Officials may also be required to reimburse the University if the Approving Official approved an undocumented purchase
 - Pursuant to HB1113, in addition to the required criminal background check, credit checks will be required on employees hired for positions for which purchasing cards are issued. The credit check shall be completed prior to issuing the P-Card. Positions identified by the employing department as P-Card cardholders will be considered to be "positions of trust". The University shall ensure that the results of a criminal background and/or credit check are provided the privacy protections required by law. Existing employees who either transfer departments or are promoted to a "position of trust" must undergo both a criminal background and credit check unless these checks have already been completed by Human Resources.

Background and credit checks are required for all new cards issued effective July 1, 2008. Current cardholders at time of card renewal must undergo a background check if not already completed by Human Resources.

For full details regarding HB 1113, you may view the link below:

http://www.legis.state.ga.us/legis/2007_08/fulltext/hb1113.htm

2.0 Who Can Get a P-Card?

A P-Card may be issued only to a regular classified employee of the University whose job duties require the use of a P-Card. Neither cards nor accounts will be issued to student employees, temporary employees or contractors. Cards are issued to individual employees only rather than to a specific department or division. No more than one (1) card may be issued to any employee.

3.0 How Do I Get A P-Card and Keep It?

3.1 Sign the Human Resources Consent Form for a Background Investigation and Financial Check

Contact the Human Resources Department to obtain the Consent Form for background investigation and financial check, then submit the completed form to Human Resources. Human Resources will notify the department when the required checks have been completed. See the Human Resources Background Investigation Policy for more information:

<http://www2.gsu.edu/~wwwhre/policies/BackgroundInvestPolicy.pdf>

3.2 Complete the P-Card Application Form

Upon notification from Human Resources that the background and credit checks have been successfully completed, submit the approval documentation from Human Resources along with the P-Card Application Form found at: <http://www2.gsu.edu/~wwwpch/forms.htm>. Be sure to acquire the appropriate signatures and submit to the P-Card Administrator in Purchasing. The request form must indicate role assignments, card limits, and cost allocation information.

Reminder: No Cardholder shall be allowed to be his or her own “approving official”. The Department Head must assign a knowledgeable individual **acting in a supervisory capacity** as the Approving Official. If the cardholder is the only employee of a particular department, the Department Head or next level of authority must be assigned as the Approving official. **Note: Signature authority for the P-Card approval process may not be delegated.**

3.3 Sign the P-Card Ethical Use Agreement

Cardholders and Approving Officials must sign a *P-Card Ethical Use Agreement* <http://www2.gsu.edu/~wwwpch/forms.htm> before a P-Card will be issued. Please submit the signed statements for both the Cardholder and Approving Official to the P-Card Administrator along with the new P-Card application form.

3.4 Complete P-Card Training

Training is mandatory for all P-Card roles: Cardholder, Approving Official, and Facilitators. Cards will not be ordered until training has been completed. Each individual is required to complete the online training at: <http://www2.gsu.edu/~wwwpch/pcardtraining/PCardOnlineTraining.pps>.

3.5 Sign the P-Card Employee Agreement Form

Purchasing will provide the P-Card Employee Agreement Form to the employee for signature upon receipt of the new card. The form may be viewed at: <http://www2.gsu.edu/~wwwpch/forms.htm>

By signing this form the Cardholder acknowledges:

1. Receipt and understanding of the regulations for use and protection of the card.
2. Understanding of responsibilities for handling billing disputes and reconciling statements.
3. Understanding and acceptance of consequences of P-Card violations.

3.6 Complete Refresher Training

P-Card “refresher” training will be required every two (2) years or more frequently if requested by the P-Card Administrator. The Cardholder, Approving Official, and those individuals holding Facilitator roles will be required to complete a refresher training course in order to maintain P-Card privileges. Failure to complete training within thirty (30) days of notice will result in suspension of P-Card privileges until such time as the training has been successfully completed. Instructions for completion of the refresher training will be provided by the P-Card Administrator to the individuals holding the various P-Card roles.

4.0 Card Limits

Since Georgia State University, not the individual employee, will pay for the purchases made with the P-Card, additional controls have been added to the card accounts. These limits are imposed at the point of sale when the card is swiped. All P-Cards have default account numbers, embedded controls, and spending limits as well as restrictions on merchant category codes. When requesting a new P-Card, the Department Head should consider the information below regarding default accounts and cardholder spending limits.

4.1 Default Account Numbers

All cards are assigned a default, speedtype, University account. All cardholder transactions are posted to WORKS™, Bank of America's P-Card software. These transactions are shown against the default account. If a transaction should be applied to a more appropriate account number, reallocation to the new account should occur within WORKS™. When determining a default account for a new card, consider choosing the account that applies to the majority of cardholder transactions.

4.2 P-Card Controls

Cardholders act as purchasing agents for Georgia State University; therefore, expenditures made with the P-Card must be only for those items that are for official University business and furthermore, for those items allowed to be purchased using a P-Card as outlined in this manual. Additional controls have been added to each P-Card in order to assist in keeping charges within State of Georgia monetary spending limits. These spending limits are embedded in each P-Card via the magnetic strip and are imposed at the point of sale when the card is swiped.

