



Fort Valley State University Purchasing Card Policy Manual

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I. Fort Valley State P-Card Program

A. Overview

The State of Georgia Purchasing Card (P-Card) program streamlines payments burdens and costs associated with traditional methods of payment. Per the State Accounting Office, the P-Card may be used as the method of payment for unplanned, non-routine, or urgent point of sale purchases under \$1,000 and for purchases under \$5,000 that are preapproved and go through the requisition process prior to completing the purchase. Point of sale transactions include purchases made at a physical store, in person, online, or over the phone.
www.sao.georgia.gov .

The P-Card Program is the only charge card program authorized for use by State Agencies, units of the University System of Georgia, and technical colleges within the Technical College System of Georgia.

All official forms mentioned in this Policy are on the State Purchasing Division (SPD) website at <http://doas.ga.gov/> . The versions on the website will always be the latest versions.

*Any questions related to appropriate use of the P-Card, Georgia law governing the use of the P- Card, or this Policy can be sent to cardprograms@doas.ga.gov. Regardless of the amount, all planned, routine or non-urgent purchases must be pre-approved; and approvals must be obtained **prior** to completing the purchase.*

The P-Card Program is the only charge card program authorized for use by State Agencies, units of the University System of Georgia (USG), and technical colleges within the Technical College System of Georgia.

Fort Valley State University adheres to the Statewide Purchasing Card Policy, Board of Regents (BOR) Purchasing Card Policy and the FVSU Purchasing Card Policy.

DOAS Purchasing Card Policy:

http://doas.ga.gov/assets/State%20Purchasing/PCard%20Marketplace%20Documents/PCard_Policy.pdf

BOR Purchasing Card Policy:

http://www.usg.edu/business_procedures_manual/section3/C1127

II. Issuance and Control of the Purchasing Card

A. Eligibility Requirements

Cardholders are limited to one active Purchasing Card. Cardholders must be permanent full-time State employees whose jobs require the use of a Purchasing Card. There will be no exceptions to the following:

1. Card holders must be full-time, permanent or “continuous” employees who:

a) Pass a credit check and background check (O.C.G.A. §50-5-83) to qualify for a card (*See Legal Issues -*) **and**

b) Are required, as part of their regular duties, to purchase services and/or supplies under current small dollar purchase guidelines.

NOTE: In most cases the employee must have completed the 6-month probationary period before being allowed to retain a PCard. This requirement can be waived with the consensus of the Vice President for Business and Finance/Chief Financial Officer and the PCard Administrator assuming all other requirements have been met.

2. New Cardholders, as well as renewal cards, require both credit and background checks.

3. Cards will not be issued to student employees, temporary workers (e.g. hired from a temporary staffing agency) or contractors (e.g. person hired for a pre-determined period of time for a specific project).

4. Cards will not be issued in the name of a Department or work unit to be shared by multiple employees.

5. Cards will not be issued to employees of foundations associated with the University; such as the Fort Valley State University Foundation, Inc. (O.C.G.A. §50-5-83)

6. At a minimum, the employee’s supervisor/approving official, FVSU’s Purchasing Card Administrator, and FVSU’s Vice President for Business and Finance/Chief Financial Officer as designated must approve a cardholder’s application for a Purchasing Card.

7. Prospective cardholders, supervisors/approving officials, and Vice-President for Business and Finance as designated must meet all training requirements (classroom and online training) covering FVSU Purchasing Card Procedures. Approvers (Cardholder’s supervisor/approving official) and cardholders must complete P-Card training **prior** to receiving the P-Card, access to an account number, or obtaining access to WORKS®. **Note that both the cardholder and**

the supervisor/approver must meet training requirements before the PCard is issued/renewed.

8. Only the employee whose name is shown on the face of the card is authorized to make purchases with the card, either in person, on-line, or telephone. Use by any other person, even if for State business purposes, is considered misuse of the card.

B. Application Processing

On April 1, 2017, the current State of Georgia Purchasing Card Program was updated to include the requirement for each institution to operate under the guidelines of the OPB/DOAS Approved P-Card Plan for that institution. The Plan includes the number of cards approved for the institution. Any additional cards must be approved by OPB/DOAS before FVSU can obtain additional cards. The process below assumes the number of cards FVSU has is not affected (For example, the person requesting the card is new to a position that has been approved for a P-Card).

1. The employee must complete **State of Georgia Purchasing Card Program P-Card Cardholder Profile Form, SPD-PC002** (See Appendices).

2. The prospective cardholder's supervisor/approving official, FVSU's P-Card Program Administrator, and FVSU's Vice President for Business and Finance/Chief Financial Officer must approve the Purchasing Card Request via the electronic approval process after determining the following:

a) The prospective cardholder understands established FVSU policies and procedures pertaining to the purchasing card.

b) The manner in which the department will use the Purchasing Card and request a monthly Cycle Limit (CL) and Single Transaction Limit (STL) profile.

c) Cardholders up for renewal of their cards will be notified by P-Card Administrator or P-Card Coordinator, at which time the cardholder must provide a new **State of Georgia Purchasing Card Authorization for Purchasing Card Background Checks, form #SPD-PC010** (See Appendices).

3. The Purchasing Card Administrator and/or P-Card Program Coordinator will review the request and forward the employee's SPD-PC010 form to Human Resources for the credit and criminal background checks.

4. Human Resources will notify the Purchasing Card Administrator and/or Purchasing Card Coordinator of credit and criminal background check status.

5. Prospective cardholders, supervisors/approving officials, and Vice President for Business and Finance/Chief Financial Officer must meet all training requirements (classroom or online training) covering FVSU Purchasing Card Procedures. Approvers (Cardholder's supervisor) and cardholders must complete P-Card training **prior** to receiving the P-Card, access to an account number, or obtaining access to WORKS®.

6. The Purchasing Card Administrator and/or P-Card Program Coordinator will request the employee's Purchasing Card from Bank of America Merrill Lynch® and set up the new cardholder's monthly CL and STL profile.

7. The cardholder and their supervisor will be notified, by email, when the Purchasing Card is available for pick up. Employee will present a photo ID and sign the **State of Georgia Purchasing Card Cardholder Agreement, Form #SPD-PC001** (See Appendices) when picking up the card.

8. The employee must sign the card on the back as soon as it is received to prevent unauthorized use. Employees are instructed to keep the card in a secure place at all times.

9. Upon receipt of the card, the cardholder will need to call the toll-free customer service number on the face or back of the card to activate the account. Once the cardholder acknowledges receipt of the card with Bank of America Merrill Lynch®, the account will be activated for immediate use.

C. Cardholder and Supervisor Responsibilities

1. General Responsibilities

All cardholders are de facto purchasing agents for the USG Institutions. All card program personnel must maintain knowledge of State, USG and internal procurement policies and procedures related to use of the P-Card, and have a minimum understanding of State procurement laws, the requirements of the Georgia Procurement Manual, and the USG Business Procedures Manual.

Minimum requirements to establish an internal control structure that ensures compliance with the State and BOR PCard policies and procedures include:

1. Separation of duties between ordering cards (program administrators), making transactions (cardholders), and review or approval of transactions for payment (supervisors/approving officials).
2. A minimum of two approvers required before a purchase is made (usually supervisor and fiscal).
3. Reconcilers are limited to one per card and cannot be a subordinate of the cardholder. The cardholder role can be given to either the cardholder or assigned

to a proxy reconcile on the cardholder's behalf. Each card must have only one reconciler; however, one reconciler can be the sole reconciler on multiple cards.

4. The Card Program Administrator cannot be a cardholder.

5. Limits on the number of cardholders assigned to a supervisor or approving official to ensure adequate review of business need and documentation for each purchase. Fort Valley State University limits the number of cardholders assigned to a supervisor or approving official to ten (10) *unless otherwise stated within the approved PCard plan*.

6. Cardholders cannot approve their own transactions but may reconcile their own transactions.

7. Approvers cannot be subordinates of cardholders for whom they are responsible.

8. The sharing of login information or passwords is strictly forbidden.

9. Delegation of the approver duties is unallowable. Should an approver be on leave or otherwise unavailable to approve a purchase or transaction, another trained approver already assigned approver responsibility may assume those duties temporarily.

10. Provision for annual audit or self-audit of the P-Card program by the Card Program Administrator or Internal Audit unit must be submitted annually to DOAS no later than December 1st.

Other important controls that are required include:

a. Purchasing cards are issued in an individual's name, not in the name of Fort Valley State University or an FVSU department. The cardholder is accountable for all purchases made with the assigned card. The card is the property of Fort Valley State University and is to be used only for State business on behalf of FVSU, as defined in this manual.

b. Cardholder and Supervisor name changes or other profile changes may be made by submitting via form #SPD-PC002.

c. Annual recertification of Cardholders, supervisors, and fiscal approvers is required to maintain Purchasing Card account and access to the Works® Payment Manager. (Any Business Manager with access to Works® Payment Manager must also recertify annually.)

d. Adherence to established FVSU Purchasing Card Policies and Procedures.

