

**NORTH CAROLINA A & T STATE  
UNIVERSITY**

**PURCHASING OFFICE**

**PROCUREMENT CARD USERS GUIDE**

## **OVERVIEW OF THE PROCUREMENT CARD PROGRAM** **PURPOSE OF THE CARD**

The Procurement Card program has been established by the State of North Carolina to allow rapid purchase of low dollar goods, reducing paperwork and handling costs associated with the small purchase process. The A&T Procurement Card is essentially a standard credit card in which **the liability rests with the University instead of the individual cardholder.** (This is different from the American Express Corporate travel card, in which the liability is solely the cardholder's.) The procurement card is issued to an employee, empowering this person to purchase goods and services on behalf of the University. **Under no circumstance may this card be used for personal purchases.** The Procurement Card operates the same as a purchase request but with more restrictions. (No equipment, travel related expenses, personal memberships, etc.) **All expenditures must be within the allotted budget limits. (Funds must be in place before expenditures are made).**

### **UNIVERSITY/CARDHOLDER**

#### **BENEFITS**

- It is easier to make small purchases. The procurement card is accepted virtually anywhere, and delays associated with asking a vendor to accept a purchase order number are eliminated.
- The cardholder may make purchases as needed. There are no delays associated with processing a purchase order.
- Complete transaction reporting is provided every month to the cardholder both in the computer and in hard copy. Vendor information becomes easier to research and locate.

#### **COSTS**

- There is currently no fee associated with the program.

#### **CARDHOLDER POLICIES**

##### **Limitations specific to your card**

**The following limits have been assigned to your purchasing card:**

- 1. Single transaction limit of \$2,500 per day. (Funds must be available in budget)**
- 2. No daily purchase limit.**

3. Number of transactions per day or per month is unlimited at this time.
4. Monthly/daily card limit is \$5,000. (Funds must be available in budget.)

The single purchase transaction and monthly/daily card limit may be higher or lower depending on the individual purchase pattern. If modifications of the card limits are needed please contact the Procurement Card Coordinator for Assistance.

**(Note: Splitting of purchase transactions to circumvent the limits is illegal and is grounds for revoking the card).**

When a State or University contract is available, the contracted supplier must be used. Contracts may be reviewed by visiting the NC Dept. of Administration Purchase and Contract home page (<http://www.doa.state.nc.us/PandC/>).

**Fraudulent or willful misuse of the card, including willful use of the card to make personal purchases even if you intend to reimburse the University, may result in disciplinary action, up to and including termination of employment.**

### **CARDHOLDER PROCEDURE**

Always keep your purchasing card in a secure place. Treat it like cash. To report a lost or stolen card, call Bank of America at 1-888-449-2273. Help is available 24 hours a day. Also call the purchasing card coordinator as soon as possible at 334-7555.

All NC A & T State University and State purchasing guidelines remain in tact and must be followed when using the card. This is just an optional method of payment.

- The cardholder is responsible for obtaining **original receipts and forwarding** these to the University's Procurement Card Coordinator after each month's closing. The cardholder **must perform a monthly review and reconciliation of all new purchases.** (Monthly Statements close on the 24<sup>th</sup> of each month. Purchases between the 25<sup>th</sup> of the prior month and the 24<sup>th</sup> of the billing month are reflected on the cardholder statement and should be included in the monthly reconciliation.)

- **Failure to process and forward the monthly reconciliation to the Coordinator as required by the 5<sup>th</sup> of each month is grounds for revocation of the card.**

## **UNIVERSITY BENEFITS**

- The number of small purchases will decrease. There will also be fewer purchase orders generated, less input into the computer by departments, fewer invoices handled by departments and Accounting, less matching of invoices to purchases in Accounting, and fewer checks to write.
- There is an opportunity to reduce petty cash usage.
- Improved vendor relations.

## **MERCHANT BENEFITS**

- The vendor will be paid by the bank two to three working days after the vendor processes the purchase.

