

Title: #VII-9. Purchase Card (P-Card) Procedures

Date: March 31, 2017 (Replaces version dated June 24, 2015)

OVERVIEW

West Virginia University at Parkersburg (WVUP) utilizes the P-Card as the preferred method of payment of the college's allowable operating expenses. P-Cards may be used to make payments for goods, services, and travel that are not prohibited by P-Card Policies and Procedures.

The following P-Card procedures are designed to assist West Virginia University at Parkersburg in complying with the following laws, rules and regulations:

- West Virginia Code §12-3-10a and Legislative Rule, 155 CSR 7
- Procedural Rule West Virginia Council for Community and Technical College Education, Title 135, Series 12 Capital Project Management
- Procedural Rule West Virginia Council for Community and Technical College Education, Title 135, Series 30 Purchasing
- OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards §200.320 Methods of Procurement to be Followed

Roles and Responsibilities of WVUP Administration and Staff

Vice President of Finance and Administration – As the college's Chief Financial Officer, the Vice President of Finance and Administration's responsibilities are to monitor and oversee WVUP's P-Card program by ensuring that controls are in place to prevent misuse. These responsibilities require that the VP of Finance and Administration review, on at least a quarterly basis, the college's compliance of their P-Card program with the following procedures. The Vice President of Finance and Administration is also responsible for addressing and establishing additional controls/policies, in a timely manner, as recommended by external or internal audits and reviews. In the event an unlawful use of the P-Card is discovered, the VP of Finance and Administration is required to report the aforementioned instances to the Deputy State Auditor/Executive Director of the State Auditor's Office P-Card Division within 24 hours of his/her discovery.

Spending Unit Coordinator – WVUP's Spending Unit Coordinator, also known as Purchase Card Coordinator, will be the Director of Business Services. The spending unit coordinator shall be a P-Card holder for emergency purchases only. All P-Card purchases made by the spending unit coordinator shall be reviewed and approved by the Vice President of Finance and Administration. The spending unit coordinator's responsibilities include, but are not limited to, the following:

- Verify potential cardholder's eligibility to obtain a P-Card.
- Ensure proper completion and submission of a PCC document within wvOASIS for all new cardholder applications and/or maintenance requests.
- Ensure successful completion of initial training requirements for all new cardholders.
- Determine or verify the following: credit limit, single transactions limit, number of daily transactions, and number of monthly transactions.
- Maintain Cardholder Agreement Forms
- Reconcile Master Statements or Electronic Payment Files with wvOASIS (currently through West Virginia University's MAP Accounting System)
- Ensure that P-Cardholders acknowledge and follow all P-Card procedures, as well as all WVUP purchasing procedures.
- Ensure that all P-Cards are cancelled and destroyed upon termination or separation.
- Provide updated contact information to the State Auditor's Office P-Card Division.
- Identify possible ethics law violations related to inappropriate activity by cardholders and vendors including the possession of gifts, bribes, etc.
- Conduct periodic reviews of transactions to ensure they are appropriate for WVUP and that budgetary permission and/or supervisory authorization are part of the approval process.
- Ensure that all supporting documentation is attached to the applicable transaction within wvOASIS, including documentation concerning the resolution of any disputed transaction.

TRAINING

All WVUP employees involved in P-Card transactions (Vice President of Finance and Administration, Spending Unit Coordinator and P-Cardholders) must complete training, education, and certification designed and approved by the State Auditor's Office P-Card Division within 30 days of assuming duties. P-Card holders must complete the required training before they are issued a P-Card. The required training includes P-Card policies, purchasing policies as they relate to P-Card, ethics training, and/or emergency card or travel guidelines as appropriate. All current cardholders must complete (3) three hours of training biennially and one session of training every (2) two years shall relate to ethics. P-Card coordinators are required to attend the annual in person P-Card Coordinator

training provided by the WV State Auditor's Office and complete the annual online training and recertification.

P-CARD SECURITY

P-Cards must be kept secure. The individual cardholder is accountable for every charge made by or authorized by the cardholder that appears on his or her P-Card. P-Cards should only be used on secure internet sites showing a lock in the upper left corner. All cardholders are required to sign the back of their P-Card upon receipt.

P-Card delegation, which is the practice of allowing an individual other than the cardholder whose name appears on the front of the card to have access to the P-Card or P-Card number to initiate or complete a transaction, is prohibited.

ALLOWABLE P-CARD PURCHASES

The P-Card may be used to make payments for goods, services, and travel that are not prohibited provided that the expenditure has been properly approved as evidenced by a completed and authorized purchase requisition. Allowable travel expenses include registration fee payments, airline ticket payment, vehicle rental payments, gasoline for rental vehicle, self-parking, other transportation tickets (shuttles & taxis), and hotel folio charges for business-related expenses such as business phone charges and business internet access. Shipping and handling charges are allowable so long as they are included in the stated price.