2. Other Cardholder Responsibilities

a. Cardholders must strictly observe their assigned monthly Cycle Limit (CL) and Single Transaction Limit (STL) profile as defined in the FVSU P-Card Plan

- b. Only the employee whose name appears on the face of the Purchasing Card is authorized to initiate transactions with the card, even if the purchase is for legitimate university business. Personal purchases are strictly prohibited and will result in disciplinary action, up to and including termination of employment and criminal prosecution. All purchases made with the Purchasing Card must be for official State/University business.
- c. Sharing of login information or passwords is strictly forbidden.
- d. Ensure that no other persons have access to any card information (*i.e.* card account number, expiration date, security code).
- e. Ensure that all purchases comply with State and University policies.
- f. Cardholders required to obtain receipts for all purchases made on the P-Card. The receipt should include: vendor name, transaction amount, date, and itemized list of items purchased.
- g. Cardholders are required to maintain a log in the cardholder's name showing:
 - a. Each P-Card purchase
 - b. Relevant vendor's name
 - c. Item(s) purchased
 - d. Date of the purchase
 - e. Amount of the purchase
 - f. Name of the employee for whom the purchase was made
 - g. Intended business use
 - h. Grant or project to which the purchase is applicable
 - i. Other information as required to support intended use

This report is titled the **Monthly Log**. These records will be maintained and available for audit or review for a period of seven (7) years.
- h. Ensure all documentation is submitted according to internal procedures and State requirements.

3. Supervisor/Approving Official Responsibilities

Supervisors or other persons responsible for reviewing transactions must have a thorough knowledge of the cardholders' job responsibilities in order to determine if purchases are job related or otherwise authorized. All approving officials are required to complete the Approver Card Program Acknowledgement form.

- a. Cardholder's supervisor/approving official must notify the Purchasing Card Administrator immediately upon change in cardholder's employment status, which can include:
 - Change of department
 - Change of position, role, or title
 - Leaves of Absence
 - Termination, Resignation or Retirement
(Supervisor/approving official must notify the Purchasing Card Administrator immediately so the card can be deactivated promptly. The card must be destroyed (cut in half) and returned to Purchasing Card Administration.)

Note: If an employee is being terminated for disciplinary reasons, it is incumbent on the supervisor to ensure that the Purchasing Card Administrator is notified as soon as this action is taken.
- c. Ensure that passwords are not shared or delegated for others to use in order to review and approve transactions.
- d. Delegation of the approver duties is unallowable. Should an approver be on leave or otherwise unavailable to approve a purchase or transaction, another trained approver already assigned approver responsibility may assume those duties temporarily.
- e. Supervisor or approving official must carefully review all documentation to ensure that all documentation meets the minimum requirements as explained in the Statewide Purchasing Card Policy.
- f. Sign off on all transactions in Works™ Payment Manager or other P-Card plan approved systems, as appropriate, within the timeframe established by the Card Program Administrator.
- g. Ensure all documentation is submitted according to internal procedures and State requirements.

D. Purchasing Card Training

Purchasing Card Program Training must be completed annually by the cardholder and the direct supervisor/approving official of a cardholder. A portion of this training is offered online. The DOAS Learning Management Learning System's courses/tests as follows must be completed first and is a requirement for all PCard holders and approvers:

Introduction to State Purchasing	Course # 1000W
Intro. to State Purchasing Test	Course # 1000T
Introduction to Purchasing Card Princ.	Course # 6600W

Completed training certificates must be turned into the Purchasing Card Administrator to be provided credit for taking any of the DOAS online courses.

The FVSU Purchasing Card Administrator will offer two classroom sessions during a fiscal year to review FVSU specific policies and procedures. The Purchasing Card Administrator may also schedule a one-on-one session with the cardholder. The Purchasing Card Administrator will maintain a log of attendance for all of these course offerings. In some cases, these classes will be mandatory for continued use of the PCard.

Failure to complete the annual training may result in suspension/loss of the Purchasing Card and access to Works®. When approvers do not receive training, it can result in both the approver's loss of approval and the subordinate's loss of the PCard. PCard privileges will not be restored until both the approver and the PCard holder are in compliance with all policies and procedures, including the appropriate training. It should also be understood that repeated noncompliance with any policies and procedures (State, University System of Georgia, or Fort Valley State University) can also result in the loss of PCard privileges. Misuse of the PCard for personal uses or outside of policy can also result in termination and possibly legal repercussions. See *State of Georgia Purchasing Card policy*, which can be found on the State Accounting Office website at www.sao.georgia.gov

E. Card Limits

1. **Spending Limit Requirements (STL or Spending Transaction Limit) -**

Each purchasing card transaction, regardless of the number of items ordered, will be **limited to a \$999.99 STL**, unless the cardholder has an approved DOAS/OPB waiver granting a higher STL. State Policy establishes the maximum STL for unplanned, non-routine, or urgent point of sale P-Card transactions be set at \$1,000 and purchases that are preapproved and go through the requisition process prior to the purchase be set at under \$5,000 (i.e. \$4,999.99 or less). The State Entity Card Program Administrator can establish STLs up to this amount as determined by overall needs.

2. **Special Approval Request Form** - If a cardholder needs a temporary increase in STL, a Special Approval Request Form must be submitted to the P-Card Administrator for DOAS/OPB approval. If the one-time temporary increase is granted, the transaction must be posted within five (5) days of the increase as the cardholder's profile will be automatically reset to the original STL. Any adjusted limits should be returned to the cardholder's original profile within 5 days of the temporary increase to allow for the transaction to post. The following exceptions can be applied to the STL:

- i. FVSU's Card Program Administrator can adjust in Works® consistent with OPB and SPD approval of individual limits greater than or equal to

limits established by state policy for purchases outlined in the University's approved P-Card Plan.

ii. FVSU's Card Program Administrator can adjust in Works® consistent with OPB and SPD approval of individual limits greater than or equal to limits established by State Policy for purchases that would be exempt based on the NIGP code that were outlined in the University's approved P-Card Plan. Refer to Section 1.2.4 of the Georgia Procurement Manual for additional information and a link to the list of exempt NIGP codes.

3. Limit Reviews and Adjustments - Purchasing Card Administrator will analyze cardholder activity annually to determine whether spending limits are consistent with usage. Inactive accounts (those with little or no activity) may be deactivated to meet DOAS guidelines (see Dormant Cards). However, the P-Card Administrator may conduct spend analysis throughout the fiscal year to review the department's actual purchasing needs. In order to facilitate this review, the State Purchasing Division has provided a Spending Limits Analysis Template in Excel.

It is the responsibility of the Purchasing Card Administrator to establish appropriate card limits for each cardholder based on the established FVSU Purchasing Card limits, the needs and annual spending pattern of the department, and the FVSU Approved P-Card Plan.

Cycle Limits (CL) and Single Transaction Limits (STL) may be lowered or increased by completing cardholder profile form (SPD-PC002). *FVSU's Purchasing Card authority level allows for a maximum increase of up to \$25,000 for a monthly cycle limit and \$999.99 as a single transaction limit. Larger monthly Cycle Limits and/or Single Transaction Limits (CL over \$25,000 or STL over \$999.99, respectively) must be approved by DOAS and OPB as part of the approved PCard plan for the University. To request an increase in cycle or single transaction limit, complete the P-Card DOAS **Special Approval Request form #SPD-PC003** (See Appendices) electronically, saved in Word format only, and forward by email to the Purchasing Card Administrator.*

4. Dormant Cards – It is the responsibility of the Purchasing Card Administrator to analyze cardholder activity and determine whether a P-Card should be considered dormant. Since the State Purchasing Division recommends that a State Entity reduce the cycle limit of any card that has not been used within 12 complete cycles (months) to \$1, Fort Valley State University has adopted this as a practice, reducing the CL to \$1 and then reviewing the card to determine if the cardholder still needs the card before moving it to dormant on the plan. The State Purchasing Division has provided a Card Utilization Review Workbook in Excel that should be reviewed at least annually by the Purchasing Card Administrator.

5. The State Purchasing Card Program Administrator is responsible for reviewing and approving all requests for exceptions to policy on a case-by-case basis. Requests for an exception to policy, such as an increase in the Single Transaction Limit (STL) greater than \$999.99 to accommodate a purchase on Statewide or University contract or a statutory/mandatory source, must be sent to the Purchasing Card Administrator (see Appendix C).

6. Any expenditure with one supplier, or multiple suppliers, for the same product or supplies that you anticipate will exceed \$25,000 within a fiscal year should not be purchased using the FVSU Purchasing Card. Please contact the Office of Procurement and Contracting for assistance. This circumstance requires due diligence by FVSU's Procurement Office as it relates to the State bid threshold limit, \$25,000.