## **WHERE TO SEEK ASSISTANCE**

### **THE BANK**

To report a lost or stolen card, billing questions, or any customer service questions in general, contact the bank. Help is available 24 hours a day. Also call the procurement card program coordinator as soon as possible at 334-7555. To dispute a transaction on your statement please refer to that section of these procedures.

### **UNIVERSITY NAMES AND ADDRESSES**

The University provides support and assistance to cardholders and departments in the distribution and processing of new card applications. We process all changes in cardholder information, schedule training, update all documentation, and audit all aspects of the program. Please call whenever you have questions.

## **Procurement Card**

### **Program Administrator:**

**Ted A. Little**

Director of Purchasing

Purchasing Office, Dowdy Building

Telephone: 334-7555, Fax: 334-7013

### **Program Administrator**

**Wendelin Douglas**

Purchasing Agent

Purchasing Office, Dowdy Building

Telephone: 334-7555, Fax 334-7013

### **Jeanne Reyes**

PCard Compliance Auditor

Accounting Office, Dowdy Building

Telephone: 334-7555, Fax: 334-7013

Email: jreyes@ncat.edu

## **CARDHOLDER POLICIES AND PROCEDURES**

### **OBTAINING A CARD**

Procurement cards may be issued to anyone who is authorized by N.C. A&T State University to purchase goods and services. The procurement card will carry corporate liability and does not affect your personal liability in any way.

### **DESIGNATED USER'S**

As cardholder, you may authorize one additional person for occasional card use. A designated User's Agreement must be completed by the cardholder and designated user and be signed by both.

**Purchases from Contracts and Grants accounts must strictly adhere to all A-21, A-110 and other agency guidelines.** These guidelines may restrict the purchase of specific items. Individual granting agencies may also be more restrictive and may not allow certain purchases. It is the cardholder's responsibility to be aware of the rules and guidelines applicable to each account. **Funds must be available before charges may be made, if allowed.**

**Contracts and Grants accounts cannot be used after their ending date or in the last 30 days as with other purchases. The same rules apply as for normal requisitions. The cardholder will be held liable if funds are not available. Failure to follow these guidelines are grounds for revocation of the card.**

### **KEEPING YOUR CARD SECURE**

**Always keep your procurement card in a secure place. Treat it like cash.**

## LIMITATIONS SPECIFIC TO YOUR CARD

The following limits have been assigned to your procurement card:

- **Allotted Budget Amount must not be exceeded.**
- **Single purchase limit of \$2,500.00\* (Splitting of purchases is not allowed to circumvent the limit and can be grounds for revocation of the card.)**
- Monthly/Daily purchase limit of \$5,000.00 (funds must be available in budget)
- Daily number of transactions is unlimited at this time.
- Monthly number of transactions is unlimited at this time.

The University has restricted the use of the procurement card for the following commodities: **(SHALL NOT TO BE USED FOR).**

1. **Travel and Entertainment related expenses and advances**
  2. **Cellular phones/pagers and related monthly charges**
  3. **Personal Memberships**
  4. **Office or Lab furniture and equipment**
  5. **Computers, PDA's (electronic equipment)**
  6. **Personal Convenience Items (Briefcases, coffee makers, etc.)**
  7. **Goods or services for Personal Use**
- The card may be used for Food/Refreshments/Catering Services **with prior approval from the Procurement Card Coordinator.** Funding restrictions may apply (State funds cannot be used).
  - The card may be used for Travel and Entertainment related expenses **with prior approval from the Procurement Card Coordinator.** Funding restrictions may apply.
  - The card may be used for Software and Printers **with prior approval from the ITT Procurement Office.**

### **Personal Use**

The Procurement Card is **NOT** to be used for personal purchases under any circumstances, even if you intend to reimburse the University. Intentional abuse of the card is cause for immediate suspension/cancellation of card privileges, and may be cause for termination of employment. A repeated offense will cause card suspension/cancellation.

