

PURCHASING CARD PROCEDURES

The procedures in this manual must be followed by employees authorized to use a SLCC Purchasing Card (P-Card) issued by U.S. Bank (a Visa product). The P-Card should not be confused with the SLCC Travel Card issued by UMB (a Visa product) which may also be issued to SLCC employees specifically for business travel. Separate procedures apply to the use of the P-Card and the Travel Card.

P-Card Overview

The purpose of the SLCC P-Card program is to establish a simple, easy to use, more efficient cost-effective method of purchasing and payment for low dollar transactions. The P-Card is the preferred way to purchase and pay for low dollar purchases **under \$1,000**. This program is designed to replace or augment a variety of other low dollar purchase methods including petty cash, limited cash drafts, check requests, expense reimbursements and low dollar purchase orders.

Issuance of a SLCC P-Card to a SLCC employee can only be initiated at the request of an employee's direct supervisor. The P-Cardholder is the only person authorized to use the SLCC P-Card issued in the P-Cardholder's name. P-Card usage is audited, and any P-Card may be revoked and deactivated at any time for cause, or at the request of the supervisor or administration.

This manual provides the guidelines and procedures under which P-Cardholders are to use the P-Card. Please read this Manual carefully. The P-Cardholder's signature on the attached *Cardholder Agreement to Accept the SLCC Purchasing Card* certifies the P-Cardholder understands the intent of the P-Card program and agrees to adhere to the procedures set forth in this manual. Record keeping is an essential control of the P-Card program.

Keep in mind each time a P-Cardholder uses the SLCC P-Card SLCC funds are being expended. SLCC P-Cardholders have the responsibility to ensure proper and compliant use of the P-Card.

How to Apply for a P-Card

When a SLCC supervisor determines it is within the scope of a full-time SLCC employee's job duties to make low dollar purchases on behalf of the department, the supervisor will direct the employee to apply for a SLCC P-Card using an *SLCC Purchasing Card Application*. The applicant's direct supervisor must approve the application for a P-Card by signing the application.

Part-time employees are not eligible to become P-Cardholders. Supervisors may request exceptions through their cognizant Vice President, and VP approval/signature must be obtained prior to submitting the application.

Applicants must carefully read, understand and sign the *Cardholder Agreement to Accept the SLCC Purchasing Card* and submit it with the *SLCC Purchasing Card Application* to the P-Card Administrator in Purchasing Services.

All applications will be processed through the SLCC Purchasing Card Administrator in Purchasing Services. When the employee receives the SLCC P-Card from Purchasing Services, the employee must sign the back of the card and follow the instructions for activation. P-Cardholders must keep the P-Card issued in their name in a secure place.

Although the P-Card is issued in the name of the employee, it is the property of SLCC and is only to be used for SLCC purchases as defined in this manual. Therefore, the SLCC P-Card Program carries institutional, not individual, liability; individual P-Cardholders' personal credit rating is not impacted in any way.

P-Card Program Use

- Use of the P-Card helps to eliminate the use of low dollar purchase orders, petty cash, check requests, limited cash drafts, and employee reimbursements.
- The P-Card is NOT intended to avoid or bypass appropriate purchasing or payment procedures. Rather, the P-Card complements the existing procurement processes available.
- The P-Card must not be used for college travel expenses; the P-Card is not intended to replace the Travel Card.
- The P-Card is NOT to be used for personal purchases; no exceptions.
- The P-Card can be used for in-store purchases as well as for online orders, mail orders, email orders, phone and fax orders.
- Remind the merchant not to separately invoice SLCC in addition to the itemized receipt, as the invoice could result in a duplicate payment.

P-Cardholders are responsible for the security of the P-Card issued in the P-Cardholder's name and the transactions made with that P-Card. The P-Card is issued in the employee's name and it will be assumed that any purchases made with the P-Card issued in the employee's name have been made by that employee.

A P-Card used out of compliance with the procedures set forth in this manual may result in severe consequences, including termination of employment.

