

LCSC P-Card Program

Purchasing Department

x2288 purch@lcsc.edu

Introduction of P-Card Program

- Intent
 - To streamline and simplify the requisitioning, purchasing and payment processes for relatively small dollar items (under \$2,000).
- Goals
 - Reduce the cost of processing small dollar purchases
 - Receive faster delivery of required merchandise
 - Simplify the payment process
- Liability
 - The P-Card is an institutional liability card. Payments are made directly to Bank of America on a monthly basis. Applying for and using a P-Card does not impact the P-Cardholder's personal credit history.



Introduction of P-Card Program, cont.

- **Internal Controls/Compliance Reviews**
 - The P-Card program relies upon both internal administrative controls and periodic 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.
- **Key Contacts**
 - **Jess Waddington, Purchasing Director ADM 104 792-2431**
 - **Diana Higgins, Buyer ADM 104 792-2288**
 - **Bank of America Customer Service: 888-449-2273**



How Do I Get a P-Card?

- Forms are on Purchasing's website.
- Submit completed forms to pcards@lcsc.edu.
- Once submitted, cards arrive in 3-5 business days.
- Purchasing will email you to pick up the card (can assign a designee).
- <https://www.lcsc.edu/purchasing/employees/forms>



Which type of card?

Individual P-Card

- A P-Card issued in an individual's name is for the cardholder's use only. This card may not be shared with other employees. The cardholder may purchase items for others in the department. A cardholder who is a department head may authorize a direct report employee to use their card to make purchases on their behalf. Individuals **may** designate a P-Card Manager for their individual cards.

Department P-Card

- A P-Card issued in a department name may be used by authorized individuals in that department who have completed the P-Card Application and the P-Card training. Departments **must** designate a P-Card Manager for Department Cards.



Roles and Responsibilities

- P-Cardholder
- P-Card Manager for Individual Card
- P-Card Manager for Department Card
- Supervisor of P-Cardholder &/or
Department Head for Department Cards
- Authorized Users of Department Cards



P-Cardholder

Main responsibilities

- Proper use of the P-Card
- Is accountable for P-Card security
- Make purchases in accordance with institutional and state policies and procedures
- Obtain receipt and any supporting documentation for each purchase.
- Ensure sales tax is excluded
- Notify a P-Card Administrator of changes in personal employment status, including transfer or termination by submitting a P-Card Maintenance form.
- Document and report any violations to a P-Card Administrator.



P-Cardholder – Works

- **Reconcile and Sign off** prior to the Sweep date.
 - The Sweep date is published on the Works home page each month, and is generally the 4th business day of the following month. For example, October 2024 transactions must be signed off by November 5th, 2024.
- To reconcile all transactions, perform the following:
 - Allocate the appropriate fund, function, cost center and object code.
 - Attach a receipt, and any approval or supporting documentation, to each transaction.
 - Enter the business reason for each transaction in the Receipt Description field. The business reason must include a description of what the purchase was and who it was for.
 - Enter comments, if applicable.
- Sign off all transactions prior to the Sweep date, providing enough time for the P-Cardholder's Supervisor to review and sign off on the transactions prior to the Sweep date as well.
- ***Some P-Cardholders have a P-Card Manager, who will perform the steps of allocating, adding receipts & documentation, entering a business reason and comments, on your behalf.***



Individual P-Card Manager

Main responsibilities

- The P-Card Manager for an individual's card is responsible for assisting the P-Cardholder with all of the P-Cardholder responsibilities described above, **except for transaction sign off in Works**. **The Individual P-Card Manager will not sign off on transactions in Works.**



Individual P-Card Manager - Works

- **Reconcile** prior to the Sweep date.
 - The Sweep date is published on the Works home page each month, and is generally the 4th business day of the following month. For example, October 2024 transactions must be signed off by November 5th, 2024.
- To reconcile all transactions, perform the following:
 - Allocate the appropriate fund, function, cost center and object code.
 - Attach a receipt, and any approval or supporting documentation, to each transaction.
 - Enter the business reason for each transaction in the Receipt Description field. The business reason must include a description of what the purchase was and who it was for.
 - Enter comments, if applicable.
- Reconcile all transactions prior to the Sweep date, providing enough time for the P-Cardholder & P-Cardholder's Supervisor to review and sign off on the transactions prior to the Sweep date as well.