**PERSONAL RESPONSIBILITY: Purchases charged against University funds that are not made in accordance with policies will be the PERSONAL RESPONSIBILITY OF THE INDIVIDUAL PLACING THE ORDER, as the University will not assume any financial responsibility.**

## **CHANGING CARD LIMITS AND UPDATING**

To change the single purchase transaction or daily/monthly limits on your card you must submit a request in writing with justification to the Procurement Card Administrator, and it must have Department Head/Chairperson approval.

Changes of personal data (address, phone, etc.) may be called in or emailed to the program coordinator.

## **AUTOMATIC RENEWAL OF THE CARD**

A new procurement card will be given to you as you enter the program. Once you receive the card nothing will be required by you when that card expires. A new card will be issued automatically.

## **TRANSFER, LEAVE OR TERMINATION OF EMPLOYMENT**

Your card remains the property of the University and must be surrendered immediately upon transfer of assignment, leave in excess of 4 weeks or termination of employment or upon the request of either your supervisor or the procurement card program coordinator.

**Note: Supervisors are required to report any cardholder that has a transfer of assignment, leave in excess of 4 weeks or termination of employment to the procurement card program coordinator immediately.**

## **PURCHASES IN PERSON**

- A) Follow proper internal procedures specific to your department for determining that a purchase is required and authorized. **(The same as for a purchase request)**
- B) Determine whether the procurement card is the most appropriate tool to use for the purchase
  - Restricted item, over the \$2,500 limited, etc.
  - **Do not split an order to circumvent the \$2,500 limit.**

- C) Determine that the total amount of the purchase (the amount that will be shown on the statement from the bank to the University) including shipping, handling, postage, freight, insurance, etc., does not exceed either the \$2,500 limit or the other limits already discussed. If the limit is exceeded, the transaction will automatically be refused by the bank and the purchase will not proceed.
- D) Determine that the price quoted is the best you can obtain.
- E) \*Obtain an itemized original receipt at the time of purchase or pick-up; if an item is shipped the packing slip must be kept. All **original receipts** and other paperwork must be forwarded each month to the procurement card program coordinator as part of the reconciliation process.
- F) Remember to give the supplier your name, department, phone number, and complete delivery instructions. It is recommended that purchases be shipped directly to your campus address whenever possible. Otherwise, please use the following address for your delivery point:

Central Receiving  
 N.C. A&T State University  
 1601 E. Market St  
 DeHuguley Building  
 Greensboro, NC 27411

**NOTE:** Any shipment to locations other than the University requires prior approval from the PCard Coordinator/Administrator.

### **INVOICES / RECEIPTS**

- Itemized Invoices/ receipts must provide the following details:

VENDOR NAME  
 Description of item(s) and quantity  
 Unit Price  
 Extended Price  
 No Tax (Tax), shipping, or freight  
 Total transaction amount

All reconciliation logs require proper supporting documentation. Proper documentation includes (1) the original detailed receipts for each transaction (2) a documented business purpose for each transaction (3) your full signature and (4) FOAP information. If the reconciliation log is submitted with incorrect information or insufficient documentation, the card will be suspended until proper documentation is received.



## REGISTRATIONS

Registrations for conferences can be paid with your P-card, but the following must be followed:

Documentation for registrations should include the following

- A Registration Form
- Pamphlet and or brochure or printed materials from the internet that describes what the conference is
- Who is attending
- Where/ location of conference
- Dates of the conference
- And how all registration fee were derived

## PURCHASES BY PHONE, FAX, OR MAIL

**Remember** - the cardholder is the person authorized to place an order. You may, when necessary, have someone else pick up the items: however, this person is not authorized to sign the procurement card sales slip.

PHONE - An entry on the monthly reconciliation (**purchase log**) should be made when placing a telephone order. Sales tax information must be recorded for all out-of-state/country purchases since this is a critical part of the monthly reconciliation.