4.3 Cardholder Spending Limits

The available limits on a P-Card include:

- Single Transaction Limit (STL) – dollars spent per transaction
- Credit Limit (CL) – the monthly limit on the dollars spent per month

The University's maximum limit on P-Card purchases is **\$4,999** per transaction. Please keep in mind, however, that some Department Heads may have requested a lower single transaction limit. The established standard monthly credit card limit is based on the Cardholder's budgetary responsibility not to exceed **\$25,000** per month. Requests to increase monthly card limits up to \$25,000 per month may be submitted via the **P-Card Change Request Form**. If a cardholder requires a higher monthly limit, the P-Card Administrator may request, with appropriate justification, an exception from the State Purchasing Division (SPD). The **P-Card**

Special Approval Waiver Form is available at: <http://www2.gsu.edu/~wwwpch/forms.htm> . Monthly limits above **\$25,000** should be reviewed on an annual basis by cardholder and approving official to determine if there is still a need for the higher limit. Note that the monthly limit is refreshed at the beginning of the billing cycle (the 28th of each month).

4.4 Merchant Activity Type Limits

Specific types of businesses are identified by a Standard Industrial Classification (SIC) Code, commonly referred to as Merchant Category Code (MCC). Based on the nature of some categories, specific MCC codes may be restricted for use on the card. If you have difficulty using your card with any particular vendor, please contact your P-Card Facilitator or the P-Card Administrator.

5.0 Allowable Purchases (Things I CAN buy with a P-Card)

All purchases made with the P-Card must be for official University business and must **NEVER** be used for personal purchases, regardless of the circumstance. A personal purchase is defined as purchases of goods or services intended for non-work related use or use other than official state business. The P-Card may be used to purchase supplies and materials, non-inventoried equipment, and various services valued at \$4,999 or less, including shipping or handling charges, insurance, etc. **Under no circumstances should single items of equipment or furniture, valued at \$3,000 or more which should be inventoried, be purchased with the P-Card.**

Some Allowable Items Include (please note this is not an all inclusive list):

- Appliances for Laboratory Use
- Books for research or departmental use (exception: books purchased on a library account)
- Equipment Rental of less than 90 days (does not include vehicle rental)
- Food (For catering See Section 5.1)
- Food provided for consumption at events or services provided to the general public, state benefit recipients, and/or state program participants (other than state employees), or purchased for resale in gift shops, bookstores, etc., and other non-employee meal related use.
- Lab/Research Supplies (**DOES NOT** include radioactive materials)
- Live Animals/Specimens
- Memberships (**DOES NOT** include warehouse club memberships)
- Non-Inventoried Equipment
- Office Filing Cabinets (**Mandatory**: metal cabinets **MUST** be ordered from Georgia Correctional Industries)
- Office Supplies (**Recommended**: For efficiency and cost-effectiveness, a

P-Card should be used for office supply orders). If statewide contract is available for office supplies, contract must be used.

- Office supplies that are not purchased with a P-Card should be submitted by Voucher if less than \$5,000.
- Printing
- Professional services including:
Certified public accountancy, architecture, chiropractic, dentistry, professional engineering, land surveying, law, psychology, medicine, surgery, optometry, osteopathy, podiatry, veterinary medicine, registered professional nursing, or harbor piloting. [As defined by O.C.G.A. 14-7-2]
- Registration Fees
 - Food is not allowed **UNLESS** included as part of the registration fee
 - Additionally, conference registration fees may be paid with a P-Card with the requirement that employees not request reimbursement for meals paid with conference registration fees
- Repairs/Maintenance/Service Agreements (provided no contract is required to be signed)
- Software Teaching Supplies and Materials (provided no license/user agreement is required to be signed)
- Study Abroad Program expenses (See Section 5.2)
- Student Travel (See Section 5.3)
- Subscriptions
- Statewide Contract releases NOT to exceed the single transaction limit
 - To view the statewide contract go to:
<https://solutions.sciquest.com/apps/Router/Login?OrgName=Georgia>
 - Login information: Username: tgmguest; Password: tgmguest

5.1 Food/Catering

The purchase of food with a P-Card is governed by the Board of Regents Business Procedure Manual (BOR BPM) which also governs the University's Policy on "Purchasing Food and Business Related Entertainment". The term "food" includes water and beverages. The P-Card cannot be used for the purchase of alcohol in any circumstance. **The P-Card may only be used to purchase food for the purposes stated below.**

Note: See Section 19.8 of Board of Regents Business Procedures Manual at: http://www.usg.edu/business_procedures_manual/section19/manual/19.8_purchase_of_food_using_institutional_funds

Student Food

Institutional funds may be used to purchase food for students at sanctioned student events. Students include individuals enrolled to take classes at an institution (to include students enrolled in Continuing Education) and individuals being recruited as potential students. Examples:

- Events and travel sponsored by recognized student groups
- Other campus events open to the general student body and designed to further the development in education of students

Note:

- Agency Accounts are only allowed for Study Abroad P-Card expenses
- State travel policy per diem limits should apply to food purchased for consumption by students participating in sanctioned student events.

Food for Instructional Uses

The BOR BPM states Food may be purchased for a class in those instances where food is an integral part of the instructional methodology. Examples:

- Food used in a Food and Nutrition Class
- Food used in a Cooking Class offered by a Continuing Ed Unit

Food for Official Research

The BOR BPM allows P-Card purchases of food purchased for official research use as approved by an Institutional Research Board (IRB) or food that is integral to or subject of research. Examples:

- Food purchased to study decay
- Food purchased to bait traps used in the research field

Food Purchased for Use Based on Organizational Mission

This category includes circumstances where the purchase of food is integral and necessary to the organization's mission and as such is considered supplies and materials.

