



Purchasing Card Program



Policies & Procedures Manual

Revised: February 2021

Table of Contents

Lewis-Clark State College Purchasing Card Program	3
Introduction.....	3
Intent	3
Goals.....	3
Liability	3
Internal Controls and Compliance Reviews	3
Key Contacts	4
Program Participants	5
Roles and Responsibilities.....	5
P-Cardholder:	5
Department P-Card Manager:.....	5
P-Cardholder Department Head:	6
Procedures	7
Eligibility	7
Application.....	7
Departmental Responsibilities	8
Training	8
P-Card Limits and Restrictions	9
Authorized P-Card Transactions.....	10
Specific Approval Authorizations	10
Mandatory Usage	10
Unauthorized P-Card Transactions.....	11
Account-Setting Modifications.....	11
Making a Purchase.....	12
Internet Orders	12
Documentation Requirements	13
Lost or Unavailable Documentation	13
Record Keeping.....	13
Disputed Charges.....	14
Sales and Use Tax	14
Lost or Stolen Cards.....	14
Personnel Changes and Termination of Employment	14
Reconciliation and Payment	15
Review and Audit.....	15
Expiration and Reissuance of Cards.....	16
Fiscal Year End	16
Violations and Consequences	16
Glossary	18

Lewis-Clark State College Purchasing Card Program

Introduction

Welcome to the Lewis-Clark State College-Bank of America Visa Purchasing Card (P-Card) program. The P-Card is an institutional liability card used to purchase goods and services on behalf of the College.

Intent

The Lewis-Clark State College Purchasing Card program is designed to streamline and simplify the requisitioning, purchasing and payment processes for relatively small dollar items (under \$2,000). The P-Card should be viewed as a supplemental tool to purchase approved goods and services that may be more efficiently acquired via credit card. The P-Card process is designed to shorten the approval process and reduce the paperwork associated with procurement procedures including requisitions, purchase orders and petty cash.

Goals

Objectives associated with this program include:

- Reducing the cost of processing small dollar purchases.
- Receiving faster delivery of required merchandise.
- Simplifying the payment process.
- Reducing clerical processing time and effort associated with the approval process. ▪
- Providing P-Cardholders with greater autonomy.

The overall goal of the P-Card program is to provide greater operational efficiency without sacrificing administrative fiduciary controls.

Liability

The P-Card is an institutional liability card. Payments are made directly to Bank of America on a monthly basis. The College assumes full liability for the purchases. Personal information is required for tracking and administrative purposes only. Applying for and using a P-Card does not impact the P-Cardholder's personal credit history. However, monthly transaction logs must be completed and signed by the P-Cardholder and co-signed by the designated Departmental P-Card Manager. In the event of willful, negligent or fraudulent actions relative to the use of the P-Card, the P-Cardholder will be held personally liable for payments associated with any inappropriate use.

Internal Controls and Compliance Reviews

The P-Card program relies upon both internal administrative controls and periodic internal audits to ensure that P-Cards are utilized in accordance with institutional and state policies and procedures. The P-Card may be used for approved purchases related to College business only. Use of the P-Card for personal purchases is strictly prohibited. Misuse of the P-Card may result in revocation of the card, disciplinary action and possible termination of employment.

A number of unique features have been developed for the P-Card programs that do not exist in a traditional credit card environment, including real-time card administration and

exception-based transaction processing. These features help ensure that the P-Card use is limited as to purpose and dollar amount.

The Purchasing Department has been assigned responsibility to oversee administration of the P- Card program and monitor user compliance with the procedures outlined in this manual.

Key Contacts

Bank of America Customer Service: (800) 300-3084

P-Card Program Administrators

[Sheila Kom](#)

[Diana Higgins](#)

[Purchasing Office](#)

Phone: 792-2288

Location: Admin 104

Program Participants

Roles and Responsibilities

P-Cardholder:

Role:

Utilize the P-Card to make authorized LCSC purchases.