- A) When you place the call, state that you are calling from North Carolina A&T State University and that you will be making your purchase on a procurement card.
- B) Emphasize that **the University is a Tax Exempt Institution (NC A&T Tax Exempt number 400045)**. Also record the name and address of the company, item(s) ordered, and cost.
- C) Give the supplier your name, delivery address, phone number, and complete delivery instructions.
- D) Request that a receipt and/or packing slip that shows **DOLLAR AMOUNTS** be with purchase. Retain this with your purchase log.

FAX - **Follow any applicable steps from the above instructions.** Retain a copy of the fax, and also fax confirmation for your records. Do not mail a copy of the order to the vendor because this increases the chance that the order will be duplicated. If the company requires the original be sure to clearly mark it "**CONFIRMATION OF FAX ORDER, DO NOT DUPLICATE.**"

MAIL - Follow any applicable steps from the above instructions. Retain a copy of the order for your records, and request that a receipt be sent to you for your records.

## **DOCUMENTATION DISTRIBUTED BY THE BANK**

Each month the bank provides an individual printed statement, which lists all procurement card activity for the month. If you do not receive your statement, contact the card coordinator for a list of any charges to your account.

## **OTHER FORMS TO COMPLETE**

When using the procurement card there is usually no need to submit any additional paperwork to a vendor. If, however a duplicate shipment is mistakenly made, **it is the responsibility of the cardholder to resolve the issue with the vendor.**

## **RETURNS, DAMAGED GOODS, CREDITS**

Items purchased from the procurement card will periodically need to be returned for one reason or another. A few tips to make the processing easier:

- A) Always retain boxes, containers, special packaging, packing slips, etc., until you are certain that you are going to keep the items. Some items, such as software or fragile pieces, cannot be retrieved without the original packing materials.
- B) Read all enclosed instructions carefully. Often a critical phone number and other instructions are included on the slip and/or receipt.
- C) In some cases there may be a restocking fee. The procurement card may be used to pay this fee as long as it does not exceed any of the card limits.
- D) If you need help in packaging goods for return please contact Central Receiving at 334-7972.

## **DISPUTED TRANSACTIONS**

### **DISPUTE OF STATEMENT ITEMS**

Purchases appearing on the monthly statement from the bank may be disputed up to **thirty days** from the date of the statement.

If a charge is not recognized by the cardholder or some other problem arises, the cardholder should contact the procurement card program coordinator at 334-7555. You will probably be contacted by the bank to discuss the details. If a credit is issued it will not occur until the investigation is completed. If you are not satisfied with the outcome, please contact the procurement card program coordinator.

## **DISPUTE WITH SUPPLIER**

If you have a supplier dispute and are unable to obtain satisfaction from the supplier, please notify the procurement card program coordinator. You will be required to describe the problem and all of the efforts you have made in attempting to resolve it.

## **TIP FOR PURCHASING CARD HOLDER ON HOW TO FIND VENDOR AND PRICE INFORMATION**

### **Is it available on State Contract?**

To find out, go to the State web site and look up your item by name (e.g. Office Supply).

Alphabetical Listings of Key Works for Term Contracts  
<http://www.doa.state.nc.us/PandC/keyword.htm>.

From this website you can navigate to the contract for the item you need. The site may give you several choices. Most contracts offer a selection of brand names, many of which are sold by several vendors. Read the terms of the contract so you'll know what the vendor and the State have agreed upon (e.g., delivery time).

## **RECONCILIATION PROCEDURES**

Reconciliation of purchases by the cardholder is the final step in the procurement card process. **It is the most important step because this is where the cardholder verifies the legitimacy of the purchase. It is from this reconciliation that the charges get processed to the various accounts on the University accounting system.**

The procedures are as follows:

- A) Each month the cardholder should approve every transaction made during the period (25<sup>th</sup> of previous month to 24<sup>th</sup> of current month). For purchases

where sales tax is to be recorded (out-of-state/country) the cardholder must also enter sales tax data.