Examples:

- Child Development Center
- Nutrition Programs

Food Purchased for Conferences/Workshops

Food and catering in relation to conferences and workshops is considered supplies and materials for the event. Participants must pay a fee to attend a conference or workshop and the majority of attendees must be non-GSU participants. In addition, the function requiring food and/or catering must be included on the agenda as an official component of the conference or workshop. A copy of the agenda should be retained with the receipts for payment of food/catering. In general, departments should contract with a

caterer to provide the necessary meals and breaks. Non-catered food purchases (e.g. individual items purchased from grocery stores) must be accompanied by a written justification as to why the food was purchased outside of a catering arrangement. This justification is necessary to substantiate that there has not been personal use of food purchased.

Reminder: ALCOHOL cannot be purchased on the P-Card.

If food purchased falls into one of the allowable areas above, AND if funding is from a sponsored account, please remember that these food purchases are allowable only if documented in the awarded budget or approved in writing by the granting agency.

5.2 Study Abroad (Agency Accounts)

While traveling abroad, the P-Card may be used for related Study Abroad expenses as follows:

- Student food, lodging, and travel
- Entrance fees to educational venues
- Operating Expenses and Supplies
- Fuel for rental vehicles
- Emergency situations

Cards for Study Abroad Programs require approval by the University's Procurement Officer and the State Purchasing Division.

5.3 Student Travel

Students authorized to travel for participation in academic programs and sanctioned student events.

Special approval is not needed for student travel when such purchases are for official student activities and are within approved spending limits. When on official school business, food and lodging for student activities is permissible but not for faculty, staff, or coaches. Documentation must follow guidelines for "group meals" in the State Travel Regulations:

- (a) Itemized receipt showing all meals purchased
- (b) Roster of participants showing name and signature of each student (for activities not open to the entire campus – e.g. student clubs)
- (c) Copy of any other supporting documents showing that the meal was an authorized student event.

Note: Agency Accounts are only allowed for Study Abroad P-Card expenses.

6.0 Prohibited P-Card Purchases and Practices

6.1 Prohibited Purchases (Things I CANNOT Buy With My P-Card)

- Agency Accounts; No P-Card account should be set up to use an agency account as the default speedtype. The WORKS application should not be used to transfer charges to an agency account.
- Alcoholic Beverages and Tobacco
- Break room supplies/appliances for **employee use**
- Asbestos Removal
- Carpet or the Installation of Carpet
- Cash Advances, Cash Refunds, or “Store Credits” held on account with the vendor
- Chemicals
 - Hazardous Chemicals
 - Radioactive Isotopes
 - Laboratory Chemicals Governed
- Inventory or Warehouse Items (this includes stockroom items for supplies, chemicals and any repetitively purchased items used for resale or redistribution)
- Construction, Infrastructure Repairs or Renovation (NO Labor charges are allowed)
- Entertainment
- Firearms or Explosives
- Flowers and/or Gifts
- Food/Catering (except as authorized under Section 5.1 – Allowable Purchases)
- Foundation funds – purchasing items with the P-Card that are intended to be reimbursed by a GSU affiliated foundation. P-Cards may not be used to purchase items which should be paid directly from affiliated foundations
- Fuel, repairs, and maintenance of state-owned or rental vehicles
- Gift cards, gift certificates, or other equivalent forms of cash
- Installment Purchases
- Intra-University Charges
 - For example: Rialto Center, Printing and Copying Center, Food Services etc.

CATEGORY OF ITEM/PRODUCT	INVENTORIED AT \$ AMOUNT
Antiques	Inventoried regardless of \$ amount
Fine Art	Inventoried regardless of \$ amount
Firearms	Inventoried regardless of \$ amount
Vehicles	Inventoried regardless of \$ amount
Audio/Visual Equipment	\$3,000 or greater unit price

Computer Equipment	\$3,000 or greater unit price
Electronic Office Equipment	\$3,000 or greater unit price
Photographic Equipment	\$3,000 or greater unit price
All Other Types of Items/Equipment	\$3,000 or greater unit price

Components purchased for the construction of an inventoried item should not be purchased with a P-Card if the total cost of the components would cause the item to be considered inventoried i.e. purchasing components to assemble a computer that would have a total cost of \$3,000 or more.

- Leases
- Maintenance/Service Agreements (that require a signed contract)
- Parking
- Meals, Lodging and Transportation for Employees and Prospective Employees or a non -GSU employee such as a guest speaker (includes shuttle service, limo, and metro cards). The P’Card should also not be used to reserve a hotel room with the intention of later using a personal card or the corporate travel card.
- Personal purchases (even if you intend to reimburse GSU)
- Rentals Exceeding 90 Days
- Sales tax from vendors within the State of Georgia using institutional funds (some exceptions apply to a few GSU locations outside the state of Georgia)
- Split Orders (including items on statewide or agency contracts)
- Statewide contract items purchased from other than the statewide contract vendor(s)
- Trade-Ins
- Warehouse and Shopping Club Memberships (i.e. – Amazon Prime, BJ’s, Sam’s Club, Costco, etc).