Responsibilities:

- Proper use of the P-Card
- Is accountable for P-Card security
- Utilize the P-Card for official College business only
- Make purchases in accordance with institutional and state policies and procedures
- Immediately report a lost or stolen card to Bank of America and a P-Card Administrator in the Purchasing Office
- Monitor all charges associated with the use of the P-Card; shipping, surcharges, etc.
- Ensure that sales tax is excluded from amount of purchase
- Obtain and submit adequate supporting documentation for each purchase
- Review and sign-off on the *P-Card Expense Record Log* for each month there is activity
- Contact merchants for all returns, exchanges and refunds and ensure credits are posted back to the P-Card account
- Contact merchants to resolve disputes and complete the *Bank of America Dispute Form*, when necessary
- Access Bank of America system (WORKS) to review and ensure that all purchases are charged to the proper departmental account number within 4 calendar days after the monthly cycle date
- Notify a P-Card Administrator of changes in personal employment status, including transfer or termination
- If the P-Card holder is not the department/division head, then the P-Card holder must participate in a quarterly peer or Vice President review of the P-Card log. Additionally, if a peer review is needed, the P-Card holder will participate as a respective peer reviewer. Purchasing will assign peer reviewers and initiate the quarterly peer review process.

Department P-Card Manager:

Role:

Review P-Card transactions to ensure compliance with all State of Idaho and institutional policies, procedures and program provisions.

Responsibilities:

- Provide physical security for the P-Card, the P-Card number and the PIN number
- Instruct and train departmental users as needed
- Restrict use of the P-Card for official College business only
- Make purchases in accordance with institutional and state policies and procedures
- Maintain check-out log for the P-Cardholder
- Verify transactions and obtain required invoices and documentation
- Assist P-Cardholder with returns, exchanges and refunds to ensure credits are posted back to the P-Card account

- Assist P-Cardholder in resolving disputes with merchants and retain a copy of *Bank of America Dispute Form* for departmental records
- Monitor activity for unusual transactions or unusual patterns of use and report to a P-Card Administrator in the Purchasing Office
- Notify a P-Card Administrator in the Purchasing office if P-Cards are lost or stolen and assist in acquiring replacements
- Document and report any violations to a P-Card Administrator
- Access *WORKS* to review and approve authorized purchases. Make appropriate changes to ensure each transaction is charged to the proper departmental account number by the 20th of every month
- Maintain the monthly *P-Card Expense Record Log* for all transactions. Staple all receipts and authorization documentation to the back of the record log in the month that the transaction occurred. **Each transaction must be supported with a valid receipt**
- Ensure that all statement reconciliation documentation is received and retained in the department. Records will be retained for a period of five (5) fiscal years. Transactions involving federal or grant funds may require a longer retention period. Contact the grant administrator for additional information. Records will be stored in the department and must be available for review or audit upon request.
- Notify a P-Card Administrator of changes in employment status, including transfer or termination.

P-Cardholder Department Head:

Role:

Review P-Card transactions to ensure compliance with all State of Idaho and institutional policies, procedures and program provisions.

Responsibilities:

- Is responsible for the P-Card(s) associated within department
- Review staff P-Cardholder(s) statements, original receipts
- Authorize monthly P-Card expenses
- Internal control owner for the P-Card program
- Review all activity to verify that departmental use complies with all State of Idaho and Institutional policies, procedures, and provisions of the P-Card Program.
- Review all transactions made by the department and work with the Department P-Card Manager to ensure original documentation is matched to the monthly statements and ensure that expenses are allocated correctly in the Bank of America system.
- Discuss any non-compliance issues with the staff involved and should any violations occur, discuss appropriate action with a Program Administrator in the Purchasing Office.
- Acknowledge that the College is liable to Bank of America for all charges made by Department Heads department including charges made on a lost or stolen P-Card before it's reported lost or stolen.
- Notify a P-Card Administrator in the Purchasing Office of any suspected or actual P-Card misuse.
- Comply with internal control procedures designed to protect the assets of the College and assist with audit requirements.
- Notify P-Card Administrator immediately if Department P-Card Manager or P-Cardholder within department is transferred to another department or is no longer employed by the College.

P-Card Administrator:

Role:

Responsible for the P-Card program policies, procedures, P-Card issuance and cancellation, management reports, internal auditing, and program development.