- B) **After the account has been reviewed and reconciled, the original receipts, procurement statement and transaction log are all forwarded to the procurement card program coordinator (Purchasing Office) by the 5th of each month. (VERY IMPORTANT) The Department Head/Budget/Program Administrator should sign all procurement card transaction logs (monthly reports) along with the cardholder.**
- C) **Personnel at the Department Head/Chairperson/Manager level or higher who has been issued a procurement card in their name will not be required to obtain additional approval for their purchases.**

**Please note: An itemized original receipt is requested for documentation of each purchase. A packing slip is not sufficient.** If a merchant does not provide a receipt, the cardholder should request one. If the cardholder is unable to obtain a receipt or a receipt is missing the cardholder must contact the Procurement Card Coordinator.

- D) The procurement card program coordinator will resolve any discrepancies with the department after reviewing the information submitted.
- E) The procurement card program coordinator will submit the expense allocation report to Accounts Payable.
- F) Accounts Payable will pay the procurement card statement amount.

## **COMPLIANCE**

The University is committed to providing an on-going audit of purchases to insure a high degree of confidence in the system. Cardholder will receive written notification of an infraction with a copy to the Budget/Departmental senior officer. Enforcement guidelines are as follows:

### **Delinquent Reconciliation Logs:**

Approved Reconciliation Logs with all documentation are to be **IN** the Purchasing Department by the 5<sup>th</sup> of each month following the close of the billing cycle. If any reconciliation is not received by the due date, the cardholder and supervisor will receive a notice via email. Reconciliation Logs not received by the 10<sup>th</sup> of the month will result in card suspension with the cardholder and Supervisor/Chairperson/Department Head notification.

- First Offense- Immediate reinstatement after receipt of delinquent Reconciliation Log and documentation.
- Second Offense- Reinstatement after receipt of delinquent reconciliation packet **AND** a written memo from the department head explaining the reason for the discrepancy which caused the delay/suspension and steps to prevent it from happening in the future.
- Third Offense – Card privileges will be suspended and subject to cancellation.

**Cause for Employee Suspension/Termination**

**Fraudulent or willful misuse of the card, including willful use of the card to make personal purchases even if you intend to reimburse NC A & T State University, may result in disciplinary action, up to and including termination of employment.**

**Note: Supervisors are required to report any cardholder violation to the University Procurement Card Coordinator.**

**Cause to Revoke Individual Cards**

- 1.) Willful misuse of the card, or inappropriate expenditures
- 2.) Two contacts to request delinquent receipts, monthly reconciliations (purchase log) or signed statements.
- 3.) Two instances of splitting transactions to circumvent transaction limits.
- 4.) Two instances of noncompliance with state contract terms (Note: State contract terms legally bind the institution. State contract terms may be viewed at <http://www.doa.state.nc.us/PandC>).
- 5.) In-activity of the procurement card in excess of one year.

**Cause to Revoke All Department Cards**

- 1.) Multiple contacts to a department for delinquent or insufficient documentation may result in revocation of all department cards.
- 2.) Failure to manage the Purchasing Card Program within a department may result in revocation of all department cards.

**Insufficient budgets will be cause for Budget Office review of the limits set on a card. The spending limits may be lowered based upon budget limitations or the card(s) may be revoked for misuse.**

**Revocation of Card Procedures:**

**The following items will be noted when cards are revoked:**

- **Written documentation to the named cardholder**
- **Record Cardholder card number**
- **Signature of Cardholder (if available)**
- **Date card was surrendered**
- **Date the bank was notified to cancel the card**
- **Bank tracking code and date.**

## APPENDIXES

- A. PROCUREMENT CARDHOLDER AGREEMENT
- B. MONTHLY RECONCILIATION/TRANSACTION LOG
- C. DESIGNATED USER'S AGREEMENT