Examples of when the P-Card may be used:

- Purchases **under \$1,000 (total inclusive of shipping and handling)**
Purchase transactions shall not be split or fragmented intent on circumventing the \$1,000 single purchase transaction limit
- Subscriptions, publications, memberships, conference registrations
- Supplies
- Maintenance Agreements
- Equipment under \$1,000

Examples of when the P-Card may NOT be used:

- Any purchase **exceeding \$1,000 (total inclusive of shipping and handling)**
- Capital Equipment
- Computers
- Software (call OIT Help Desk @ 5555 for ALL software purchase requests and software license renewals)
- Furniture (furniture purchases must be coordinated through Facilities)
- Travel-related expenses, such as transportation, lodging, meals, etc. (there is a separate Travel Card; contact the Business Office)
- Rental or lease of vehicles, facilities, buildings or equipment
- Gas or oil for any vehicles (there is a separate Gas Card; contact Motor Pool)
- Services that would be considered either Payroll (salary) or Independent Contractor Payments (Independent Contractor Form)
- Charitable Donations

- Alcoholic Beverages
- Cell Phone Invoices (see OIT's *Personal Communication System Guidelines*)
- Cash Advances

Contact the P-Card Administrator, Janice Lust at 4621, for consideration of special needs.

When Making Online & Phone Orders

When P-Cardholders place orders using the P-Card the **billing address** must be listed as follows:

Salt Lake Community College
Attn: P-Cardholder name
PO Box 30808
Salt Lake City, UT 84130-0808

“Ship To” & SLCC Billing Addresses for SLCC

If a purchase is going to be shipped via United States Postal Service (USPS), the “Ship To” address must be the address listed above.

If the purchase is to be shipped via UPS, FedEx, DHL or any method other than the USPS, the “Ship To” address must be the college campus street address and corresponding zip code of the P-Cardholder’s location. For example, a purchase made by a P-Cardholder at the Taylorsville Redwood Campus that will be shipped via UPS, FedEx or DHL would have the following “Ship To” address:

Salt Lake Community College
Taylorsville/Redwood Campus
Attn: P-Cardholder name
4600 South Redwood Road
Salt Lake City, UT 84123-3145

As another example, a purchase made by a P-Cardholder located at the South City Campus being shipped via UPS, FedEx or DHL would have the following “Ship To” address:

Salt Lake Community College
South City Campus
Attn: P-Cardholder name
1575 South State St
Salt Lake City, UT 84115

P-Cardholders are strictly prohibited from having SLCC purchases shipped to their home address or other non-SLCC addresses.

Restrictions

The **single purchase limit on all P-Cards is \$1,000**. In addition, each P-Cardholder has an individual **monthly credit limit** which is based on projected purchasing activity as determined by the P-Cardholder's direct supervisor or manager. If the monthly limit needs to be increased or decreased to more accurately reflect the P-Cardholder's monthly requirements, the P-Cardholder should contact their supervisor to re-evaluate and readjust the current monthly credit limit. If the supervisor agrees it would be appropriate to increase or decrease the P-Cardholder limit, the supervisor will request such via email to the P-Card Administrator.

Certain Merchant Category Classification (MCC's) codes have been blocked from SLCC P-Card usage, from merchants such as jewelry stores, casinos and liquor stores. SLCC P-Cards presented to a blocked merchant will result in a declined transaction. It is likely that most suppliers the College does business with for low dollar products and services already accept the SLCC P-Card, which is a Visa product.

If a P-Cardholder experiences a declined attempted purchase and believes the decline should not have occurred, call the 800 number on the back of the P-Card. U.S. Bank Customer Service will determine if the P-Card was declined because of merchant blocking, exceeding the \$1,000 single-purchase limit, or exceeding the P-Cardholder's monthly credit limit.