Responsibilities:

- Establish and update program policies and procedures that meet the minimum requirements of the State of Idaho.
- Ensure that P-Cardholders and Department P-Card Managers are informed of all P-Card policies and procedures and shall provide new user and additional training, as needed.
- Train P-Cardholders and Department P-Card Managers in the management and use of the P-Card.
- Maintain P-Cards in a secure manner until issued to P-Cardholders.
- Maintain list of current P-Cardholders, Department P-Card Managers and Department Heads as well as other program information in a secure manner.
- Provide P-Card account set-up, information updates, changes, additions, deletions, and lost or stolen card replacement.
- Assist departments with transaction disputes reported to Bank of America, as needed.
- Terminate P-Cardholder accounts due to job changes, transfer, termination, lack of need, etc.
- Review transaction exception reports and take appropriate follow-up action.
- Develop and issue periodic management reports to help assess the effectiveness of the P-Card program.
- Conduct random reviews (audits) to ensure that P-Card use complies with program guidelines.
- Report all incidents of fraud, abuse, or misuse of the P-Card to the Vice President for Finance and Administration.

Procedures

Eligibility

P-Card eligibility is based on a departmentally determined business need, and is contingent upon all of the following:

- Full time employee status
- Minimum estimated utilization frequency of one transaction every 30 days or, if for travel only, at least once per quarter.
- Issuance approved by the President, Provost, Vice President or Dean.

Application

To obtain a P-Card, the following must be completed and sent to the P-Card Administrator:

1. P-Card Application
2. P-Cardholder User Agreement
3. Department P-Card Manager Agreement
4. Watch the P-Card tutorial and take the quiz at the end of the tutorial. Forward quiz results purch@lcsc.edu. (Note: tutorial is currently offline; this will be updated.)

Departmental Responsibilities

Each department must complete the following steps to participate in the P-Card program:

1. Designate a Department P-Card Manager to act as a departmental liaison with the vendors and P-Card Administrators. The Department P-Card Manager is responsible for all aspects of the P-Card program within the department, to include maintaining the check-out log, reconciling the monthly statement, filing and retaining P-Cardholder statements and documentary support for future audits. The Department P-Card Manager has access to P-Cardholder account information and is responsible for the confidentiality of this information. If the Department P-Card Manager has a P-Card issued in his/her name, another full-time employee must be assigned to the Department P-Card Manager's P-Card for review and internal control purposes. The department P-Card Manager and holder may be the same person; if the same, a quarterly review by a peer or VP is required.
2. Provide information to a P-Card Administrator naming an initial Department P-Card Manager and notifying if this responsibility changes.
3. Provide a single local cost center to be used as a **default account** for purchases made for each P-Card. Grant, club or appropriated accounts are not allowed as default accounts. When reconciling the monthly statement, the P-Card Manager will be able to distribute charges to various cost centers, including grant, club, or appropriated accounts.
4. Establish departmental procedures associated with the use and administration of P- Cards within the department. Contemplated procedures include processing and reconciliation timelines, record log requirements and support documentation methodologies.
5. Maintain a filing system to accommodate the following:
 - Transaction logs
 - Monthly statements
 - Receipts and supporting documentation
 - Copies of documentation supporting disputed transactions
6. Gas purchases – Department owned or leased vehicles are required to maintain mileage logs to support P-Card gas charges.

These documents may be requested by auditors or other official personnel and must be readily accessible.

Training

All P-Cardholders and Department P-Card Managers are required to watch the P-Card Training Tutorial* on the use and management of the P-Card.

The P-Card Training Tutorial includes:

- Description of the program
- Identification of expectations of P-Cardholders and Department P-Card Managers
- Allowable and unallowable purchases
- Definition of P-Card Violations
- Identification of audit requirements

The P-Card is released only after P-Card Training Tutorial has been watched and the quiz at

the end of the tutorial has been completed by both the P-Cardholder and Department P-Card Manager.

***NOTE:** *The tutorial is currently offline. This information will be updated.*

The P-Card must be activated prior to use by calling the toll-free number printed on the back of the P-Card. At the time of activation, the caller is required to provide the P-Cardholder's verification ID. The P-Cardholders verification ID can be found after logging in to the WORKS account, or you can request it from Purchasing.