6.2 Prohibited P-Card Practices

A. Splitting Orders

Splitting orders/transactions with the University Purchasing Card is prohibited. Ensure that individual transaction limits are never exceeded.

Transaction splitting is the practice of committing multiple P-Card transactions to circumvent the Cardholder’s one-time transaction limit, bypass University competitive bidding requirements, or avoid the card’s monthly card limit.

B. Limitations on Vendors That Can Be Used

Cardholders must not make P-Card purchases from friends or relatives where the Cardholder has a financial interest. Additionally, the Cardholder must not accept any gift or gratuity from any source when it is offered, or appears to be offered, to influence your decision in making a P-Card purchase. The use of coupons, rebates, or rewards programs from vendors, banks, or other

institutions that offer free/promotional items for the benefit of the Cardholder are not allowed when purchasing items with the P-Card. Any items received as a direct result of using the P-Card must be for the benefit of the University and are expected to remain on University premises. For example: An office supply vendor has a rewards program that allows a customer to earn free items based on accumulated points/dollars spent.

Checks received through vendor rebate programs must be made payable to the University and submitted to the Cashier's Office in Sparks Hall, Room 100.

C. P-Card Sharing

Only that person named on the P-Card is the authorized user. P-Card sharing is prohibited and will result in immediate termination of the P-Card and all P-Card privileges. P-Card sharing is the practice of allowing an individual other than the cardholder whose name appears on the front of the P-Card to have access to the P-Card or P-Card number to initiate or complete a transaction. P-Card sharing increases the risk of fraud and cardholder liability.

Best practices to prevent fraud and misuse include NOT allowing an individual other than the Cardholder to:

- Have physical possession of the P-Card to make payments to point of sale vendors;
- Have access to the P-Card number and expiration date to make payments via telephone, internet, or in person;
- Have access to receipts or invoices that display the complete P-Card number and expiration date.

D. Incorrect Use of Retail Sites for Statewide and Agency Contracts

If an item must be ordered online from a statewide or agency contract vendor, please do not use the vendor's retail site if a dedicated website has been established by the vendor for special pricing offered to the University. Purchasing items from a vendor's **retail site** may not allow the University to take advantage of negotiated prices and discounts. Please refer to the Purchasing Department's website for a list of contract vendors.

E. Using the P-Card for Personal Use

The use of the P-Card for personal expenditures is strictly prohibited. Cardholders who violate this rule must **immediately** report the personal use and reimburse the funds. The University is required to report the misuse, regardless of the cardholder's intent to reimburse the University, to the Board of Regents who will then forward the information to the Attorney General's office. An example would be when a cardholder includes a personal purchase with a departmental order to take advantage of free shipping or pricing discounts.

All personal use (intentional or unintentional) of the P-Card must be handled by the cardholder as follows:

- *Immediately report the purchase to the Approving Official and Purchase Card Administrator. Attach a memo on letterhead explaining the circumstance of what happened (including a timeline of the incident) and include a copy of the receipt and/or other supporting documentation. The receipt provided by the vendor is to show all items purchased. If the items purchased are not shown, the cardholder is required to provide additional details. The items purchased should be listed separately.*
- *Attach a check payable to GSU along with a deposit transmittal form*
- *Submit the entire package to P-Card Administrator, Suite 901, 1 Park Place*

F. Exceeding the Single Transaction Limit

Every P-Card has an assigned Single Transaction Limit that has been approved by the Department Head. Cardholders are cautioned to avoid exceeding this limit. While this limit is embedded in the magnetic strip in the card, vendors who do not swipe the card may exceed the single transaction limit. If the cardholder allows the vendor to exceed the single transaction limit, this will be considered a violation of the P-Card Policy and Procedures.

G. Automatic or Recurring Payments

Cardholders should not set up automatic or recurring payments on the P-Card. If any transaction has a scheduled monthly payment, the cardholder must contact the vendor to initiate the transaction. Cardholder information should not be kept on file by any vendor for automatic payments.

7.0 Sponsored (Restricted) Accounts

Sponsored accounts are grants, contracts, or other types of agreements restricted by a budget that is submitted and approved by the granting agency. Although the P-Card manual sets forth criteria for allowable and prohibited purchases, Cardholders must also ensure that purchases are allowable per the terms and conditions of the project and the University's Direct Cost policies and procedures. For example, non-inventoried equipment, office furniture, subscriptions, supplies, and books are generally not allowed on Sponsored accounts without prior written approval.

Reminder: If a sponsored account is set up as the default account on the P-Card, all purchases made on this card must be intended for that account **only**. The Grants and

Contracts unit strongly recommends not using a sponsored account as a default account on the P-Card due to the restrictive nature of these types of accounts.

8.0 How to Make Purchases with Your P-Card

Only the individual to whom the card has been issued may use the card. When purchasing an item, the following procedures should be followed:

8.1 Approval Procedure

Always follow proper internal departmental procedures in obtaining approval for the purchase. If unsure as to whether an item to be purchased is within University P-Card guidelines, please contact the P-Card Administrator before making the purchase. Cardholders must notify the P-Card Administrator and University Auditing and Advisory Services if they are being directed by their supervisor to execute or approve improper transactions. All reports will be handled without retribution.