Sales Tax Exempt

SLCC purchases are exempt from Utah sales tax. P-Cards are embossed with the Utah sales tax exempt number directly below the P-Cardholder's name. P-Cardholders must inform the merchant prior to the purchase transaction that the purchase is not subject to Utah sales tax, and tell the merchant the Utah sales tax exempt number is listed on the P-Card; this clearly establishes the tax-exempt status of the College.

Each itemized receipt is the only original documentation that verifies whether or not sales tax was charged on the purchase (Utah sales tax should NOT be charged). Should sales tax be inadvertently charged at the point of sale, it is the P-Cardholder's responsibility to have the merchant credit the P-Card for the amount of sales tax erroneously charged.

Transaction Cycle

The billing cycle end date is the 25th of each month. If the 25th falls on a weekend or holiday, it cycles at the end of the next business day.

A hardcopy of each P-Cardholder's SLCC P-Card statement is mailed from U.S. Bank to the College's P.O. Box and the statements are then distributed to individual P-Cardholders by SLCC Mail Services via campus mail. Each P-Cardholder should receive their hardcopy statement of purchase transactions through campus mail a few days after the cycle end date.

P-Cardholders' monthly statements can also be viewed and printed online from the U.S. Bank Access Online website by selecting the Access Online menu option "Account Information", and then selecting "Statement".

Payment to U.S. Bank is made by Accounts Payable

The collective monthly P-Card purchase transactions made by all SLCC P-Cardholders are paid in one lump sum directly to U.S. Bank by SLCC Accounts Payable. P-Cardholder's purchase transactions are then debited to the P-Cardholder's specific departmental budget funds via the reallocation process. This means that individual P-Cardholders must not directly process payment from departmental budget funds to U.S. Bank for their total monthly transaction activity, nor make payment using personal funds.

Log of Transactions

The *Purchasing Card Log of Transactions* (sample Log form attached) serves as a record of information about the purchase transactions the P-Cardholder makes on the P-Card. **Use of this log is a mandatory requirement and must be submitted with every P-Card packet.**

The Log provides a record of purchase transaction activity enabling the P-Cardholder to reconcile their Monthly Reconciliation Statement. It also provides P-Card program administration and SLCC management information about P-Card use. The receipts retained in conjunction with the log provide the supporting documentation necessary for auditing purposes. Each individual P-Cardholder is responsible for logging the purchase transactions identified on the P-Cardholder's statement.

All P-Card reconciliation packets are audited monthly by the SLCC P-Card Administrator. In addition, all P-Card reconciliation packets are subject to audits that may be conducted by the Internal Auditor, Board of Regents Auditor, State Auditor and Legislative Auditor.

P-Cardholders must obtain itemized receipts from merchants when making purchases using the P-Card. Individual itemized receipts must itemize by line item the merchandise purchased. On the *Log of Transactions*, record the date of the transaction and the name of the supplier. Identify the merchandise purchased, business purpose, and the dollar amount of the

purchase. A separate line item on the Log is required for each transaction. Indicate accordingly if the order was placed via phone, fax, mail, email, online or in person.

For purchases made via phone, fax, email, or online P-Cardholders can request the merchant to include their name/VISA on the shipping label (e.g. Bonnie Johnson/VISA) and an itemized receipt with the shipment.

When a receipt(s) doesn't agree with the P-Card statement, consider these possible reasons: 1) P-Cardholder did not make the purchase transaction; 2) the amount of the transaction is incorrect; 3) sales tax may have been added to the purchase total after the P-Cardholder placed the order (online or phone orders).

If the P-Cardholder discovers an error(s) on their statement, the P-Cardholder is responsible to remedy the error through the dispute resolution process as prescribed by U.S. Bank. Specifically, contact the merchant involved to attempt to resolve the error. If the merchant agrees an error has been made, the merchant will credit the P-Card accordingly; note such on the *Log of Transactions* to serve as documentation that the error is pending resolution and should be reflected on next month's statement.