To validate the P-Card, the P-Cardholder must sign in the designated space on the back of the P-Card. This should be done as soon as the P-Card is received to prevent unauthorized use. The College is responsible for all charges unless the P-Card is reported lost, stolen or the charges are successfully disputed (see dispute section of this manual).

P-Card Limits and Restrictions

Dollar limits and other controls are established for each P-Cardholder on the *P-Card Application Form* when the P-Card is authorized and approved. The vendor will reject the P-Card if an attempt is made to purchase more than the established limit at one time. The vendor validates purchases made with the P-Card at the point-of-sale. The Visa system validates the transaction against the pre-set restrictions which include:

- Single purchase limit not to exceed \$1,999.
- Spending limit per month not to exceed the assigned limit (default set at \$5,000)
- Institutionally approved commodity codes, Merchant Commodity Codes (MCC), are established by the bank and encoded into the magnetic strip on the reverse side of the card.

The P-Card program provides for merchant category blocking. If a particular merchant category is blocked (e.g., jewelry stores, restaurants) and an attempt is made to use the P-Card at such a merchant the purchase will be declined. Extensive efforts have been made to ensure that the vendors/suppliers used in the normal course of business are not restricted. If the P- Card is refused with a vendor where you believe it should have been accepted, first contact your Department P-Card Manager and if additional help is needed contact the P-Card Administrator.

If the MCC code restriction must be lifted temporarily, approval from the P- Cardholder's supervisor and/or member of executive leadership is required. An e-mail with the approval must be submitted to purch@lcsc.edu. A list of restricted MCC Codes is on the Purchasing webpage under P-Card Guidelines.

State Contracts

It is required that State of Idaho contract vendors be used when purchasing goods or services provided through State contracts or price agreements.

Split Purchases

Any action taken to "work around" or "bypass" the limits set on P-Cards is prohibited. A single purchase cannot be divided into separate transactions or to different vendors to circumvent a single purchase dollar limit or to artificially create small purchases to circumvent bidding as required by State and institutional policy. See IDAPA 38.05.01.044.02 "Splitting" of purchases may result in revocation of the P-card.

Authorized P-Card Transactions

The P-Card is intended for small purchases transacted during the course of business.

Examples of common uses of the P-Card program may include:

- Airline tickets
- Automotive parts
- Baggage Charges
- Books, Magazines, Subscriptions
- Building materials
- Computer hardware
- Conference registration fees
- Equipment repairs
- Gas for rental cars
- Lodging
- Newspaper ads
- Office supplies
- Parking
- Printing
- Rental cars
- Short term rentals
- Sodexo food purchases
- Software
- Follett's Bookstore purchases

Specific Approval Authorizations

Additional authorization documentation is needed for specific transactions:

Travel - As with current institutional policy, obtain appropriate authorization **prior** to booking airfare, securing lodging or incurring any travel related expense purchased with the P-Card. Attach the written or e-mail approval to the receipt.

Registration - Conference registration fees that require travel will need appropriate authorization prior to purchase. Attach the written or e-mail approval to the receipt or registration form.

Computer Items - The following computer hardware & software purchases require prior approval from the I.T. Director:

- Computers (desktop, laptop, tablet)
- Printers (inkjet, laser)
- Scanners
- All software programs
- All-in-one devices (scanner, printer, fax)

Attach the written or e-mail approval to the receipt.

Entertainment, PR & Related Expenses - Pre-approval is required on all entertainment, public relations and related expenses. Approval is obtained by completing the *Meal/Entertainment Request* (MER) and submitting to the next level of authority. Attach the approved MER to the receipt and maintain with the monthly transaction log.

