

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

**Date: October 13, 2023** (Replaces version dated May 10, 2019)

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## **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**

**Executive Vice President of Finance and Administration** – As the college's Chief Financial Officer, the Executive Vice President of Finance and Administration's (EVPFA) 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 EVPFA review, on at least a quarterly basis, the college's compliance of their P-Card program with the following procedures. The EVPFA 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 EVPFA 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 Executive 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 EVPFA. 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 (Executive 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 (valet parking is allowable if no self-parking option is available), 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 for guests of the college 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.
- Meals for employees unless the meal is provided in relation to a training session or meeting at least one half day in duration. Employee meals may also be purchased if they are representing the college in a meeting or function to promote the college to students, local school districts and local communities in our service region.
- 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 \$5,000 **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. WVUP recognizes all utility companies as sole source providers of the utilities necessary to operate the college. Therefore, purchase requisitions for utilities in excess of \$5,000 do not need to be accompanied by a sole source documentation form. The Documentation of Price Comparison Form must be reviewed and approved by the EVPFA or their designee. Prices quoted must be included on the Documentation of Price Comparison form and supporting documentation. In addition, any purchase requisition in excess of \$5,000 will be reviewed for reasonableness and budget availability by the EVPFA or his/her designee. The EVPFA 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 unless accompanied by verified proof that the supplier is a sole source provider of the goods or services being purchased.

**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 \$5,000) or to the EVPFA (if greater than \$5,000) for final review and approval.
- Approved purchase requisitions are then routed to the Manager Financial Analysis & Reporting 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 Manager Financial Analysis & Reporting 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](mailto: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. Purchase requisitions where no tangible property is purchased, such as electronic subscriptions and utilities, do not require receiving. Rather, the purchasing assistant places a stamp on the front of the purchase requisition including a notation that "receipt of goods not required."
- 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 safekeeping.

## **P-CARD RECONCILIATION PROCESS**

Each P-Cardholder will receive electronic (or paper) statements. The statement closing date is the 15th 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 30<sup>th</sup> day after the statement closing date.**

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: Executive Vice President for Finance and Administration, 304-424-8224**