7. State of Georgia purchasing cardholders are designated as State purchasing agents, requiring strict adherence to the Official Code of Georgia, Annotated O.C.G.A. § 45-10-1, State employee code of ethics, and O.C.G.A. § 50-5-78, financial interest of department personnel in contracts; acceptance of benefits from contractors.

F. Lost, Stolen, or Misplaced Cards

In order to protect the University's interest, lost or stolen purchasing cards must be reported immediately to Bank of America Merrill Lynch® (within 24 hours) by calling 1-888-449-2273, and then report to the cardholder's supervisor/approving official and the Purchasing Card Administrator. If you have misplaced your card, immediately contact the Purchasing Card Administrator or Purchasing Card Coordinator at 478-825-6226 or 478-825-6224, respectively. You may also e-mail the Purchasing Card Administrator (hortonr01@fvsu.edu) or Purchasing Card Coordinator (sampsonc@fvsu.edu) so the card can be suspended.

To report a fraudulent transaction on your purchasing card, contact Bank of America Merrill Lynch® Customer Service at 1-888-449-2273. The bank will request pertinent information regarding the transaction, cancel the current card, and order a new card for the cardholder. Once Bank of America Merrill Lynch® has been notified, the immediate supervisor should also be notified along with the Purchasing Card Administration. The cardholder will be notified as soon as the replacement card arrives.

III. Purchasing, Transaction Processing and Monthly Statement Reconciliation

A. Making a Purchase

To make a purchase using the Purchasing Card, the cardholder must:

1. Make sure the transaction is consistent with the applicable rules for Purchasing Card usage. This includes obtaining two prior approvals (supervisor/approving official and fiscal approver) for all purchases, regardless of amount, that are planned, routine, and non-urgent using a Special Item Requisition in PeopleSoft (See Appendices).
2. Adhere to the **Order of Precedence**. The State requires state entities to purchase from existing statewide or university contracts for products and services when they are available, rather than pursuing a purchase with a non-contracted supplier. The Order of Precedence for use of existing contracts is listed below. If the cardholder has any questions regarding the appropriate source for a purchase, email the Purchasing Card Administrator or Purchasing Card Coordinator.

a) Mandatory Statewide Contracts – State entities, including state universities, must use these contracts unless State Purchasing Division (SPD) has granted a waiver.

b) State Entity Contracts - i.e., an existing contract between the University (State entity) and a supplier.

c) Statutory Mandatory Sources – There are two mandatory statutory sources for products designated as mandatory (not applicable to preferred products).

1) Georgia Correctional Industries (GCI) **GCI** product list is accessible through: <http://www.gci-ga.com/>

2) Georgia Enterprises for Products Services (GEPS) **GEPS** approved product list: www.georgiaenterprises.com

d) Convenience Statewide Contracts – Any statewide contract not designated as mandatory (“preferred products”) and not available through GEPS.

3. Verify the total amount to be charged with the supplier. Prior to signing a charge slip or authorizing a purchase by telephone, be sure to have the supplier identify and list all charges related to the transaction. All shipping and handling charges must be listed as a separate line item on the receipt and must be clearly identified.

4. Sales tax should not be paid for purchases made from vendors within the State of Georgia using institutional funds. Institutional funds used to further institutional business purposes are not subject to sales tax as outlined in O.C.G.A. § 48-8-3 (8). Sales tax may be paid when required for vendors out of state.
5. Make sure to give the supplier proper delivery and shipping instructions. Unless the transaction will occur at the point-of-sale, all shipping costs (UPS, FedEx, etc.) MUST be prepaid and charged with the corresponding purchase. The supplier should identify the exact amount of all shipping and handling charges that will be added to the transaction amount. The cardholder must retain receipts and other documentation for record-keeping and reconciliation purposes.

Ensure that all invoices and receipts meet minimum requirements for adequate documentation of transactions. The receipts, proof of delivery, and other documentation supporting the purchase should be attached to the corresponding Purchasing Card Monthly Statement Detail Report.

B. Approving Transactions in Works® Payment Manager

Works® is a web-based technology that connects payment management automation with the global Visa® payment network.

<https://payment2.works.com/works/session>

Transactions must be approved on-line as follows:

1. The cardholder will receive an e-mail notification when a transaction is pending approval. **All transactions MUST be allocated and signed off on by the 30th of each month – NO EXCEPTIONS. WORKS is available 24/7 from any location where the internet is available.**
It is highly recommended that charges be allocated as they occur within WORKS.
2. Each transaction should be opened and reviewed by the cardholder **and** the supervisor/approving official. Ensure that all invoices and receipts meet minimum requirements for adequate documentation of transactions. The review should consist of verifying the validity of the transaction and the chart string (General Ledger coding) which includes Fund, Department, Program, Class, Account, and Project/Grant (*if applicable*). Chart strings are manually added to Works®. If your chart string is unavailable for allocation in Works®, email to Purchasing Card Administrator or Purchasing Card Coordinator.
3. ***If the business purpose is not evident from uploaded receipts or other documentation cardholders MUST document the business purpose for***

each transaction in Works® using the comment section outlining pertinent transaction details (event, class, etc.). When pre-approved transactions are signed off on by the cardholder, *the pre-approval requisition number must be entered in the comments*. The cardholder also has the option of uploading the approvals page of the requisition with the receipt.

4. Each transaction must be verified and signed off in Works® by the cardholder and direct supervisor/approving official.
5. Both the cardholder and direct supervisor (or the supervisor's designee) must manually sign the paper Monthly Log Cover Sheet. Signatures certify approval of all the transactions associated with that cardholder's account.

Delegation of the supervisor duties is unallowable. (For example, an Administrative Assistant cannot sign off for his/her supervisor. Should a supervisor be on leave or otherwise unavailable to approve a purchase or transaction in Works® or sign the monthly paper statement, another trained supervisor, already assigned supervisor responsibility, may assume these duties temporarily. **Signature Stamps or copies are not allowed for Supervisors, Approving Officials or Fiscal Approvers.** The monthly statement packet should be forwarded or delivered to the Purchasing Card Coordinator by 5PM on the **5th day** of the following month. (*i.e.: statement period ending 06/27/18, statement packets due 07/10/18.*) If the **5th** falls on a weekend or holiday, then the packet will be due by 5PM on the previous business day.

Please be aware that Accounting Services will use the spreadsheet generated by WORKS that the Procurement office provides to them after the 30th of the month. If changes are made in the paperwork, the cardholder is responsible for notifying the Purchasing Card Administrator or Purchasing Card Coordinator of the change.

6. Segregation of duties is important to the integrity of the process. Minimum requirements include:
 - Segregation of duties between making transactions (cardholders)
 - Approval of transactions for payment (direct supervisor/approving official)
 - Ordering cards (card program administrator/coordinator)

No cardholder shall be his or her own reviewer/approver. Sufficient internal controls must be established and implemented to ensure that the cardholder's direct supervisor/approving official reviews the Monthly Statement Detail Report in conjunction with what has been reported on Works. Approvers must review all receipts and reconciliation documents in a timely manner during regularly

scheduled billing cycles for approval; and must also sign off the cardholder's transactions in Works® in accordance with the published monthly deadlines.

For further information on segregation of duties between ordering cards (program administrators/coordinators), making transactions (cardholders), and review or approval of transactions for payment (supervisor/approving officials), please refer to DOAS Statewide Purchasing Card Policy using the following link:

<http://doas.ga.gov/state-purchasing/statewide-card-programs/purchasing-cards>

C. Paying the Bill

The compiled bill for all of the University's PCard expenditures will be paid by FVSU's Accounting Services Department. Under no circumstances should a cardholder or departmental representative send a payment to the Bank directly for PCard purchases.

D. Record Keeping (Documentation)

To facilitate reconciliation and approval of your Monthly Statement Detail Report, it is MANDATORY that cardholders obtain and retain supplier documentation for purchases. Proof of purchase/receipt and proof of delivery, if applicable, are required. Please submit original receipts/invoices unless receipt/invoice has been printed from the internet. All original receipts belong to FVSU.

1) **Proof of Purchase:**

Cardholders must maintain documentation for all transactions, including an invoice or receipt. According to the Statewide PCard policy invoices/receipts must meet the following minimum requirements:

- Complete supplier/merchant information (name, location);
- Line item details, including quantity, description, unit price, and total price;
- Line showing **no sales tax**;
- And date of transaction.

2) **Missing Receipt**

Cardholder is responsible to contact the supplier for a copy of the invoice/receipt. If a receipt cannot be obtained, **Form #SPD-PC005, State of Georgia State Cards Program Lost Receipt/Invoice Affidavit** (See Appendices) may be prepared with the above information and signed by the cardholder and supervisor/approving official. Use of the Missing Receipt form in excess of *three (3) times in a fiscal year will result in an automatic suspension of the card privileges for a minimum of one month.* (Please be aware this is a legal document and falsifying may be grounds for disciplinary action). If second occurrence within three (3) fiscal years it is recommended that use of the card be suspended and disciplinary action taken based on a review by the PCard Program Administrator and the Chief Financial Officer/Assistant Vice President for Business and Finance.