If the merchant does not agree an error has been made, contact U.S. Bank Customer Service using the 800 number on the back of the P-Card and indicate you are disputing a charge. The P-Cardholder will be asked to submit the information in writing and U.S. Bank will research the disputed item. The amount reflected on the next statement will be reduced by the disputed amount until the purchase transaction in question is resolved. Disputed purchase transactions must be identified in writing to U.S. Bank within 60 days of the statement date.

P-Cardholders Required to Reallocate

Purchase transactions are initially posted to a default account code in current expense (70480) but **must not remain** in that default account code. Any reallocation not captured during the window of opportunity specified must be reallocated via manual journal entry. Please make journal entry requests to the Business Office.

Likewise, transactions are initially posted to the cardholder's default index code; if a P-cardholder's default index code changes, immediately notify the P-Card Administrator at 4621 so the correct index is reflected in the system.

Reallocation must occur within a specific window of opportunity, which starts the day after the cycle end date (see section titled "Transaction Cycle"), and ends seven calendar days after the cycle end date. Transactions may be reallocated throughout the current cycle as frequently as purchase transactions are made, or transactions may be reallocated in a batch at the end of the cycle, but always within the window of opportunity.

Each purchase transaction must be reallocated by each SLCC P-Cardholder at the U.S. Bank Access Online site. Individual P-Cardholders must register with U.S. Bank Access Online to be able to reallocate transactions online. P-Cardholders can self-register with U.S. Bank Access Online at <https://access.usbank.com> by clicking on the link “Register Online.” Our company short name is SLCC and our zip code is 84130. If you need additional help registering you may call the P-Card Administrator at 4621.

Once a P-Cardholder has self-registered with U.S. Bank Access Online, P-Cardholders can view and reallocate purchase transactions online, per the following instructions:

1. Log into U.S. Bank Access On-Line: <https://access.usbank.com>
2. Click on “Transaction Management” then “Transaction List.”
3. Scroll down to view the current or “Open” transactions. If it is after the cycle end date, the P-Cardholder must choose the cycle date from the drop-down box and click on “Search”. After the cycle end date, the P-Cardholder has 7 calendar days to reallocate that cycles purchase transactions.
4. Click on the Index/Account on the right hand side and end of the line item transaction under the heading “Accounting Code”.
5. Double click on the “Account Code” field and type in the current expense account that applies to this purchase and click on “Save Allocations”. If you need to search for a current expense account you can click on the little magnifying glass next to the “Account Code” field and double click in the “Value” field. Type a “7” in that field and click on “Search”. This will pull up all the current expense accounts and their descriptions. (There are several pages.) You can then click on “Select” and it will populate the “Account Code” field with the current expense account you have chosen. You then must scroll down and click on “Save Allocations”. If you need to change the index on a transaction double click on the “Index” field and enter the new index in that field and click on “Save Allocations”.
6. At the top of the screen you should see a message “Request was Submitted Successfully”. (If you do not see this message, call the P-Card Administrator at 801-957-4621 to troubleshoot.) Scroll down and go back to your “Transaction List” and if you look at the “Accounting Code” field at the right end of the transaction, you will see that it has been changed to the new current expense account that you have chosen. It should also have a little @ to the left of that “Accounting Code” field.

P-Cardholder Review/Reconciliation/Signature

Individual P-Cardholders must review their monthly U.S. Bank Statement, reconcile and verify each purchase transaction receipt against the monthly statement and the purchase transactions listed on their *Log of Transactions* for that month.

Individual P-Cardholders must sign and date their U.S. Bank Statement AND the Purchasing Card Log of Transactions. Attach the statement, the log and the original itemized receipts securely together and submit the packet to your supervisor for review and signature/approval. It is recommended individual P-Cardholders make a complete copy of their P-Card packet, which includes their P-Card statement, *Log of Transactions* and each receipt to retain in their business files.

Supervisor Review/Approval/Signature

The supervisor must review and sign the P-Cardholder's statement AND *Log of Transactions*; supervisor signature constitutes approval of the low dollar purchase transactions made by the P-Cardholder.