Department P-Card Manager

Main responsibilities

- Proper use of the P-Card
- Is accountable for P-Card security
- Make purchases in accordance with institutional and state policies and procedures
- Obtain receipt and any supporting documentation for each purchase.
- Ensure sales tax is excluded
- Notify a P-Card Administrator of changes in personal employment status, including transfer or termination by submitting a P-Card Maintenance form.
- Document and report any violations to a P-Card Administrator.



Department P-Card Manager - Works

- **Reconcile and Sign off** prior to the Sweep date.
 - The Sweep date is published on the Works home page each month, and is generally the 4th business day of the following month. For example, October 2024 transactions must be signed off by November 5th, 2024.
- To reconcile all transactions, perform the following:
 - Allocate the appropriate fund, function, cost center and object code.
 - Attach a receipt, and any approval or supporting documentation, to each transaction.
 - Enter the business reason for each transaction in the Receipt Description field. The business reason must include a description of what the purchase was and who it was for.
 - Enter comments, if applicable.
- Sign off all transactions prior to the Sweep date, providing enough time for the department head to review and sign off on the transactions prior to the Sweep date as well.



Supervisor/Department Head

Main responsibilities

- Responsible for the P-Card(s) within their department.
- Authorize all P-Card expenses.
- Establish individual and departmental p-card procedures
 - For example, P-Cardholders or Department P-Card Managers may be required by their supervisor or department head to reconcile and sign off on the P-Card transactions in Works by a certain date, to provide the approver ample time to review and approve prior to the sweep date.
- Review all activity to verify that individual and department P-Card use complies with all State of Idaho and Institutional policies, procedures, and provisions of the P-Card Program.
- Discuss any non-compliance issues with the staff involved and should any violations occur, discuss appropriate action with a Program Administrator.
- Notify a P-Card Administrator of any suspected or actual P- Card misuse.
- 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.



Supervisor/Department Head - Works

- **Review and sign off** on all transactions prior to the monthly Sweep date.
 - The Sweep date is published on the Works home page each month, and is generally the 4th business day of the following month. For example, October 2024 transactions must be signed off by November 5th, 2024.
- Review the transactions:
 - Ensure the correct allocation has been entered, a valid receipt and any required approval or supporting documentation has been attached, and that the business reason and any comments are completed and accurate. Ensure all transactions comply with all State of Idaho and Institutional policies, procedures, and provisions of the P-Card Program.
- If any information is missing or inaccurate, do not sign off.
 - Advise the P-Cardholder or P-Card Manager to make the corrections. You may also choose to make the corrections yourself. Once corrections have been made, review corrected transactions and sign off.
- Sign off all transactions prior to the Sweep date.



Authorized User of Dept Cards

Main responsibilities

- Proper use of the P-Card
- Is accountable for P-Card security
- Make purchases in accordance with institutional and state policies and procedures
- Obtain receipt and any supporting documentation for each purchase.
- Ensure sales tax is excluded
- Notify a P-Card Administrator of changes in personal employment status, including transfer or termination by submitting a P-Card Maintenance form.
- Document and report any violations to a P-Card Administrator.

- This role has no responsibilities in the Works system.



Works Procedure Guides

- [P-Cardholders - How to Reconcile and Sign Off in Works](#)
- [Individual P-Card Managers- How to Reconcile Transactions in Works](#)
- [P-Cardholders - How to Review and Sign Off in Works](#)
- [Department P-Card Managers- How to Reconcile and Sign Off in Works](#)
- [P-Cardholder Supervisors Department Heads for Department Cards - How to Review and Sign Off in Works](#)



P-Card Limits

- 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 Visa system validates the transaction against the pre-set restrictions which include:
 - Single purchase limit not to exceed \$1,999.99.
 - 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



P-Card Limits, cont.

- The P-Card program provides for merchant category blocking. If a particular merchant category is blocked (e.g., jewelry stores, pawn shops) and an attempt is made to use the P-Card at such a merchant the purchase will be declined.
- If the P-Card is refused with a vendor where you believe it should have been accepted, contact the P-Card Administrator.



Account Setting Modifications

MCC Restriction

- Requests to temporarily lift MCC restrictions to make a purchase must be approved by the P- Cardholder's supervisor (or the department head for a Department P-Card), or a member of senior leadership (Dean, Vice President, President). The approval can be submitted via email or other electronic means to the Purchasing Department. Retain the approval documentation and attach to the P-Card transaction in Works.



Account Setting Modifications

Monthly P-Card Expense Limit

- Requests to temporarily increase the monthly expense limits can be approved by the P-Cardholder's supervisor, (or the department head for a Department P-Card) or a member of senior leadership (Dean, Vice President, President). The approval can be submitted via email or other electronic means to the Purchasing Department. Retain the approval documentation and attach to the P-Card transaction in Works.