Note: Credit receipts and/or credit memos are also required with the Monthly Statement Detail Report for any credit transactions.

E. Reconciling Monthly Statement Detail Report

The Card Program Administrator is responsible for developing the following internal procedures:

- Reconciliation process that ensures timely payment and/or allocation of transactions to the General Ledger at least monthly.
- Documentation, including use of Works® Payment Manager or Team Georgia Marketplace™, as appropriate, for reconciliation of transactions.
- Disputing a transaction with the Bank.

Completed Monthly Statement Detail Reports must be submitted to the Procurement Office **by 5PM on the 5th day of the month following the statement end date**. If the **5th** falls on a weekend or holiday, the statement will be due by 5PM on the previous business day. The Purchasing Card Administrator or Purchasing Card Coordinator will send a reminder email with cycle date range and monthly deadline via email as well as post this information on the Works® home page as an “announcement.” Ensure that all invoices and/or receipts meet minimum requirements for adequate documentation of transactions. Sign off on all transactions in Works® as appropriate within the timeframe established by the Purchasing Card Program Administrator.

Before approving the P-Card transactions or signing off on transactions electronically, the supervisor/approving official must carefully review all documentation to ensure that all transactions are allowable. Monthly Purchasing Card Packet should consist of the following documents:

- Monthly Statement Page, signed by cardholder and approver (supervisor)
- Monthly PCard Log with Comments with specified date range from Works® (Shared Templates).
- Pre-Approval documentation. ePro Requisition approval page *or requisition number must be provided in the sign-off comments*.
- Mark out (redact) all instances of the full purchasing card number if listed on the invoice/receipt; last four (4) digits being visible are allowable. Additional purchase approval documentation that may be required for other purchase types (such as federal grant purchases) should be included as part of the documentation.
- The cardholder and supervisor/approving official must both sign the paper Monthly Statement Detail Report and print their name, add date, and phone extension. Signature certifies approval of the transactions. Use of **Signature Stamps is prohibited by the State P-Card Policy**.
- Monthly statements should be delivered to the Procurement Office no later than the 5th of the month following the statement closing date. Make sure to give your monthly statement adequate time to arrive by the deadline if

mailing. Follow departmental submission deadlines if earlier than those set by the Purchasing Card Administrator.

- Supporting Documentation as defined in Section II- Record Keeping, page 13. All purchases may not have all types of documentation. An example would be an internet payment for a registration. You may only have 1 document (receipt) for this type of transaction.

For additional guidance on how to allocate transactions, please see the [Training Guides](#) and [Training Videos](#) links at the bottom of the Home page in WORKS. All purchasing card records must be retained by the FVSU Procurement Office for seven (7) years.

F. Resolving Errors and Disputes

Problems with merchandise delivery or incorrect billing may occasionally arise. **It is the cardholder's responsibility to initiate action to resolve all such issues.**

1. Cardholders must contact the supplier directly when a billing problem or a problem with merchandise is first noted to attempt to resolve such problems. When appropriate, the cardholder should ask the supplier to provide a credit to the purchasing card account. Under no circumstances should there be a direct cash refund from suppliers for credit card transactions.
2. Make a note in Works® and keep a record of all communications with the supplier.
3. If a cardholder is unable to resolve the problem directly with the supplier, the cardholder should file a Bank of America Merrill Lynch® dispute form (*See Appendices*).

<http://doas.ga.gov/state-purchasing/statewide-card-programs/purchasing-cards>

Note: All Bank of America Merrill Lynch® disputes must be filed within 60-days of the transaction date. Do not continue to use suppliers who have not resolved errors within 30-days of the cycle date following the error or dispute.

G. Lost or Misrouted Items

If a sufficient amount of time has elapsed without receiving the ordered product, the following steps should be taken:

1. Contact the supplier to determine the date product was shipped, carrier name (*i.e., UPS, FedEx, US Mail, etc.*), and destination address/location.
2. If there is no record of the shipment by the carrier, call the supplier and request a proof of delivery.

3. If the supplier cannot supply this documentation, the supplier should acknowledge that no product was actually delivered, and either the purchasing card account should receive a credit, or product reshipped.

4. If a satisfactory resolution cannot be reached with the supplier within a 30-day period, file and process a dispute with the Bank. **As a reminder there are only 60 days from the date of the transaction for a dispute to be filed with the Bank.**

H. Incorrect Quantity or Defective Items

The Cardholder must always check any incoming order as soon as received to ensure the product received matches what was ordered in terms of quantity, description, and quality. If there is a discrepancy (e.g., damage or defects), the cardholder should:

1. Contact the supplier to resolve the issue over the telephone. (This is usually sufficient to resolve most discrepancies.)

2. If satisfactory resolution cannot be reached with the supplier, file a dispute with the Bank within 30 days and notify the Procurement Office.

I. Sales Tax Charged by a Supplier

As previously detailed in the “Making a Purchase” section of this guide, FVSU is exempt from paying Georgia sales tax on purchases. (O.C.G.A. §48-8-3).

Accordingly, sales tax should not be billed by Georgia based suppliers.

Cardholders are responsible for ensuring that suppliers do not charge sales tax; and that suppliers provide a credit back to the purchasing card in the event of an erroneous charge.

In the event a supplier charges sales tax, the cardholder must take the following steps as soon as possible:

1. Contact the supplier and request that a credit be processed for the amount of the sales tax charged. Sales tax issues cannot be disputed with the Bank of America.

2. Credits cannot be obtained by any other method, including but not limited to, cash, gift cards, vouchers, store credit or gift certificates.

3. Maintain written records of communications with suppliers regarding credits for sales tax.

4. If the supplier refuses to issue a credit or does not issue a credit within the next billing cycle, please notify the Purchasing Card Administrator or Purchasing Card Coordinator concerning attempts to obtain a credit for the sales tax billed.

DO NOT place any further orders with the supplier. The P- Card Administrator will notify all other cardholders to refrain from doing business with the supplier.

Recovering charged sales tax requires time and effort that is not very productive for anyone. It is, therefore, essential that FVSU departments make suppliers

aware that FVSU is exempt from sales tax prior to making the purchase. O.C.G.A. 48-8-3 exempts purchases made by Agencies, Universities, Colleges, and technical schools from State Sales and Use Tax when payment is made with appropriated funds. Cardholders must present the Fort Valley State University Tax Exemption Form (*See Appendices*)

The requirement for out-of-state suppliers to charge Sales and Use Tax on shipments to purchasers in the State of Georgia does not apply to tax-exempt State Entities. In order to avoid confusion, the cardholder must provide out-of-state suppliers with a copy of the Sales Tax Exemption Form (ST-5) prior to placing an order to be shipped into the State of Georgia. If the supplier refuses to remove taxes, the cardholder must make the purchase from a different supplier whenever possible.

J. Restocking Fees

When goods are returned through no fault of the supplier, the supplier may charge a restocking fee. If this occurs, reference the transaction number for the restocking fee to the transaction number of the original purchase in Works®.

K. Making Returns/Exchanges

Cardholders must usually prepare a shipping order for all returns or exchanges of merchandise purchased using a purchasing card. On the shipping order, be sure to indicate that this was a purchasing card purchase and state the amount of credit due for the returned item. In some instances, a supplier may supply a Return Authorization Number (RAN) which should be noted on the shipping order. If the supplier provides a material Return Authorization Number, be sure to include that number on the shipping order.

In these instances, the following actions should take place:

1. A copy of the shipping order should be attached to the Cardholder's Monthly Statement Detail Report with details surrounding the return.
2. Return credits must be applied to the purchasing card account, and must not be taken in cash.
3. Note the shipping arrangements on the documentation (i.e., if the supplier or state paid for the freight).

Note: It is the cardholder's responsibility to follow up and obtain a credit for any recoverable amounts.

L. Supplier Credit Card Processing Fees**

Some suppliers charge a “credit card processing fee” or “convenience fee” for accepting credit cards including the Purchasing Card. These types of fees are strictly regulated by Visa® and MasterCard®. Cardholders need to be aware of these types of charges and make decisions based on the following guidelines.

1. Surcharges

Surcharges are a percentage of the transaction amount charged by the merchant to cover the costs of processing credit card transactions. The maximum allowable surcharge is 4% and must be shown as a line item on the detailed invoice or receipt.

For any transaction where the supplier has charged a surcharge, **a cardholder must obtain a copy of the acknowledgement letter sent to the supplier by VISA® authorizing the supplier to impose a surcharge.** The cardholder must attach the acknowledgement letter to the invoice and submit with all other required documentation to the Monthly Statement Detail Report.