8.2 Provide Vendor with Requested/Required Card Information

Be prepared to provide the vendor with any or all of the following information: card number, name, expiration date, billing address (as listed on the monthly billing statement), billing phone number (404.413.3153), and the three digit credit card security/verification code that is located in the signature block of the card. Cardholders may also be requested to provide the corporate billing address which is P.O. Box 4016, Atlanta, GA 30302-4016.

8.3 Tax Exempt Status

Inform the vendor that the University is exempt from sales tax. If the vendor requests a tax exemption certificate, one may be obtained from the Purchasing Department website, <http://www2.gsu.edu/~wwwpch/forms.htm>.

As a cardholder, if you are charged a sales tax on any purchase, be sure to contact this particular vendor and request that this amount be credited. We have to demonstrate that the effort was made to have this charge corrected. We are a state-supported institution and should not have to pay a state sales tax when purchasing goods from a vendor within the state of Georgia.

8.4 Shipping Instructions

Give the merchant detailed shipping instructions which must include the following:

1. Your Name, Department Name
2. Building, Room Number
3. Street Address
4. City, State, Zip Code
5. Phone Number

P-Card purchases should be delivered directly to the individual Cardholder's place of work; otherwise, arrangements should be made to pick up the merchandise at the vendor's place of business. The department may designate a central office within its building where all P-Card purchases should be delivered. P-Card purchases should not be delivered to Central Receiving. The delivery address must be an official Georgia State University business address and should **never** be the home address of the Cardholder.

8.5 Maintain Transaction Log

As P-Card transactions occur, the Cardholder must record all purchases and credits on a monthly transaction log. Transaction logs help to keep a running tally of monthly charges and identify outstanding transactions not yet billed on the monthly bank statement. Maintaining these logs will assist the Cardholder in staying within the established purchasing limits of the card. The log may also be used to verify receipt of the correct quantity and product along with verification of billing in the correct price. Cardholders may use the GSU provided P-Card Transaction Log or another format provided it contains the following information:

- Cardholder's Name
- Department Name
- Single Transaction Limit
- Ending Date of monthly bank statement
- Speedtype Assigned to card
- Fund code associated with speedtype
- Card account number; last 8 digits only
- Supervisor's Name; printed
- Supervisor's Telephone Number
- Order Date
- Vendor's name
- Quantity and Description of Purchase
- Transaction Amount including freight
- Redistribution accounts (if applicable)
- Justifiable Business purpose for the purchase
- Certification statement: *"I certify that I have made all of the listed transactions on behalf of the University and that they comply with the*

established procedures for using the P-Card.

- Signature/Date by the cardholder attesting to the accuracy of the log. The signature must be an original. Signatures made with a rubber stamp are prohibited
- Signature/Date by the Approving Official. Signature must be an original. Signatures made with a rubber stamp are prohibited

The transaction log is referred to as a Monthly Activity log. The first day of a new PCard month is the 28th so that as a new month begins the cardholder should begin using a new log to enter purchases for the new month.

8.6 Ensure Adequate Documentation is Obtained and Exists

If receipts do not provide sufficient detail to identify the purchase and the business reason for the purchase, the Cardholder should include additional details documented on the receipt, transaction log or other supporting documentation. If adequate documentation is unavailable, a Missing Receipt Affidavit form must be completed, signed, and kept on file with the monthly billing statement. **The Missing Receipt Affidavit Form can only be used three times in one year. If used more than three times in one year, card will be suspended for 30 days. Cardholder may apply to have suspension lifted at the expiration of the 30 day period.**

8.7 Security

Cardholders are responsible for safeguarding the P-Card and account number at all times. To prevent unauthorized use and limit the potential for fraud, the Cardholder should use basic security measures, as outlined below:

- Keep the P-Card and account number in a secure location and safeguard it as if it were your own personal credit card.
- Do not loan or share the P-Card with others, including co-workers within the department.
- If purchasing by phone, caution the vendor to refrain from placing the P-Card number on the shipping label or anywhere on the outside of the Package.
- Review transactions in WORKS™ in a timely manner to detect unauthorized transactions.
- Review the monthly bank statements immediately upon receipt, to detect unauthorized transactions.
- Before placing an order with an online merchant, make sure the site is secure before entering your account information. The URL, or web site address, should begin with *https*. A graphic, such as a lock, should appear in the bottom right corner of your browser bar.
- Lost, stolen, or fraudulently used P-Cards must be reported to Bank of

America immediately by calling **1-888-449-2273** and to the P-Card Administrator in the Purchasing Department within 24 hours of discovering the loss, theft, or fraudulent use. The Cardholder's Approving Official and the P-Card Administrator in the Purchasing Department must also be notified *immediately* in writing.

8.8 Obtain Best Value

After verifying that the item is not available on a statewide or agency contract, the Cardholder must utilize lowest price based on requirements, quality, and availability to obtain the maximum value of each dollar expended.

8.9 Utilize Minority Vendors and Small Businesses

The Governor of Georgia has issued an Executive Order directing all agencies and institutions to increase the level of small and minority business participation. If you know of a small or minority vendor who can meet your needs at a fair and reasonable price and in a timely fashion, you are strongly encouraged to place your order using the P-Card with this vendor. If you need help identifying minority or small businesses please contact the Purchasing Department.