- Requests to permanently increase monthly expense limits require submission of a completed P- Card Maintenance Form with approvals from the P-Cardholder's supervisor (or the department head for a Department P-Card) or a member of senior leadership (Dean, Vice President, President).



Account Setting Modifications

Single Transaction Limit Restriction

- Requests to temporarily lift the single transaction limit for authorized purchases can be approved by the P-Cardholder's supervisor, (or the department head for a Department P-Card) or a member of senior leadership (Dean, Vice President, President). The approval can be submitted via email or other electronic means to the Purchasing Department.



Single Transaction Limit – Fixed Asset

- Items at the fixed asset level (single item worth \$2,000 or more) should not be purchased on the P-Card. Exceptions may be approved by Purchasing for reasons such as the vendor only accepts P-Cards for payment or a discount is provided for payment by P-Card.
- It is the department's responsibility to send the following information to the Financial Manager and Accounts Payable once the fixed asset level item is received:
 - Invoice/receipt, product description, department responsible for item, building and room number the item will be stored in, cost center allocated to the purchase, and serial number of the item.



State Contracts

- It is required that State of Idaho contract vendors be used when purchasing goods or services provided through State Contracts.
- See Purchasing website for a complete list of the State Contracts.
- If you have a valid reason to purchase outside of the State Contracts (not available, lower price, etc.) document the reason in the comments in Works and attach price comparisons if applicable.
 - Example: rental cars



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

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

- Airline tickets
- Automotive parts
- Baggage Charges
- Books, Magazines, Subscriptions
- Building materials
- Information Technology purchases, with IT Approval
- Conference registration fees
- Equipment repairs



Authorized P-Card Transactions, cont.

- Food/Meals – (see Food/Meals section)
- Gas for rental cars
- Lodging
- Newspaper ads
- Parking
- Printing
- Rental cars
- Short term rentals
- Campus food services purchases
- Campus Bookstore purchases



Unauthorized P-Card Transactions

Examples include:

- Alcoholic beverages
- Any single transaction exceeding \$1,999.99, unless single transaction limit increase is approved.
- Cash advances
- Donations
- Entertainment
- Food/Meals while traveling (unless a [P-Card Food Use While Traveling - Exception Form](#) has been approved).
- Gas for personal vehicles



Unauthorized P-Card Transactions, cont.

- Gift certificates/gift cards
- Payment to Independent Contractors
- Professional services
- Items for personal use
- Medical: Doctors, Dentists, Chiropractors, etc.
- Purchases that involve signing an agreement, license, contract, or lease
- Salaries and wages



P-Card Food Exemption Form

- P-Card Food Exemption procedure has been updated to streamline purchasing processes for campus and community food vendors, and to reduce manual work.
- P-Cards are the preferred payment method for food purchases and a P-Card Food exemption form is not required, **except** for purchases of food with the P-Card while traveling.



P-Card Food Exemption Form

- Purchases of food while traveling still requires the completion and approval of the P-Card Food Exemption While Traveling form
- All food purchases must follow the applicable policies and procedures. The completion and approval of a Meal/Entertainment Request (MER) form prior to purchase may be required. Approved MER forms must be retained with the P-Card transaction in Bank of America Works.



P-Card Food Policies

- P-Card Policy and Procedures:
<https://www.lcsc.edu/purchasing/employees/policy-and-procedures>
- Policy 4.116 Employee Meals and Refreshments:
<https://www.lcsc.edu/media/5226/4116-employee-meals-and-refreshments.pdf>
- Policy 4.117 Entertainment, Public Relations and Related Expenses: <https://www.lcsc.edu/media/5227/4117-entertainment-public-relations-and-related-expenses.pdf>
- MER Form (<https://www.lcsc.edu/controllers-office/accounts-payable>)
- Food Purchase Guidelines -
<https://www.lcsc.edu/purchasing/employees/food-purchase-guidelines>



Approval Documentation

Additional authorization documentation is needed for specific transactions

- Must be uploaded to the P-Card transaction in Works. If multiple transactions in one month or more apply to the approval document, attach to one transaction and add a comment to subsequent transactions.
- Travel and any related expenses - See Travel Policy 4.10 at <https://www.lcsc.edu/policies> and Travel Procedures on the Controller's website at <https://www.lcsc.edu/controllers-office/travel> for specific guidelines.
- Grant Related – See the Office of Grants and Contracts site at <https://www.lcsc.edu/grants> for specific guidelines. Retain the approval documentation and attach to the P-Card transaction in Works.