According to Visa®’s Card Acceptance and Chargeback Management Guidelines for Merchants (Merchants is synonymous with suppliers) available on Visa®’s website, credit card **surcharges** are allowed but cannot be more than the amount the supplier’s bank charges them for processing the transaction. **Also, the supplier cannot charge both a surcharge and a convenience fee, explained below.**

Whenever a supplier charges a **surcharge**, the following rules apply:

- The supplier must have provided Visa® and their merchant bank at least 30 days notification of their intent to impose **surcharges**.
- The fact that the supplier imposes these charges must be clearly posted on the door and at point-of-sale for physical locations and on web sites when sales are made via the internet and inform the customer of:
 - A. The exact percent of the surcharge.
 - B. That it is being assessed by the supplier and is only applicable on credit transactions.
 - C. That it is not greater than what the supplier pays to Visa®.

2. Convenience Fees

A **Convenience Fee** is a flat amount, (*not a percentage*), charged by a merchant when a credit card is not the normal method of accepting payment.

“**Convenience fees**” for certain transactions can be paid **if** they are charged in compliance with Visa® rules. (The State of Georgia P-Card and other accounts are Bank of America Merrill Lynch® Visa® accounts, so Visa® regulations apply.) For merchants who offer an alternate payment channel (**i.e., mail, telephone, or e-commerce**) for customers to pay for goods or services, a convenience fee may be added to the transaction amount. If the merchant chooses to assess a **convenience fee** to its customers, the merchant must adhere to certain guidelines. There are many ways a supplier’s actions can fall outside Visa®’s guidelines. As such, only suppliers in compliance with the guidelines shall be allowed to receive **convenience fees** via the P-Card and/or other accounts.

Convenience fees charged in accordance with the Visa® guidelines quoted above are permitted on the P-Card or other accounts.

IV. Allowable Purchases

The P-Card can be used for official purchases of supplies, materials, equipment or services where not otherwise prohibited or restricted. All purchases must be within assigned spending limits per the institution’s approved P-Card plan unless prior written approval from DOAS is received to exceed those limits.

Please note that **pre-approval is required for these if no blanket justification has been approved for that cardholder. Cardholders that have been approved for certain BOR Blanket Justifications do not need pre-approval when the purchases are urgent, non-routine or unplanned.** The FVSU State Approved P-Card Plan details those cardholders that have been granted BOR blanket justifications.

A. Allowable Purchases

1. Goods and services used in the furtherance of a USG institution’s mission.
2. Purchases of goods or services intended for official State of Georgia work-related use that are not otherwise prohibited by the State of Georgia’s P-Card Policy or the P-Card policy of the Board of Regents of the University System of Georgia.

B. Allowable Purchases –Restrictions Apply

- I. **Travel-Related Expenses** - Cardholders may use the Purchasing Card for students travelling on official school business, clients of USG Institution, and the general public when participating in an official State program or other activity for:
 - i. All types of transportation when this transportation is needed in the fulfillment of the USG Institution’s mission.
 - ii. Lodging and meals for students and for clients of a USG Institution needed in the fulfillment of the USG Institution’s mission.

- II. **Equipment** - Use of the P-Card for equipment is governed by the State Accounting Office policies on Capital Assets. USG Institutions are limited to single units with a cost under \$3,000 per unit, including freight, and the transaction must comply with single transaction spending limits as outlined by State Policy. (The University can adopt a stricter policy but chooses to control through PCard single transaction limits.)
- III. **Software and applications** - Software can be purchased for only State-issued computers and tablets. FVSU allows this purchase for PCard holders critical to Information Technology procurement only and the CIO should be responsible for approving and tracking this inventory.
- IV. **Food or Meals** -
 - a. Food provided for consumption at events or services provided to the general public, state benefit recipients and/or state program participants, or purchased for resale in gift shops, bookstores, or similar venues, and other non-employee meal related use.
 - b. Non-travel related meals for State employees that meet the State Accounting Office definition of group meals. See BPM Section 4 for additional Statewide Travel Policy guidance.
 - c. Meals only when the cost of the meal is included in the total cost (e.g. a conference fee of \$1,500 that includes three meals).
 - d. Food and lodging for student activities, but not for faculty, staff, coaches, or other institution employees, when on official institution business (e.g. athletic team travel). Documentation for the purchase must include:
 - i. Itemized receipt showing all meals purchased
 - ii. Roster of participants showing student name and signature
 - iii. Copy of team schedule or other documentation showing that the meal was for an authorized student activity
 - e. Food for official research, laboratory animals, or instructional/classroom use.
 - f. Food for school-sponsored childcare (e.g. day care center at a school).
 - g. Alcoholic beverages, such as cooking wine, for instructional or classroom use only. The following steps must be followed:
 - i. Document the purchase showing that the purchase was for instructional use.
 - ii. Create and document steps to ensure that the alcohol is either completely used or disposed of or properly secured between usages to prevent consumption in non- classroom activities.
 - iii. When possible, purchase the alcohol from instructional/culinary arts supply sources rather than a grocery or package store.
- V. **Limited Urgent Services** - Fort Valley State University's Policy on Contract Review and Approval requires service contracts to route through several departments for review and approval. These services must be purchased through eProcurement with a PO. However, urgent services may be procured by the Plant Operations cardholders (or cardholders responsible for building maintenance expense) when the Contract Review and

Approval process is not required. An example would be repair of a broken pipe spilling water – this must be fixed immediately and the Contract Routing Form process would delay the repair. A purchase order is required for any purchase that requires the Contract Routing Form process.

V. Prohibited Purchases

The following types of purchases are strictly prohibited either by Official Code of Georgia, Annotated (O.C.G.A.), or to meet reporting requirements of the State or specific State Entities.

In USG Institutions are limited to single units of equipment with a cost under \$3,000 per unit, including freight, and the transaction must comply with single transaction spending limits as outlined by State Policy (Small Value Property-SVP limits).

The PCard can be utilized for other goods and *limited services* costing less than \$25,000 (including shipping) when not prohibited by Federal, State, and FVSU guidelines. This applies to both planned and unplanned purchases.

All purchases must be made in accordance with established university policy and must be for expenses associated with official university business. Only the cardholder can charge the expense. Use of the purchasing card for unauthorized, inappropriate, or personal items may result in penalties as indicated in this manual **(Section V – Review and Monitoring)**.

A. Prohibited Purchases Detail

Beginning April 1, 2017, the state policy added restrictions to P-Card usage:

- All P-Card purchases require a second fiscal approver prior to the transaction. This means the department's budget reviewer (FVSU Budget Director for all state funded expenditures and the fiscal manager responsible for federal grant funded expenditures) must also approve any P-Card transaction along with the cardholder's supervisor. ***The University requires that PCard transactions be supported by the automated requisition process when appropriate to support these added restrictions.***
- All unplanned, non-routine, and/or urgent transactions of less than \$1,000 are permissible on the P-Card without prior approval
- All planned, routine and/or non-urgent transactions valued at less than \$5,000 are permissible on the P-Card once prior approval is obtained.

In addition to the new restrictions, please reference the list below for examples of prohibited purchases. See *the State of Georgia P-Card Policy Manual and the*

University System of Georgia's Business Procedures Manual, Section 3.3 Purchasing Cards for a full list.

- Goods or services not directly related to job responsibilities or other official State of Georgia business (i.e. personal purchases).
- IT equipment and software (With the exception of certain IT employees or IT approved cardholders noted in the FVSU P-Card Plan).
- Data plans, software, or applications (apps) for non-University issued devices, including, but not limited to, smart phones, laptop computers, and tablets.
- Memberships at wholesale warehouses and shopping clubs (e.g. Sam's, Costco, Amazon Prime)
- Cash advances
- Gift cards, stored value cards, calling cards, and similar products
- Employee travel expenses related to lodging and meals
- Entertainment (e.g. in-room movies for State employees traveling on business). (This restriction does not apply to student activities at units of the University System of Georgia, but refer to USG Busing Procedures Manual Section 3.3 Purchasing Cards to ensure allowability)
- Alcoholic beverages
- Tobacco products
- Service Contracts requiring the Contract Routing Form process- non-urgent services must go through ePro.
- Fuel, mechanical repairs, and maintenance for University-owned or rental vehicles.
 - a. This restriction does not apply to non-mechanical body shop repairs (e.g. dented bumper) not covered under the State's vehicle maintenance contract.
 - b. This restriction does not apply to auto parts for in-house use (e.g. Entity-operated repair shops) or for teaching purposes
- Affiliated organization expenditures
- Agency fund expenditures that have not gone through the requisition or pre-approval process.
- Purchases made from units within the institution should be handled using a cost transfer or other payment method. Use of the P-Card subjects the selling unit to the merchant fees associated with credit card sales and is not a cost-effective means of making intra-institution purchases. For example, an institution should not permit use of the P-Card for purchases made from the institution-managed bookstore.
- Split purchases (see following section)
- Sales tax. O.C.G.A. §48-8-3 exempts purchases made by USG Institutions from State Sales and Use Tax when payment is made with appropriated funds. Cardholders must present the Department of Revenue Sales and Use Tax Exemption, Form ST-5, to suppliers upon request.