9.0 Resolve Disputes

The Cardholder is responsible for resolving disputes with the vendor such as incorrect pricing, delivery problems, incorrect items received, damaged items, etc. *A fraudulent charge is not handled in the same manner as a dispute. See Section 9.7 (last paragraph) for the correct method of handling fraudulent charges.*

Most disputes can be resolved by calling the vendor and having them issue a credit back to the P-Card account. Never accept cash, store credits, or gift cards in lieu of a credit to the P-Card account. Please contact the P-Card Administrator for guidance if a vendor insists on providing a credit in a form other than a credit back to the P-Card. If the vendor fails to promptly credit your account, file a dispute with Bank of America **within sixty (60) days of the billing issue date**. Document all correspondence including dates, individuals involved, and a brief description of the problem and keep this form in your records, filed with the bank statement. If no resolution can be achieved between the Cardholder and the vendor, follow the procedures below:

- Report the dispute to Bank of America by faxing the dispute form to **1-888-678-6046**.
- Send a copy of the completed dispute form to the P-Card Administrator and the individual responsible for compiling the reconciliation package.
- Add a comment in WORKS™ noting that the charge has been disputed and that either a credit is expected or that a dispute form has been faxed to the bank but please note that Disputed Transactions **CANNOT** be reported by using the “*dispute*” button in WORKS™.

- Contact the P-Card Administrator for additional assistance if Bank of America is unable to resolve a dispute.

9.1 Reconciliation of Billing Statements

A reconciliation of the monthly billing statement to receipts, invoices, and other supporting documentation must occur on a monthly basis. The following steps must be completed when performing the monthly reconciliation process:

- Step 1: Compile the monthly reconciliation package. This “package”, which consists of all *original* documentation, including receipts, credits, transaction logs, records of disputed transactions and other supporting documentation, the signed/dated transaction log, and the monthly billing statement issued by the bank. Departments may use the suggested Monthly Reconciliation Checklist to assist in completing the monthly reconciliation.
- Step 2: The Cardholder must review the reconciliation package, sign and date the transaction activity log, as well as the monthly bank statement, to indicate that a review of the reconciliation package has been conducted. The reconciliation package should be submitted to the Approving Official or Facilitator in a timely manner for approval.
- Step 3: A propriety review of each Cardholder’s transactions must occur to ensure that the purchase was reasonable, appropriate and necessary while also in compliance with P-Card rules and regulations. This review may be completed by a Facilitator or the Approving Official; however, the Approving Official is responsible for ensuring that a propriety review has been conducted. It is required that the individual conducting the propriety review sign the monthly reconciled transaction activity log and monthly bank statement to indicate that the propriety review has been performed.
- Step 4: The Approving Official must review the reconciled billing package on a monthly basis. This review must be evidenced by a signature of the Approving Official on the transaction activity log and on the monthly bank statement for the assigned cardholder. The signature must be original.
- Step 5: The reconciled activity logs and receipts must be submitted to the P-Card Administrator on the following schedule:

Quarter Ending
September 30
December 31
March 31
June 30

Due In Purchasing
October 31
January 31
April 30
July 31

- If the activity logs and supporting documents are not submitted to the Purchasing Department on time, you will receive an email notifying you that Purchasing has not received your documents. A week after email notification, if Purchasing still has not received your Pcard documents, your account will be temporarily suspended. It can only be reinstated after the documents are submitted and written approval is received from your Unit's Administrative Officer. If there is still no response received, your account will be permanently closed within 30 days from the date of the email notification.

Cardholders who resign from the University must submit activity logs and the supporting documents for the current quarter when the pcard is returned to the Purchasing Department. Failure to submit these documents will delay the application of the new cardholder for that department. If the cardholder is terminated or unable to return the pcard in person, a designee of the Department Head shall assume the responsibility for submitting the final activity logs to the Purchasing Department.

Formatted: Font: Bold

Formatted: Font: Bold

The P-Card Administrator will retain the activity logs for a period of five (5) years. If a contract/grant is involved, the records must be retained for the life of the contract/grant plus an additional seven (7) years following the end date of the contract/grant. If contract/grant is used for P-Card purchase, Cardholder is responsible for maintaining documentation for the period required by contract/grant.

9.2 Departmental Roles/Duties within the P-Card Program

There are three mandatory roles listed below that must be assigned for each P-Card. Each role has mandatory duties associated with that role. Please note that the Approving Official and the Department Head may be the same individual.

Cardholder

This role is assigned by the Department Head. The Cardholder is the individual to whom the P-Card is issued. All Cardholders must be regular classified employees of the University whose job duties require the use of a P-Card. Cards are issued to individual employees and never to a specific department or division. **No more than one (1) card may be issued to an employee.**

Note: The Cardholder must never be his/her own "approving official".

Mandatory Duties:

- Attend initial training prior to receipt of a new P-Card
- Complete refresher training every two (2) years or as often as directed by the Purchasing Department
- Record each transaction on a transaction log as the purchase (or credit) occurs
- Provide adequate documentation for each transaction for inclusion with the monthly billing statement. Submit documentation to the Approving Official for inclusion in the reconciled monthly billing statement.
- Sign and date the transaction activity log
- If a personal charge has accidentally been made on the P-Card, the item must *immediately* be paid in full by personal check made payable to Georgia State University from the Cardholder.
- If terminating employment with the University or transferring to another department, the Cardholder must notify the Approving Official, Department Head, and the P-Card Administrator in the Purchasing Department in writing and turn in the P-Card immediately to P-Card Administrator.