Approval Documentation

- Information Technology – Information Technology-related purchases (any computer equipment, multimedia hardware, communications-related equipment, peripherals [ex. keyboards, mice, screen protectors, flash drives] over \$100, software, or online services) require the Information Technology Director’s approval. Retain the approval documentation and attach to the P-Card transaction in Works. Refer to: <https://www.lcsc.edu/it/faculty-staff-resources/ordering-it-items>
- Employee Meal/Refreshment and Entertainment, PR & Related Expenses - Pre-approval may be required on employee meal/refreshments, entertainment, public relations and related expenses. See Policy 4.116 and 4.117 at <https://www.lcsc.edu/policies> for specific guidelines. A Meal/Entertainment Request (MER) form may be required. See the Accounts Payable site at: <https://www.lcsc.edu/controllers-office/accounts-payable/>. Retain the approval documentation and attach to the P-Card transaction in Works.



Making a Purchase

- Verify funds availability. Access Bank of America Works to view current transactions posted and available balance.
- Check the authorized/unauthorized purchases and MCC restriction list
- Be certain the transaction is consistent with the applicable rules for P-Card usage.
- 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.
- Be sure to notify the vendor that the purchase is exempt from State of Idaho sales tax, except if goods are received out of state. For example, goods are picked up in Washington.



Making a Purchase

- 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.
- Confirm the grand total to be charged by the vendor to the P-Card.
- 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.



Online orders

- When using the internet 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 websites. Look for the s in the https:// portion of the URL to ensure the website is encrypted.
- **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-Cardholder's name and last four digits of the P-Card # are needed in e-mail communication on campus.



What is a Valid Receipt?

Receipts: The P-Cardholder must obtain appropriate, detailed, itemized documentation to support every transaction charged to the P-Card. 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
- P-Cardholder name and/or the last four digits of the P-Card number
- If you absolutely cannot obtain a receipt, please fill out the Missing Receipt Affidavit (found on the Purchasing website) and retain.



Document Retention

- All receipts and any associated approval or supporting documentation to document the transaction must be retained for a period of five (5) fiscal years, including current year.
- Transactions involving federal or grant funds may require a longer retention period. Contact the grant administrator for additional information. Records (electronic or hard copy) will be retained in the department and must be available for review or audit upon request.



Disputed Charges

- If you believe a vendor has charged you 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 vendor feels the original charge was correct, immediately initiate, or contact the P-Card Manager to initiate, a dispute in Works. Bank of America will request complete details of the dispute in writing in order to research the item in question.



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 or P-Card Manager 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 888-449-2273.
- Also notify the 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

- 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 P-Card Manager or P-Cardholder's supervisor for shredding.
- The P- Cardholder must also turn in all receipts to the P-Card Manager or their supervisor and complete the P-Card Maintenance Form. The P-Card Manager or P-Cardholder's supervisor will submit the completed P-Card Maintenance form to Purchasing and destroy the card.



Review & Audit

- Purchasing performs random audits of at least 1 transaction for each P-Card (individual and department cards) on a quarterly or more frequent basis.
- Results of the audits and monitoring will be formally documented and reported to the P-Cardholder and their supervisor.
 - The first audit finding will result in a procedure reminder email to the P-Cardholder and their supervisor.
 - The second audit finding will result in mandatory P-Card refresher training.
 - The third audit finding will result in P-Card suspension or deactivation, as determined by the P-Card Administrator and relevant senior official (Vice President, Provost, or President). Serious findings are considered misuse of the p-card and are handled as described in “Misuse of the P-Card” below.



Misuse of P-Card

- Individuals who intentionally misuse their P- Card may be subject to disciplinary action, up to and including termination.
- Examples of misuse include, but are not limited to, use of the P- Card for personal purchases, splitting transactions to avoid the transaction limit, unauthorized purchases, and failure to approve P-Card transactions in the timeframe documented in P-Card Procedure manual.
 - The first instance of misuse of the P-Card will be reported to the P- Cardholder's supervisor and mandatory refresher training will be provided.
 - Additional violations will be reported to the P-Cardholder's supervisor and relevant senior official, for corrective action. The P-card may be deactivated or suspended, as determined by P-Card Administrator and the relevant senior official.



Please review

Please review the P-Card and Purchasing Policies and procedure, linked here:

<https://www.lcsc.edu/purchasing/employees/policy-and-procedures>





Thank you. Questions?

Purchasing Department

2288

purch@lcsc.edu