B. Split Purchases

O.C.G.A. §50-5-69 requires competitive bidding for all open-market purchases anticipated to be \$25,000 or more. However, §50-5-83 sets the legal Single Transaction Limit (STL) for P-Card transactions at less than \$5,000 (e.g. \$4,999.99 or less) unless the purchase is from a Statewide Contract and in compliance with State procurement policy. However, policy requires the Single Transaction Limit (STL) for unplanned, non-routine, or urgent point of sale P-Card transactions be set at \$1,000 and purchases that are preapproved and go through a requisition or pre-approval process prior to completing the purchase be set at under \$5,000 (i.e. \$4,999.99 or less). Point of sale transactions include purchases made at a physical store, in person, or over the phone.

Cardholders are prohibited from splitting a transaction between two or more transactions on a single account, two or more transactions on multiple accounts, or two or more transactions using the P-Card and a purchase order in order to circumvent competitive solicitation requirements. Refer to the GPM at http://pur.doas.ga.gov/gpm/MyWebHelp/GPM_Main_File.htm for complete information on bid requirements and procedures.

Cardholders are prohibited from splitting a transaction between two or more transactions on a single card number, two or more transactions on multiple card numbers, or two or more transactions using the P-Card and a purchase order in order to circumvent the Single Transaction Limit imposed on the card regardless of the amount of the STL.

Example:

If there is one invoice for \$1,300 and it is paid by two separate transactions in the amounts of \$700 and \$600 using the Purchasing Card, this is a split transaction violation. Or if \$700 is paid by Purchasing Card then \$600 is paid by a Purchase Order, this is still considered a split transaction violation.

Conference registrations are exempt and will not constitute split purchases. Conference registrations for any number of attendees are considered separate purchases, not a single purchase; so there is no split transaction.

C. Review and Monitoring

The State of Georgia and DOAS State Purchasing Division expects every cardholder to strictly adhere to the policies and guidelines governing the use of the State purchasing card. Failure to do so may result in disciplinary action up to and including employment termination. Additionally, such failure could result in prosecution, including civil action for financial restitution and criminal proceedings.

Board of Regents Business Procedures Manual 3.3.3.3 requires that every USG institution have a PCard plan as follows:

Each USG Institution participating in the Card Program is required to have an approved P-Card Plan. Items required in the Card Plan must include but are not limited to the following:

- 1. Justification of need for each cardholder or job class.**
- 2. Justification of need for point of sale purchases based on job requirements.**
- 3. A scenario of card distribution that meets the statutory requirement of a maximum of 100 cards.**
- 4. Establish time limits for determining when to cut off or cancel dormant cards based on job requirements.**
- 5. Establish spending limits (with appropriate waiver requests) based on job requirements and business model.**
- 6. An overview of Internal Controls surrounding card use.**
- 7. Establish approval chain for each cardholder.**

Amendments must be submitted for approval as business needs change. All P-Card Plans and subsequent amendments must be reviewed and approved by the Institution's President and submitted to DOAS for approval in conjunction with OPB. Compliance audits will be conducted against the plan.

Fort Valley State University has established an approved PCard Plan and works with the University System of Georgia and the State of Georgia to ensure that it complies with the requirements of the plan, including monitoring through self-audits and the establishment of Internal Controls within the program.

VI. Violations of Policies and Procedures

Violations of policies and procedures governing use of the purchasing card can be classified as minor or major. The action taken is dependent upon the type of violation and the number of previous cardholder violations. The P-Card Administrator can suspend a cardholder's privileges with or without input from the cardholder's department; however, the department will be notified of any such action. All other actions are determined at the appropriate level. Any alleged violation or questionable transaction could result in an immediate suspension of card privileges pending a review to determine what, if any, action is appropriate.

A. P-Card Violations and Disciplinary Guidelines

Listed below are the disciplinary guidelines associated with purchasing card violations:

1. Level 1 – Cautionary Note

Level 1 infractions are instances that are "accidental" and without willful intent, or associated with a delinquent reconciliation of the Monthly Statement Detail Report. Examples are listed below:

- a. Failure to reconcile and submit the Monthly Statement Detail Report by the published deadline. (Arrangements must be made for a delegated ad hoc approver if cardholder's supervisor will be unable to physically sign paperwork).
- b. Missing Receipt/Invoice/Preapproval Documentation

For a Level 1 infraction, the cardholder will receive a cautionary note with the supervisor/approving official and business manager copied.

Note: An accumulation of three (3) cautionary notes/minor violations of the same type in a fiscal year will result in a major violation being issued.

2. Level 2 – Minor Infractions

Level 2 infractions are instances that are “accidental” and without willful intent, or associated with obtaining the necessary FVSU prior-approvals or other procedural errors. Examples may include:

- a. Purchases made using the P-Card that should have been procured through the FVSU requisition system or some other means.
- b. Purchases made for FVSU Foundation or from Agency Account funding.
- c. Not obtaining required prior approvals as set by the University.
- d. Payment of Georgia Sales tax.

Cardholders will receive a notice of minor infraction in the form of an electronic memo from the P-Card Administrator. A copy of this notice will be sent to the cardholder's immediate supervisor, department head, and business manager (if applicable). Any action required in the notice should be handled on a priority basis.

Note: An accumulation of three (3) cautionary notes/minor violations of the same type in a fiscal year will result in a major violation being issued.

3. Level 3 – Major Violations

Major violations are instances that show disregard for established policy and procedures, whether intentional or not. These types of violations demonstrate willful intent to avoid major compliance issues and the resulting penalties are more severe. Examples are listed below:

- a. Purchasing prohibited or restricted items.

- b. Purchase of an asset/small value property.
- c. Splitting orders to avoid the single transaction limit (STL).
- d. Allowing others to use your card or assigned card number.
- e. Any and all personal purchases; even without willful intent.
- f. Accumulating minor infractions as defined above.
- g. Use of the Missing Receipt Form more than three (3) times in a fiscal year.

Any major *infraction* will result in the immediate temporary suspension of the cardholder's privileges and notification to their supervisor and department head.

- **1st occurrence** – the purchasing card will be suspended for two weeks. If no malfeasance, fraud or theft was involved, a reinstatement request of Purchasing Card privileges may be initiated by the cardholder's supervisor by emailing the P-Card Administrator or P-Card Coordinator. Reinstatement requires the approval of the Vice President for Business and Finance/Chief Financial Officer (CFO).
- **2nd occurrence** – the purchasing card will be suspended for 30 days. If no malfeasance, fraud or theft is involved, a reinstatement request of Purchasing Card privileges may be initiated by the cardholder's supervisor by emailing P-Card Administrator or P-Card Coordinator. Reinstatement requires the approval of the Vice President for Business and Finance/Chief Financial Officer (CFO) and the University President, in addition to the completion of in-person P-Card training.
- **3rd Occurrence** - Permanent suspension of all P-Card privileges

B. Appeals Process

Purchasing Card cardholders who receive a Level 1 or 2 notice may appeal by submitting an email to the Vice President of Business and Finance/Chief Financial Officer (CFO) and the P-Card Administrator within ten (10) business days of the issuance of the notice. This request will need to contain supporting documentation that contradicts the findings of the P-Card Administrator for review. The appeal will be reviewed and a response will be issued within five (5) business days.

C. Process Review and Compliance

The DOAS State Purchasing Office of Process Improvement and the DOAS Program Manager will review various reports provided by Bank of America Merrill Lynch® on a monthly basis to ensure that purchasing card transactions appear within reasonable parameters. In addition, random reviews of cardholder Monthly Statement Detail Reports and appropriate business purpose will be conducted by the State Purchasing Office of Process Improvement.

The Purchasing Card Coordinator will analyze electronic transaction data on a monthly basis to ensure that purchasing policies and procedures are being followed. Areas of interest include: split transactions, monthly purchases over cycle limits, unusual transaction patterns, and use of non-standard suppliers for standard purchase transactions. Examples of commonly used reports include the following:

A. Account Activity Reports -- Such reports can provide details on each transaction such as transaction date, merchant name, and dollar amount. These reports can be used to sort transactions by dollar amount, merchant, date or type, and can be useful for identifying suspicious merchants, unusually high spending patterns, or untimely purchases.

B. Declined Authorizations Report -- This report identifies cardholders (or other individuals) who have attempted to use a card to make a purchase for which they are not authorized, that exceeds their single-purchase limits, that exceeds their monthly purchase limits, or from a merchant that has a blocked Merchant Category Code (MCC).