Mandatory Usage

To maximize the usage of the P-Card, all purchases from the following vendors require payment via the P-Card:

- Enterprise Rent A Car
- Follett's Bookstore
- Global Travel
- Home Depot
- Map Travel
- Office Depot
- Sodexo
- Staples

Unauthorized P-Card Transactions

Consistent with all purchases by a State agency, the P-Card is not to be used for any purchase that would result in the inappropriate use of State funds. The following constitute examples of inappropriate purchases made with the P-Card:

- Alcoholic beverages
- Any single transaction exceeding \$1,999, fixed asset level
- Cash advances
- Donations
- Entertainment
- Food/Meals (food purchases will be limited to executive management only)
- Gas for personal vehicles
- Gift certificates (cards)
- Independent contractors
- Items for personal use
- Medical-Doctors, Dentists, Chiropractors, etc.
- Professional services
- Purchases that involve signing an agreement, license, contract or lease
- Salaries and wages

Grant or contract language may specifically restrict the purchase of certain items. It is the responsibility of the P-Cardholder to ensure that all purchases are in compliance with restrictions placed by the grantor or contracting agency.

Account-Setting Modifications

MCC Restriction

Requests to temporarily lift MCC restrictions to make a purchase must be approved by the P-Cardholder's supervisor and/or member of executive leadership. The approval must be in the form of written documentation via e-mail or a completed P-Card Account Maintenance Form.

Single Transaction Limit Restriction

In the rare occasion when there are no other means of purchase for items exceeding \$1,999, requests to temporarily lift the single transaction limit require prior approval from a Vice President or President. The approval must be in the form of written documentation. The request can be submitted via e-mail or by submitting a P-Card Account Maintenance Form.

Monthly P-Card Expense Limit

Requests to permanently increase monthly expense limits require submission of a completed P-Card Account Maintenance Form with approvals from the P-Cardholder's supervisor and/or member of executive leadership.

E-mail requests must be sent to purch@lcsc.edu.

Making a Purchase

While the P-Card is a procurement tool, it does not represent a change in institutional or State policies. The P-Card program provides an option to the usual purchasing procedures regarding transactions for approved goods and services under the single transaction limit of \$1,999.

Apply the following procedures when using the P-Card:

1. Verify funds availability.
2. Check the list of restricted goods and services and the restricted MCC list.
3. Be certain the transaction is consistent with the applicable rules for P-Card usage.
4. The P-Card can be used at any vendor that accepts Visa. When using the P-Card, instruct the vendor that a receipt is required on all P-Card transactions and not to send an invoice as this may result in a duplicate payment. Receipts must be obtained and kept for future reference and support documentation.
5. Be sure to notify the vendor that the purchase is exempt from State of Idaho sales tax.
6. Inform the vendor of the proper delivery and shipping instructions. The vendor should separately identify any additional cost to be added to the transaction amount, (i.e. shipping and handling costs, insurance or surcharges) **prior** to the authorization for the purchase.
7. Confirm the grand total to be charged by the vendor to the P-Card.
8. The P-Cardholder must obtain valid receipts and other documentation for record-keeping and reconciliation purposes. If a vendor cannot provide documentation, complete the *Missing Receipt Affidavit* form. Any transaction without a valid receipt is a P-Card violation. Repeated use of the *Missing Receipt Affidavit* form may result in cancellation of the P-Card.
9. Record all transactions on the monthly *P-Card Expense Record Log*. The *P-Card Expense Record Log* is mandatory for all P-Card transactions as an ongoing record of transactional information.

When receiving a shipment, it is the responsibility of the department to properly inspect the goods. If goods must be returned, the P-Cardholder is responsible for coordinating the return directly with the supplier and notifying the Department P-Card Manager.

Internet Orders

When using the web for P-Card purchases consider the following:

- Use good judgment. Don't use the P-Card if you wouldn't use your own personal credit card.
- Always select vendors who have secure internet sites.

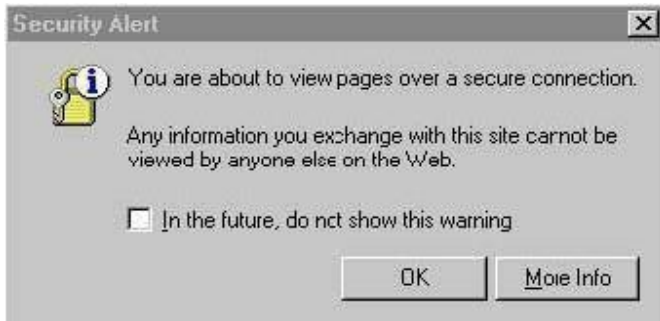
Secure sites can be identified by any of the following:



The site address/URL will start with https:



When you proceed to transmit information a Security Alert will pop up confirming a secure transaction.