Hospitality expenses may be paid using the P-Card. Specific documentation requirements exist for hospitality expenditures and that documentation must remain consistent regardless of the method of payment. In addition to other documentation requirements, each hospitality event/function must be supported by an itemized receipt/invoice and a list (by first and last name) of function attendees. Any hospitality documentation must be available to the State Auditor's P-Card Division for inspection.

A surcharge for the convenience of paying with the P-Card may be paid with the P-Card. Such fees must be a flat rate charge. Vendors may not charge a percentage of the purchase as a convenience fee.

UNALLOWABLE P-CARD PURCHASES

Following is a list of items that **cannot** be purchased with a P-Card:

- Charges for any item or service for personal use.
- Expenditures in excess of \$25,000 or the card limit, whichever is lower.

- Contracted services greater than \$3,000 which include charges for labor.
- Alcohol or alcoholic beverages.
- Purchase of ammunition and firearms with the exception of ammunition purchased for use by the WVUP police officer's firearm.
- Authorized travel expenses shall not include food (except for approved Athletic, Student or Academic team related expenses) or personal expenses such as room service or movie expenses.
- P-Cards may not be used to obtain cash, cash credits, or cash advances
- The State of West Virginia and WVUP are tax exempt and should not pay tax to in-state vendors. P-Cardholders should remind vendors that we are tax exempt prior to initializing a transaction. The words "tax exempt" and the tax identification number are printed on the P-card so they may be provided to the vendor.
- WVUP P-Cardholders may not use the P-card for the purchase of gift cards, unless **prior** approval is granted by the State Auditor's Office. (This approval is difficult to obtain so it is safe to assume that P-Cards cannot be used to purchase gift cards).
- Bribes, gratuity or kickbacks in any amount to a P-Cardholder or Purchasing Official is unlawful.

ACCEPTABLE PROCESS FOR MAKING A P-CARD PURCHASE

All P-Card purchases start with the preparation of a purchase requisition form, whether manual or electronic. At a minimum, the purchase requisition **must** contain the following information:

- Requestor's name
- Date requested
- A detailed description of the goods or services requested,
- The DA to which the item is to be charged.
- A general notation as to the budget line to which the item is to be charged (for example, office supplies, educational supplies, travel, printing, etc.)
- A brief business justification for the purchase (for example, "*Copy paper necessary to support the function of the Admissions office*" or "*Routine oil change for the 2010 Dodge Ram Pickup fleet vehicle*")
- Signature of approver. The approver would generally be the requestor's direct supervisor, most likely a division chair, a member of the executive team, or the President. Requisitions requested by members of the executive team may be approved by another executive team member or by the President. The purchase requisition approver should ensure that the purchase relates to an allowable WVUP expense and that unencumbered budget funds are available to cover the purchase.

(No purchase, including purchase card purchases, will be made without the presence of proper approval. In no instance may the requestor also be the approver of a requisition.)

- Any purchase requisition in excess of \$3,000 **must** include attached evidence of competitive price comparison, unless the item purchased is a sole source or emergency purchase as documented by completing a WVUP Documentation of Price Comparison Form. The Documentation of Price Comparison Form must be reviewed and approved by the Vice President of Finance and Administration or their designee. Price quoted must be shown. In addition, any purchase requisition in excess of \$3,000 will be reviewed for reasonableness and budget availability by the Vice President of Finance and Administration or his/her designee. The Vice President of Finance and Administration will document his or her review by signing the purchase requisition.
- Any purchase whose total is expected to exceed \$50,000 requires competitive sealed bidding.

In no instance shall purchases expected to exceed \$50,000 be split into more than one smaller purchase in order to avoid the competitive bidding process.

- Once completed, the requisition form may be emailed or hand delivered to the purchasing office.
- The purchase requisition is routed to the Chief Purchasing Officer (if less than \$3,000) or to the Vice President of Finance and Administration (if greater than \$3,000) for final review and approval.
- Approved purchase requisitions are then routed to the Budget Analyst Senior who verifies that unencumbered funds are available. If unencumbered funds are not available, the purchase requisition will be rejected and returned to the requestor until an alternative source of funding is identified.
- The Budget Analyst then assigns and documents an accounting string on the purchase requisition. Purchase requisitions are then routed to a WVUP P-Cardholder to complete the purchase.
- If the purchase requisition is properly approved and budget funds are available, WVUP's purchasing office or an authorized P-Cardholder will complete the approved purchase and acquire the goods or services requested.
- An itemized receipt must be obtained for each transaction placed on the P-card. The receipt must be legible, itemized (reflecting the goods or services purchased), and contain the vendor name, date of purchase and price of the items. A receipt description that only states "Miscellaneous" or "Merchandise", or only includes a vendor's stock or item number, is not acceptable.
- A contemporaneous P-Card purchase log is **required** to be maintained by each P-Cardholder.