C. Disputes Report -- This report identifies date, merchant, dispute code, dollar amount and status of each dispute filed by a cardholder. Reviewing the report would identify cardholders with excessive disputes which could indicate that a cardholder needs additional training or that he/she may be trying to disguise misuse or fraudulent activity.

Any areas of concern will be immediately reported to the Vice President for Business and Finance/Chief Financial Officer (CFO).

VII. Legal Issues

All procurement laws in the Official Code of Georgia, Annotated, and administrative rules found in the Georgia Procurement Manual, as well as the Statewide Purchasing Card Policy, apply to the use of the P-Card. Cardholders, programs users, CFO or supervisors/approving officials who knowingly, or through willful neglect, fail to comply with the following rules/regulations may be subject to suspension or termination of account privileges or other disciplinary action, up to and

including termination of employment and criminal prosecution to the fullest extent of the law.

- Official Code of Georgia, Annotated (O.C.G.A.), sections related to governmental purchasing
- Applicable requirements of the Georgia Procurement Manual (GPM)
- Statewide Purchasing Card Policy
- USG Business Procedure Manual
- Fort Valley State University policies and procedures governing procurement and the Purchasing Card Program

The State Cards Department within the State Purchasing Division reserves the right to withdraw any authority or delegated approval due to non-compliance with applicable laws, rules, regulations, policies, and procedures, or the terms of any conditional approval.

Violations involving employee malfeasance must be reported to Bank of America Merrill Lynch®, FVSU Public Safety, FVSU Office of Contracts and Compliance and USG Office of Internal Audit. (USG will report the incident to the Attorney General's Office). Employee malfeasance generally includes instances of embezzlement, misappropriation, alteration or falsification of documents, false claims, theft of any asset, etc.

Institutions are not authorized to negotiate a promise to not report employee malfeasance in return for the employee's resignation, restitution, etc. The decision not to prosecute rests with the Attorney General's Office.

There is no gray area under HB 1113, and thus, any misuse, including inadvertent use (such as mistakenly using a Purchasing Card for a personal purchase) is a violation of law and must be reported to the Board of Regents (BOR).

If purchasing card misuse is discovered or suspected, the Purchasing Card Administrator or Purchasing Card Coordinator MUST do the following according to DOAS directive:

- Deactivate the purchasing card.
- Notify USG Compliance Officer and submit package to USG Office of Internal Audit.
- Notify appropriate FVSU Officials –i.e., Public Safety, Contracts and Compliance, Human Resources, etc. Cardholders who violate the State Purchasing Card Program by committing fraudulent activity against the State must be immediately terminated (coordinated through appropriate levels with the minimum of director level involvement.)
- Bank of America Merrill Lynch® will coordinate the filing of appropriate liability waiver documents (insurance claim to recover losses). Notify Bank of America Merrill Lynch® when employee is terminated.

Please be aware that Bank of America Merrill Lynch® will provide corporate liability protection under Visa®'s Liability Protection Coverage; however, certain conditions apply. The principal condition is that the employee has been terminated and Bank of America Bank Merrill Lynch® is notified of the termination within TWO DAYS of its occurrence. Bank of America Merrill Lynch® will rely on and shall be protected in acting on issuance requests or other requests or instructions which the bank believes to be genuine and to have been signed by a State of Georgia Purchasing Card Program Manager

A. Personal Purchases - Prohibited

Cardholders and other program personnel are prohibited from using the Purchasing Card for the purchase of any goods or services not directly or indirectly related to official State of Georgia business. Intentional use of or approval for the use of the card for personal purchases will result in disciplinary action, up to and including termination from State employment and criminal prosecution.

1. The Official Code of Georgia, Annotated (O.C.G.A.), §50-5-80 states that any person who knowingly uses state funds for personal purchases under \$500 is guilty of a misdemeanor.
2. A person who knowingly uses state funds for personal purchases of \$500 or more is guilty of a felony punishable by one to 20 years in prison.
3. Supervisors or other approving officials who knowingly, or through willful neglect, approve personal or fraudulent purchases are subject to the same disciplinary actions as those making the purchases.

B. Cardholder Background and Credit Checks

O.C.G.A. §50-5-83 requires criminal background checks on all employees hired for positions that are eligible for P-Cards. The State Purchasing Division requires that these background checks be run for all employees using P-Card accounts. Both new FVSU cardholder and FVSU renewal requests require a credit and criminal background check

C. E-Verify

The Georgia Security and Immigration and Compliance Act, O.C.G.A. §13-10-91, requires suppliers to file an affidavit that the supplier and its subcontractors have registered and participate in the federal work authorization program known as E-Verify. This program is intended to ensure that only lawful citizens or lawful immigrants are employed by the supplier or subcontractor.

All State Entities are required to obtain this signed and notarized affidavit from suppliers prior to entering into any service contract \$2,500 or greater involving the

supplier's physical performance of services within the State of Georgia. The State of Georgia Attorney General's Office has interpreted this to include one-time Purchasing Card transactions for services.

Services costing over the \$2499.99 threshold may not be paid by Purchasing Card. These transactions must go through the Contract Routing Form procedure and will require an e-verify Form.

VIII. Program Compliance

The University is responsible for ensuring compliance with applicable laws, rules, regulations, and policies governing P-Cards. The PCard Administrator, working closely with the FVSU's Vice President for Business and Finance/Chief Financial Officer (CFO), ensure compliance by, at a minimum, including the following controls (see BOR BPM 3.3):

- i. Develop and maintain institutional P-Card policies and procedures that fully incorporate current DOAS and USG policies and procedures.
- ii. Separation of duties between ordering cards (program administrators), making transactions (cardholders), and review or approval of transactions for payment (supervisors/approving officials).
- iii. A minimum of two approvers required before a purchase is made (usually supervisor and fiscal) for all routine purchases and non-routine over \$1,000.
- iv. Documentation of warnings, suspensions, terminations, and permanent P-Card revocation including any penalties for misuse of the P-Card.
- v. Receipts and supporting documentation shall be maintained centrally for a period of seven (7) years and shall be made available as needed for audit or review.
- vi. Ensure that rebates or refunds from vendors shall be the property of the institution and shall be paid promptly into the institution's accounts.
- vii. Require cardholders to personally reimburse the institutions for purchases made that are not appropriately documented. Approving officials also may be required to reimburse the institution if the approving official approved the purchase.
- viii. Ensure that any items of value purchased for distribution to students be allowed only in support of the educational objectives of the institution. Additionally, ensure that the cardholder maintains sufficient documentation so as to identify the individual receiving an item.
- ix. Ensure that P-Cards are promptly cancelled upon notification of employee transfer or termination.
- x. Review not less than annually all P-Cards issued to employees, and eliminate P-Cards for employees who demonstrate consistently low usage of P-Cards or no longer have a demonstrated business need for the P-Card.
- xi. Ensure that a sample of P-Card purchases are independently reviewed by the P-Card program administrator, campus internal auditor, or other trained

- personnel independent of the approving official and cardholder under review at least annually.
- xii. Complete an annual self-audit of the P-Card program by the Card Program Administrator or Internal Audit unit to submit annually to DOAS no later than December 1st.

A. Program Effectiveness and Efficiency

The University provides effective and efficient administration of the P-Card program in support of the institution's educational objectives. Ensuring effective and efficient administration includes the following controls:

1. Formally designated P-Card roles and responsibilities to including P-Card program administration, approving officials, and cardholders.
2. Formally identification of job positions within the institution that require the use of a P-Card.
3. A training system on the use of P-Cards that instructs cardholders and approving officials on the maximum value utilization of P-Cards, applicable policies and procedures, and purchasing rules that may impact P-Card usage.
4. Requirements for initial and refresher training for both cardholders and approving officials. Failure to participate in initial training shall result in non-issuance of the P-Card, and failure to participate in refresher training shall result in card suspension until the training is completed.
5. Review at least annually all P-Cards issued to employees, and eliminate P-Cards for employees who demonstrate consistently low usage of P-Cards or no longer have a demonstrated business need for the P-Card.
6. Limit the number of cardholders (10 unless preapproved in the PCard Plan) for which an approving official may be responsible to a reasonable number over which the approving official may exercise sufficient oversight.
7. Ensure that a sample of P-Card purchases are independently reviewed by the P-Card program administrator, campus internal auditor, or other trained personnel independent of the approving official and cardholder under review at least annually.
8. Provision for annual audit or self-audit of the P-Card program by the Card Program Administrator or Internal Audit unit must be submitted annually to DOAS no later than December 1st. Guidelines for the annual self-audit can be found at

<http://doas.ga.gov/state-purchasing/statewide-card-programs> Self-Audits must include adequacy of:

- a. internal policies and procedures
- b. cardholder spending limits
- c. monthly reconciliation procedures
- d. documentation for transactions

(The University utilized the BOR audit team for first self-audit, but will utilize internal auditor going forward).