Do not e-mail P-Card numbers for any reason. E-mail is not secure and should never be used for any purchase or payment of registration fees. Only the P-Cardholders name and last four digits of the P-Card are needed in e-mail communication on campus.

Documentation Requirements

The P-Cardholder must obtain appropriate, detailed, itemized documentation to support every transaction charged to the P-Card. The purpose of supporting transaction documentation is to show what was purchased, from whom it was purchased and the cost of the purchase. The documentation also shows that the purchase is appropriate and applicable to official College business. A vendor's receipt can be supported with literature or third-party information that identifies what was purchased along with the cost. P-Card charge slips alone are not adequate support except when they are also detailed, itemized cash register receipts. Credit entries can be documented with copies of previous transaction information, such as a copy of the statement showing a double charge.

A valid receipt contains the following information:

- Vendor name and address
- Date of purchase
- Description, unit price, and quantity of each item purchased
- Total cost of the order, including shipping and handling charges

Lost or Unavailable Documentation

Contact the vendor directly if the original supporting documentation is lost or if the merchant did not provide it. Do not contact Bank of America for a copy of a receipt. Significant fees can be charged for that service. If a receipt is lost or not obtained complete the *Missing Receipts Affidavit* form. Repeated use of the form as a substitute for original documentation may result in cancellation of the P-Card.

Record Keeping

P-Card Expense Record Log

This form is easy to use and requires a minimum amount of time to maintain. A separate line item is required for each transaction including any applicable shipping charges. Written documentation must be obtained to support a transaction charged to a cost center not assigned to the P-Cardholder. An email from the authorizing department head approving the transaction should be attached to the receipt and filed with the monthly expense record log. All receipts and supporting material available to document the transaction must be attached to the monthly record log. Each record log may include transactions not yet billed by the bank, as there may be a time lag between the closing of the Bank of America billing cycle and the receipt of the on-line billing

statements. It is recommended that the department record unbilled transactions on the next billing cycle record log to simplify the monthly departmental reconciliation process.

Receipt Retention

It is a requirement of the P-Card program that all receipts be retained for all items purchased. For each order a receipt must be requested itemizing merchandise purchased, purchase price, and any additional charges such as shipping and handling, which includes vendor name and date of purchase (*Note: a merchant should not reject this request, as it is a Visa policy*). It is extremely important to request and retain P-Card receipts. All receipts or other supporting materials that are available to document the transaction must be attached to the *P-Card Expense Record Log*.

Records must be retained for a period of five (5) fiscal years. Transactions involving federal or grant funds may require a longer retention period. Contact the grant administrator for additional information. Records will be retained in the department and must be available for review or audit upon request.

Keep all records in a secure location. Shred any records that contain the P-Card number.

Disputed Charges

If there is a discrepancy between the *P-Card Expense Record Log* and the Bank of America statement, it is imperative that the issue is addressed immediately. If you believe the vendor has charged incorrectly, you must first contact the vendor and try to resolve the error or issue. If the matter cannot be resolved directly with the vendor and the error involves an overcharge, a credit adjustment should be requested and should appear on the next statement. If the vendor feels the original charge was correct, immediately contact the Department P-Card Manager and a P-Card Administrator who will work together with Bank of America to resolve the dispute. Bank of America will request complete details of the dispute in writing in order to research the item in question. The details of the disputed transaction must be reported on the *Bank of America Dispute Form* within 60 days of the transaction date. While pending resolution, the P-Card statement will be credited with the amount of the disputed transaction. Although Bank of America acts as the arbitrator in any dispute, never assume that a dispute will be resolved in the P-Cardholder's favor.

Sales and Use Tax

Purchases of goods for official College business that are physically received in the State of Idaho are exempt from **Idaho** sales and use tax. The P-Card is embossed with the words: "Tax Exempt". When using the P-Card, **emphasize** with the vendor that the purchase is tax exempt. A vendor may require the P-Cardholder to provide a copy of the ST-101 to verify non-taxable status. A copy of the ST-101 is available on the Purchasing Department website.