- When a P-Cardholder completes a purchase, a copy of the purchase requisition must be forwarded to the WVUP Receiving Department. The purchasing **assistant** responsible for receiving is responsible for documenting the receiving status on each purchase requisition (i.e. received, or receiving not required).
- All P-Card purchases should be emailed to purchasing@wvup.edu, shipped to WVUP's receiving department and/or brought to WVUP's receiving department for proper check in. In all cases, an individual other than the purchaser must account for the receipt of the goods by comparing the items presented with the approved purchase requisition, detailed vendor receipt and packing slip. The receiver shall sign and date the packing slip, itemized receipt or P-Card receiving report and state in writing the goods or services were received. The signed P-Card receiving report must be forwarded to the cardholder for the transaction documentation and reconciliation process.
- All supporting documentation must be attached to the purchase requisition and retained with monthly P-Card reconciliation logs.
- Once transactions are completed all supporting documentation is scanned and a copy retained in the Purchasing Division shared drive. Original hard copies are then filed away for safe keeping.

P-CARD RECONCILIATION PROCESS

Each P-Cardholder will receive electronic (or paper) statements. The statement closing date is the 3rd day of every month. Each cardholder is responsible for ensuring that his or her statement is reconciled every month in accordance with WVUP's Purchase Card (P-Card) Reconciliation Process. The reconciliation process of the cardholder is to compare all items listed in the statement with purchases listed on their P-Card logs and with the purchase requisition, detailed receipts, and receiving reports required in the purchasing steps above. **The reconciliation process must be completed no later than the 30th day of every month for the previous month's purchases.**

The P-Card coordinator is responsible for the monthly reconciliation of the individual P-Cardholder statements to the master account.

Reconciliation of P-Card statements shall be documented by the completion of the P-Card Certification of Reconciliation Form.

Disputed Items may result from failure to receive goods, fraud, defective merchandise, incorrect amounts being charged, duplicate charges, credits not yet received for taxes other than sales tax charged by an in-state vendor. All disputed transactions must be identified. The first step in resolution is for the P-Card holder to contact the vendor to resolve the problem. If the vendor is unwilling to credit the charge, the cardholder must

provide documentation that the vendor was contacted and unwilling to credit the charge and a dispute form should be filed with the State Auditor's Office P-card Division.

RECORD RETENTION

For P-Card program evaluation and inspection purposes, WVUP must keep all active cardholder documentation relating to the State Auditor's Office P-Card Program (cardholder applications, agreements, maintenance forms and training certificates).

All documentation must be kept for a minimum of two (2) years from the end of the fiscal year in which the last transaction was completed and/or a program evaluation has been completed by the State Auditor's Office P-Card Division, whichever is longer. These records must be available to the State Auditor's Office P-Card Division upon request.

LOST OR STOLEN CARDS

Immediately report lost or stolen P-Cards to the financial institution and the P-Card Coordinator within 24 hours to limit cardholder liability. To report a lost or stolen P-Card, call 1-800-790-7206 or 1-800-VISA911. The P-Card coordinator must complete and submit a PCC document to the State Auditor's Office P-Card Division for all lost or stolen P-Cards.

FRAUD, MISUSE & ABUSE

West Virginia Code, §12-3-10b, States:

"It is unlawful for any person to use a state purchase card, issued in accordance with the provisions of section ten-a of this article, to make any purchase of goods or services in a manner which is contrary to the provisions of section ten-a of this article or the rules promulgated pursuant to that section. Any person who violates the provisions of this section is guilty of a felony and, upon conviction thereof, shall be confined in the penitentiary not less than one nor more than five years, or fined no more than five thousand dollars, or both fined and imprisoned."

Failure to comply with P-Card policies and procedures, rules, and law associated with the State P-Card Program may result in revocation or limitation of P-Card privileges, a period of probation, or mandatory P-Card training in addition to any other discipline deemed necessary or appropriate by the Spending Unit.

Instances of unlawful use, possible fraud, misappropriation, or mismanagement with the P-Card shall be reported immediately to the Vice President of Finance and Administration who shall report all aforementioned instances to the Deputy State Auditor/Executive Director of the State Auditor's P-Card Division within 24 hours of his or her discovery.

Fraud is a deception deliberately practiced in order to secure unfair or unlawful gain. Fraud occurs when the cardholder's account information has been intentionally utilized for personal gain. Intentional use of the P-Card to make purchases for personal use or non-state business is fraudulent and is prohibited. Individuals using the P-Card to knowingly pay for items intended for personal use will be subject to disciplinary action up to and including termination and prosecution under state law, and may be subject to civil action by the credit card company for personal liability.

FAILURE TO FOLLOW P-CARD POLICIES AND PROCEDURES

Individuals failing to properly follow the P-Card Policies and Procedures, rules and laws associated with the State P-Card program will have their P-Card privileges revoked and could be subject to disciplinary action as referenced above, including termination and prosecution under state law and may be subject to civil action by the credit card company for personal liability.

Responsible Administrator: Vice President for Finance and Administration, 304-424-8224