B. Responsibilities of Key Officials

BOR BPM 3.3.3.4 Institution Presidents

Each President of a USG Institutions participating in the Card Program is responsible for reviewing and approving the Institution's P-Card Plan and all amendments prior to submission to DOAS/OPB. Institution Presidents cannot be issued a P-Card.

BOR BPM 3.3.3.5 Chief Financial Officer

The Chief Financial Officer of the Institution participating in the P-card program is responsible for overseeing the card program. Duties of the Chief Financial Officer include:

1. Successful completion of the CFO Card Program Training module ([SPD - Chief Financial Officers Card Program Training Module \(9000W\)](#))
2. Submission of the completed CFO Card Program Acknowledgement form
3. The appointment of an Entity Card Program Administrator
4. Approval of qualified cardholders and approvers
5. Review and approval of the Annual Self Audit of the Institution's Card Program as defined by DOAS.
Note: CFO duties do not include oversight of audits performed by external or internal auditors authorized by statute or charter.
6. Review and approve policies in conjunction with the CUPO and Card Administrator annually.
7. Review and approval of Institution's P-Card Plan and all amendments
8. Submission of the Plan to the Institution's President

3.3.3.6 Card Program Administrator

The Card Program Administrator serves as the main point-of-contact for all card program personnel and serves as a liaison between Institution management, CFO, the State Purchasing Division, and other card program personnel. In some cases, responsibilities may be shared and/or delegated to a Card Program Coordinator. The Institution must provide a Designation of Card Program Administrator, Form SPD-CC001, and the Card Program Administrator Acknowledgement form to the State Purchasing Division within 30 days of any changes in Administrators or Coordinators if the coordinator serves as a point of contact with the State Purchasing Division. Information on all official Program forms and how they are to be used can be found on the SPD website: <http://doas.ga.gov/state-purchasing/statewide-card-programs>

The Card Program Administrators/Coordinators fulfill responsibilities in the following areas:

1. Card Management
 - a. Develops and maintains the Institution's internal P-Card policy to address policy areas unique to the institution or that are not covered by the Statewide Purchasing Card Policy or USG Business Procedures Manual.
 - b. Cannot be a P-Card holder.
 - c. Works with management, including the Institution's CFO, to identify job titles or positions that require a P-Card or would be good candidates for use of the card and/or other accounts.
 - d. Develops internal procedures for requesting new cards and/or changes to existing cards (e.g. change in spending limits).
 - e. Works with management and the CFO to determine appropriate cardholder spending limits based on budget restrictions, job requirements, historical spending patterns, and overall procurement practices.
 - f. Evaluates cardholder spending limits against actual usage at least annually and terminates cards that show consistently low usage.
 - g. Identifies cards with little or no usage to determine if cards are needed.
2. Reconciliation Procedures The Card Program Administrator is responsible for developing the following internal procedures:
 - a. Reconciliation process that ensures timely payment and/or allocation of transactions to the General Ledger at least monthly.
 - b. Documentation, including use of Works™ Payment Manager or other P-Card plan approved systems for reconciliation of transactions.
 - c. Disputing a transaction with the Bank.

3. Compliance with Laws and Policies
 - a. Establishes written internal procedures to ensure compliance with State procurement laws, the Georgia Procurement Manual, the Statewide Purchasing Card Policy, USG Business Procedures Manual and the internal P-Card policy.
 - b. Develops written internal procedures for requesting exceptions to either State or internal policy requirements using the Special Approval Request, Form SPD-PC003.
 - c. Develops internal procedures for requesting exceptions to both Institution and internal policies, if allowed.
 - d. Submits all P-Card Plan amendments and requests for exceptions to the Statewide Purchasing Card Policy to the Institution's CFO for submission to cardprograms@doas.ga.gov for approval by DOAS and OPB.
4. Internal Controls
 - a. Develops the Institution's internal P-Card procedures in compliance with the principles of sound internal controls.
 - b. Ensures that the Institution has sufficiently documented internal controls and other measures (e.g. audits) to prevent and/or detect misuse or abuse of the P-Card and other accounts.
 - c. Develops written procedures for ordering cards and canceling cards when lost or stolen or when a cardholder leaves employment.
 - d. Develops written procedures for reporting and documenting actual and/or potential cardholder abuse or misuse.
 - e. Ensures that transactions are audited at least annually during the required self-audit process outlined in section 3.3.7.
5. Card Program Training
 - a. Develops Institution specific training for all cardholders, supervisors, and other approving officials.
 - b. Develops appropriate refresher training to be delivered at least annually.
 - c. Ensures that all card program personnel receive notification of changes in State, USG, and internal policies, including Official Announcements from the State Purchasing Division.

Conclusion

The purpose of this manual is to aid Fort Valley State University PCard holders, approvers, and others in understanding the policy and basic procedures surrounding the PCard program. While the policies of the University may be stricter and not more lenient than the State of Georgia and the University System of Georgia, readers should

understand that as an entity of the State and an institution within the USG system these policies take precedence.

For questions or clarification please contact the following:

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CUPO, College/University Procurement Officer
FVSU Director of Procurement
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OR

Christine Oliver, GCPA
Procurement Specialist
Materials Management Professional/ Buyer/ P Card Coordinator
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For suggested changes to this manual please contact:

Akwai Agoons, Controller
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DEFINITIONS

Chief Financial Officer (CFO)	The CFO is responsible for the fiscal functions of the agency, college, or technical college in accordance with General Accepted Accounting Principles (GAAP) and Governmental Accounting Standards. The CFO has primary responsibility for all financial-related activities including but not limited to accounting, finance, budget, etc. The CFO may have different titles in some state entities.
Card Abuse	Use of the card for non-State business use purchases (personal purchases). See definitions of card misuse and fraud.
Card Misuse	Use of the card for legitimate purchases but for goods or services that are prohibited State or internal policy (e.g., purchase of fuel for a State vehicle). See definitions of card abuse and fraud.
Convenience Fee	A flat amount charged by a merchant when a credit card is not the normal method of accepting payment. <i>(See Section II.L – Supplier Credit Card Processing Fees.)</i>
Cycle (Credit) Limit (CL)	Mandatory spending limit that restricts the total value of purchases a cardholder can make in one billing cycle. The cycle limit cannot be more than \$25,000 without prior, written approval from the State Cards Program Director and OPB. (Also- Monthly Limit)
Fraud	Wrongful or criminal deception intended to result in financial or personal gain. See definitions of card abuse and card misuse.
Merchant Category Code (MCC)	A system of four-digit codes, maintained by the networks (e.g. VISA), used to identify a merchant's principal trade, profession, or line of business based on the type of goods or services normally provided.

NIGP Codes	Codes set by the National Institute of Governmental Purchasing (NIGP) that allow the State to classify the dollar amount of purchases of goods and services. Using these codes for reporting, they allow a greater insight to where tax dollars are being spent, and where contracts could help improve efficiency and save money.
Open Market Purchase	Purchases made with a supplier that are neither on mandatory or convenience statewide contract, state entity contract or other statutory source provided in Levels 1 – 4 in the Purchasing Order of Precedence.
Personal Purchase	Non-work related goods or services purchased solely for the benefit of the cardholder, the cardholder's family, or other individual(s). This does not include goods or services purchased for communal use at a work site and available to all employees (e.g. paper towels, tissues).
Point of Sale Purchase	Purchases made at a physical store, in person, online, or over the phone.
Segregation/Separation of Duties	Delegation of roles associated with the Purchasing Card Program. This includes acts of ordering cards, making transactions, review/approval of transactions, and submitting payment for the University.
Single Transaction Limit (STL)	Mandatory spending limit that restricts the amount of a single purchase regardless of the Cycle Limit (CL) on the card.
Split Purchase	A practice whereby one or more cardholders or suppliers split a purchase into two or more transactions and/or purchase orders to circumvent either Single Transaction Limits or bid requirements. This is prohibited by the Statewide Purchasing Card Policy.

Statewide Contracts (SWCs)

Contracts established by the Department of Administrative Services (DOAS) for the benefit of both State and Local government entities throughout Georgia. These contracts benefit State and Local government by providing convenience and competitive pricing. Contracts include commonly used commodities such as office supplies, office furniture, motor vehicles, temporary staffing, building supplies and other commodities and services.

Mandatory SWC

Contracts that have been designated by the State Purchasing Department as mandatory. All state entities must use these contracts to purchase negotiated goods and services unless SPD grants a written waiver. Purchases from mandatory contracts are not limited by dollar amount or the state entity's delegated purchasing authority.

Convenience SWC

Any statewide contract that has not been designated by the SPD as mandatory. State entities may, but are not required to, use a Convenience contract; but are highly encouraged to use the contracts as they offer several benefits in terms of saving time and ensuring compliance with procurement rules.