Lost or Stolen Cards

The P-Card is an asset and should be securely safeguarded. The P-Cardholder is responsible for the security of the P-Card and any purchases made with the P-Card. If the P-Card is lost or stolen, immediately report this information to Bank of America Customer Service at (800) 300-3084. Also, notify the Department P-Card Manager and a P-Card Administrator. It is extremely important to act promptly in the event of a lost or stolen card to avoid College liability for fraudulent transactions. The P-Card will be immediately cancelled and a replacement P-Card will automatically be sent.

Personnel Changes and Termination of Employment

If the P-Cardholder changes departments or leaves the College, the P-Card Administrator **must be notified immediately** and the P-Card must be returned to the Department P-Card Manager

for cancellation. The P-Cardholder must also turn in all receipts to the Department P-Card Manager, sign a document that states there were no unauthorized purchases and no reoccurring charges were made on the P-card. The Department P-Card Manager will cut the P- Card in half and forward with the aforementioned documentation to the P-Card Administrator.

Reconciliation and Payment

The P-Card program with Bank of America provides an on-line review and reconciliation program called *WORKS*.

The P-Cardholder and Department P-Card Manager can access *WORKS* at any time to review and allocate charges daily throughout a cycle period. Each month, Bank of America will send an e-mail alerting the cardholder to review their monthly statement. The statement reflects transaction activity including the transaction dates, vendor name and the total amount of the purchases. There are no item descriptions or breakdown of individual items.

P-Card logs must be reconciled, reviewed and signed by all parties by the 20th of each month.

Every P-Card log is subject to next level approval.

In accordance with contractual terms, the College must deposit funds to pay all P-Card charges within 15 days after the cycle date. Departmental reconciliation must be done timely to allow the Accounts Payable staff adequate time to reconcile the institutional payment amount against the departmental transactions. The Accounts Payable staff will then import the transaction data from the Wells Fargo *WORKS* system into the internal accounting system.

Review and Audit

External independent auditors perform an annual audit of Lewis-Clark State College, making it essential to adhere to the above record keeping guidelines. During disbursement testing, specific transactions will be selected and the department will be directed by the auditors to provide receipts and other supporting documentation for their inspection. Failure to provide this essential documentation may be documented as part of the auditors' findings presented to the State Board of Education.

Monthly reports provided by Bank of America are reviewed by the Accounts Payable and Purchasing staff to ensure that P-Card analytics are within acceptable parameters. In addition, random reviews of P-Cardholder statements, record logs and departmental procedures will be conducted by the P-Card Administrators. The random reviews will consist of a minimum of 10% of campus P-Cards on an annual basis. Results of the reviews will be formally documented and forwarded to the P-Cardholder and department head, President, Provost, Vice President, or Deans, as applicable. A recap of the review will be submitted to the Vice President for Finance and Administration.

If the P-Card holder is not the department/division head, then the P-Card holder must participate in a quarterly peer or Vice President review of the P-Card log. Additionally, if a peer review is needed, the P-Card holder will participate as a respective peer reviewer. Purchasing will assign peer reviewers and initiate the quarterly peer review process.

Three (3) forms of corrective action may be taken when audit findings warrant:

Probation- This action may occur because of numerous minor infractions (i.e. missing receipts, missing support documentation, or no improvement after one-on-one training). Probationary status will trigger monthly P-Card reviews until resolved.

Suspension- This action may be initiated because of failed probation or major infractions (i.e. unallowable expenses, personal transactions, split transaction to avoid per transaction limit). Rationale for P-Card suspensions will be documented and submitted to the Pres/VP/Provost. After issues are resolved, the P-Cardholder can request that the suspension be lifted. Once a suspension is lifted, an automatic probationary period ensues.

Cancellation- This action may occur because of failed suspension, failure to report lost or stolen card, personal transactions, or unauthorized usage. Prior to cancellation, a member of executive leadership will be consulted for final determination. Documentation supporting these discussions will be retained for audit purposes. Cancelled P-Cards may not be reinstated.