Department Head

This role has sole authority for assignment of P-Cards and roles. The responsibility to assign cards and roles may not be delegated (even to those individuals holding signature authority). The Department Head has overall budgetary responsibility for the department's P-Card program and is responsible for following sound business practices. The Department Head approves the issuance of new cards which includes setting the single transaction and monthly credit limits. This individual also assigns P-Card roles to employees within the department, balancing control and operating convenience in those designations. The Department Head may also act as an Approving Official.

Mandatory Duties:

- Complete required training
- Approve and Monitor the Issuance of P-Cards:
 - o Approve new P-Card requests via the *P-Card Request Form*. This form is used to establish the cardholder's single transaction/monthly credit limits and default accounts.
 - o Ensure that only regular classified employees whose duties require purchasing card use are issued P-Cards.
 - o For every P-Card issued, assign an Approving Official who acts in a supervisory capacity to the cardholder.
 - o Assign individuals to act as Facilitators to perform various other mandatory duties (multiple Facilitators may be assigned).
 - o Periodically assess the continuing business need for each card issued within the department at least annually.
 - o Re-evaluate transaction and spending limits periodically.
 - o Approve Cardholder profile change requests as needed using the *P-Card Change Request Form*. This form addresses changes to

the single transaction limit, monthly credit limit, default account and role assignment changes.

• **Notify the P-Card Administrator if the Cardholder leaves the _____ department or is no longer an employee of the University (either _____ through termination or voluntary job abandonment). The _____ Department Head will ensure that the final activity log for the _____ Cardholder is submitted when the P-Card is returned to the _____ Purchasing Department.**

Formatted: Indent: Left: 0.5", First line: 0.5"

- Ensure Monthly Review and Segregation of Duties:
 - o Assign a knowledgeable individual acting in a *supervisory capacity* to the cardholder as the Approving Official for each card. Sufficient internal controls must be established and implemented to ensure that this knowledgeable individual reviews the statement, transaction logs, receipts and other supporting documentation for approval in a timely manner during regularly scheduled billing cycles.
 - o **It is recommended that Approving Officials not be responsible for reviewing more than ten (10) P-Cards at one time.** If an Approving Official is responsible for reviewing more than ten (10) cards, the Department Head may request exceptions to this policy from the P-Card Administrator, provided appropriate justification is received.
- Establish and Maintain Internal Controls:
 - o Administrators (and all levels of management) are responsible for the prevention and detection of instances of fiscal irregularities and related misconduct. In addition, administrators are expected to recognize risks and exposures inherent in their area of responsibility and to be aware of indications of fraud and related misconduct. [Administrator = Department Head]
 - o Administrators should ensure that they and their staff receive adequate fiscal management training for their level of responsibility. [Administrator = Department Head]
 - o Administrators, faculty and staff who know or suspect that other employees are engaged in theft, fraud, embezzlement, fiscal misconduct or violation of University financial policies have a responsibility to report it to their supervisor and University Auditing and Advisory Services. [Administrator = Department Head]

Approving Official

The Department Head must assign a knowledgeable individual acting in a supervisory capacity (to the Cardholder) as the Approving Official. *Once this role*

is assigned, the duties of this position may not be delegated. Note: The Approving Official may also be the Department Head and may perform other mandatory functions associated with P-Cards.

Mandatory Duties:

- Attend initial training prior to assuming the role of Approving Official
- Complete refresher training every two (2) years or as often as directed by the Purchasing Department
- Review the P-Card purchases of assigned Cardholders on at least a monthly basis to verify that all transactions were properly authorized and that a propriety review was conducted to ensure that charges were appropriate and directly related to University business as well as sufficiently supported with documentation that describes the nature and purpose of each transaction. Evidence that a propriety review has been conducted should be documented on the monthly transaction activity log with an original signature.
- Sufficient documentation and description generally means that an external reviewer, with access only to the statement and supporting documentation, could identify the following:
 - o Detailed list of item(s) purchased
 - o Intended business use of items purchased
 - o Date and amount of the purchase
 - o Date items received
 - o Vendor Name
- Ensure that the Cardholder has signed and dated the transaction log.
- Ensure that the transaction log and supporting documentation which includes receipts, invoices, and dispute forms are attached with the bank statement.
- Identify any policy violations and discuss with the Cardholder to provide additional instruction. If a violation occurs, Approving Officials must report the situation in writing using the P-Card Reporting Form. Please forward a copy to the Department Head.

If desired, the Approving Official may also monitor P-Card purchases on a more frequent basis in the WORKS™ program. Please contact the P-Card Administrator for assistance in setting up “view only” access in WORKS™.

9.3 Compliance: Administration, Reviews and Violations

9.3.1 Program Administration

The Purchasing Department is responsible for the overall administration of the P-Card program.

9.3.2 Purchasing Department Review

The P-Card Administrator will conduct random post-audit reviews and compliance inspections of P-Card transactions to ensure compliance with

all P-Card policies and procedures and identify improper use of the P-Card such as objectionable purchases, purchases in excess of single transaction limits, split-orders, payment of sales tax, purchases from “high risk” vendors, excessive purchasing activity, etc. Inactive accounts (those with little or no activity over the past 12 months) will also be reviewed and may be deactivated or canceled to meet State of Georgia and Board of Regents guidelines. The P-Card Administrator will discuss the status of inactive accounts with Approving Officials or Department Heads prior to deactivation or cancellation.