Expiration and Reissuance of Cards

P-Cards expire every three years, on the last day of the month embossed on the front of the P-Card (expiration date). Replacement P-Cards are automatically sent to the Purchasing Department within 1-3 weeks prior to the expiration date. The P-Cardholder will be sent an e-mail notification indicating the location to pick up the new P-Card. The P-Cardholder is required to read and sign a new P-Cardholder User Agreement and bring it, along with photo identification, to pick up the P-Card.

Fiscal Year End

Purchases should be expensed in the fiscal year in which goods and services are received or used. Following are P-Card transaction types that most commonly cause confusion during the fiscal year end transition:

- Conference/meeting registrations
- Airfare for trips in the next fiscal year
- Subscription renewals
- Dues and memberships
- Maintenance agreements
- Emergency goods or services

To accurately reflect expenditures in the correct fiscal year, all June P-Card charges will be charged against the current year budgets. Be sure to allow for these charges in your budget planning.

Violations and Consequences

The P-Cardholder is responsible for purchasing only items that are necessary to carry out the P-Cardholder's job requirements and to comply with State and institutional purchasing policies and procedures. Any P-Card transaction contrary to the program's authorized usage is a P-Card violation. P-Card violations range from inadvertent mistakes to negligent or fraudulent use. In the event of willful or negligent actions relative to these obligations, the College will take any appropriate recovery action, as permitted by law, including criminal prosecution. Violations could result in corrective or disciplinary action up to and including termination of employment. Violations and corrective, disciplinary, or other appropriate action shall be documented and maintained in a secure file.

Personal Purchases

It is a violation of federal and state laws to use public funds for a personal purchase; regardless of intent to reimburse. Such use may be considered an act of embezzlement.

Cash or Cash Equivalent Transactions

Cash transactions such as cash back with a purchase, cash credit returns, purchase of traveler's checks or money orders, as well as ATM transactions are strictly prohibited.

Appendix

Glossary

P-Card Application

P-Cardholder User Agreement Department

P-Card Manager Agreement P-Card Pick-up

Authorization Form

P-Card Account Maintenance Form P-

Card Expense Record Log

Restricted Merchant Category Code (MCC) List

Missing Receipt Affidavit Form

Bank of America Dispute Form

Tax-Exempt Certificate (ST-101)

GLOSSARY

Accountability	The understanding and acceptance that one is answerable and responsible for one's actions and activities.
Allocate	To assign a cost center and expense object to a specific P-Card transaction.
Authorized Purchases	Purchases made in compliance with State of Idaho and LCSC policies and procedures and within approved budget spending authority.
Credit	A transaction reversing a previous charge resulting from the return of goods or resolution of a dispute.
Cycle Date	A Bank of America cutoff date for all monthly transactions. The first business day of each month.
Default Account Code	The cost center selected by the department for each P-Cardholder to which all purchases will be charged unless changed during the monthly reconciliation by the P-Cardholder or Department P-Card Manager.

Department P-Card Mgr	A full-time College department employee responsible for reviewing and approving purchases of designated P-Cardholders. This includes verifying that purchases are reasonable, in compliance with policies and in compliance with budgetary constraints.
Dispute	Actions taken by the P-Cardholder for any transaction or charge appearing on the monthly WORKS statement that he/she believes is invalid.
Merchant Category Codes (MCC)	A four-digit number that describes the type of business that a vendor provides to Visa from a predefined list. Transactions with vendors with certain blocked MCC codes may be prohibited and will be declined.
Monthly Spending Limit	The maximum dollar limit a P-Cardholder may charge during a monthly billing cycle.
P-Cardholder	A full time College employee whose name appears on a P-Card and is authorized to make purchases of goods for the College.
P-Cardholder Statement	The Bank of America statement listing all P-Card transactions for the P-Cardholder during the billing cycle.
Reallocation	Process used to change the default cost center in the <i>WORKS</i> system.
Single Purchase Limit	The maximum dollar limit a P-Cardholder is authorized to charge in a single transaction. The single purchase limit is not to exceed \$1,999.
Unauthorized Purchases	Purchases made that are not in compliance with applicable program parameters, purchasing policies and procedures, departmental authorization within approved budgetary limitations.
Violations	P-Card violations range from inadvertent mistakes to negligent or fraudulent use.