9.3.3 University Auditing and Advisory Services Review

University Auditing and Advisor Services will continue, as part of their regularly scheduled audit plan for departmental audits, to perform testing on P-Card compliance. Findings discovered will be covered in their audit reports and reported to Purchasing Department, the AVP and Comptroller for Finance and Administration and the Sr. VP for Finance and Administration.

9.3.4 Violations, Fraud, Waste and Abuse

Violations and Written Notices

Violations of rules governing the use of P-Cards can be the result of noncompliance with policy or procedure or can be as severe as misuse which could result in disciplinary actions up to and including employment termination and civil and criminal charges.

The University classifies violations as minor or major violations. Violations are evaluated on an individual basis. Any action taken is dependent upon the nature and the frequency of the violation. Minor violations include but are not limited to: purchases that are allowable by the university, but are not allowable using the P’card, purchases that do not adhere to P’Card policies, and inadvertent use of the P’card (accidental purchases).

Penalties for Violations

Minor violations should be addressed as follows:

If cardholder is considered non-compliant on a minor violation:

1st offense – The cardholder must navigate through the online training again within 30 days after notification of the violation. If after 30 days, the cardholder has not navigated through the online training, their PCard will be suspended. The Cardholder cannot be reinstated until the P-card Administrators have received verification that online training has been completed and written approval from the Administrative Officer of your College or Vice Presidential unit has been received in Purchasing.

2nd offense – The PCard will be suspended for 30 days; After 30 days, Purchasing must receive written approval from the administrative officer of the college to have card reinstated

3rd offense – The card will be cancelled and the cardholder will lose PCard privileges for 6 months. After the 6 month period, the cardholder will have to go through the steps to apply for a new Pcard. This will include submitting a new application, navigating through the online training (both the approver and cardholder) and submitting to another background and financial check. In addition the cardholder will have to sign the Purchasing Card Reinstatement Form acknowledging that if Pcard policy is violated again, they will permanently lose Pcard privilege.

Major Violations are those violations that indicate a willful intent to disregard rules that results in cardholder misuse (i.e. would include knowingly making personal purchases). The circumstances of the violations will determine the appropriate action, which could include termination of employment and criminal penalties. When cardholder misuse is suspected, the department is to immediately notify the PCard Program Manager and the Director of Internal Auditing.

The PCard is to be suspended pending further review and investigation by Internal Auditing.

All Cardholders, Approving Officials, and employees involved in the administration of the University's P-Card program should be familiar with Georgia House Bill 1113 which outlines specific requirements of P-Card programs and civil and criminal penalties for misuse:

http://www.legis.state.ga.us/legis/2007_08/fulltext/hb1113.htm

9.3.5 Detection and Prevention of Fraud

The University is responsible for ensuring that the institution's assets are safeguarded from fraud, waste, and abuse. The State of Georgia and the University will seek restitution for any inappropriate charges made to the P-Card. Fraudulent or intentional misuse of the card will result in revocation of the card and/or possible criminal charges, including termination. Georgia House Bill 1113 [Section 2, Subsection c] states: Any employee of the University who knowingly:

- (1) Uses a purchasing card for personal gain;
- (2) Purchases items on such purchasing card that are not authorized for purchase by such employee;
- (3) Purchases items in violation of this Code section; or

(4) Retains for such employee's personal use a rebate or refund from a vendor, bank, or other financial institution for a purchase or the use of a purchasing card

shall be subject to immediate termination of employment, restitution for the amount of the improper purchases, and criminal prosecution. Any person violating this subsection shall be guilty of a misdemeanor of a high and aggravated nature if the value of the items improperly purchased or retained is less than \$500.00 in the aggregate and shall be guilty of a felony if the value of the items improperly purchased or retained is \$500.00 or more in the aggregate and, upon conviction of such felony, shall be sentenced to not less than one nor more than 20 years imprisonment, a fine not to exceed \$50,000.00, or both.

An employee's supervisor who knowingly intentionally, willfully, wantonly, or recklessly allows or who conspires with an employee who is issued a purchasing card to violate subsection (c) of this Code section shall be subject to immediate termination of employment and criminal prosecution. Any person violating this subsection shall be guilty of a misdemeanor of a high and aggravated nature if the value of the items improperly purchased or retained is less than \$500.00 in the aggregate and shall be guilty of a felony if the value of the items improperly purchased or retained is \$500.00 or more in the aggregate and, upon conviction of such felony, shall be sentenced to not less than one nor more than 20 years imprisonment, a fine not to exceed \$50,000.00, or both.

9.4 Providing Feedback

Cardholders are encouraged to provide feedback to the P-Card Administrator as to how the Purchase Card Program may be improved.

9.5 Forms

The following list of forms can be accessed from the GSU Purchasing Web Page located at <http://www2.gsu.edu/~wwwpch/>

- P-Card Agreement
- P-Card Application
- P-Card Change Request Form
- P-Card Checklist
- P-Card Cover Sheet
- P-Card Dispute Form P-Card Ethical Agreement

P-Card Missing Receipt Form
P-Card Monthly Activity Log
P-Card Reinstatement Form
P-Card Sales Tax Reimbursement Letter
P-Card Special Approval Waiver Form
Sales Tax Exemption Certificate