After the P-Cardholder signature and P-Cardholder supervisor signature have been completed, the entire P-Card packet, inclusive of U.S. Bank statement, Log of Transactions and original receipts must be forwarded to the P-Card Administrator, Janice Lust, in Purchasing Services (PCH), AD144, by the 10th of each month. It is essential that P-Cardholders meet this deadline.

P-Cardholder Non-compliance and/or Misuse

The P-Card is the ideal purchasing method for low dollar purchases, and it is the intent of the College that P-Card usage be compliant with the procedures set forth in this manual. Misuse and/or non-compliance with the P-Card procedures damages and undermines the P-Card program at the College as well as the P-Card concept as used in the public sector.

It is imperative that all P-Cardholders adhere to the P-Card procedures set forth in this manual. The P-Card procedures are intended to assist the P-Cardholder in making compliant and appropriate purchases. The consequences for misuse and/or non-compliance with the procedures are as follows:

- Itemized receipts are required for all purchase transactions. **Failure to submit an itemized receipt(s)** will be followed by a written request from the P-Card Administrator for immediate submission of the receipt(s) along with reiteration of the requirement to submit receipts, and notification that failure to comply will result in placing the P-Cardholder on notice. A second occurrence will result in P-Card deactivation and revocation of P-Card privileges.

- **Splitting the dollar amount of the total purchase** and making multiple smaller purchases so as to fit the purchase under the \$1,000 low dollar transaction limit is prohibited. **Splitting purchases between two P-Cardholders, or amongst multiple P-Cardholders**, to circumvent the \$1,000 low dollar transaction limit is prohibited. Evidence that splitting has occurred will be followed by written notification, reiteration of the appropriate procedure, and notification that the P-Cardholder(s) is placed on notice. A second occurrence will result in P-Card deactivation and revocation of P-Card privileges.
- **It is mandatory the *Purchasing Card Log of Transactions* be included with every P-Card packet.** There must be a clear **business purpose** recorded on the log for every purchase. The **P-Cardholder must sign** on the P-Cardholder signature line and their **approving supervisor must sign** below the cardholder signature line on the corresponding signature line. Failure to include the Log of Transactions will be followed by a written reminder and request for immediate submission. Continued failure to include the log may result in P-Card deactivation and revocation of P-Card privileges.
- It is mandatory the ***Hosting Authorization Form (must be pre-authorized)* be included in every P-Card packet for any and all business meal or food purchases.** All business meal purchases require pre-approval, review and approval by a second level manager or supervisor on the Form. Failure to submit a *Hosting Authorization Form* for meal purchases will be followed by a written request for immediate submission of the Form, reiteration of the requirement along with notification that failure to comply will result in P-Cardholder notice, and a second occurrence may result in P-Card deactivation and revocation of P-Card privileges.
- There are several low dollar items that require careful discretion and consideration of the business purpose BEFORE making the purchase, or are prohibited because it is inappropriate to purchase with College funds. **All items purchased by the College must have a clear business purpose** that is in support of conducting College business and/or advancing the mission of the College. If a P-Cardholder purchases a low dollar item that does not have a clear and direct business purpose, or is otherwise inappropriate to be purchased with College funds, the cardholder will receive written notification, reiteration of the requirement regarding business purpose and notification the P-Cardholder is placed on notice. A second occurrence may result in P-Card deactivation and revocation of P-Card privileges.
- **P-Cardholders are strictly prohibited from making personal purchases with the P-Card.** A P-Cardholder that inadvertently and unintentionally uses the P-Card by mistake for a personal purchase must immediately disclose the mistake to the P-Card Administrator and the P-Cardholder's supervisor, and must immediately reimburse the College fully. A repeat occurrence may result in P-Card deactivation.

Any P-Cardholder that knowingly makes a personal purchase on the SLCC P-Card will be notified in writing of the suspected personal purchase(s), and will be asked to respond accordingly. If it is determined the purchase is for personal use, the P-Card will be immediately deactivated and all P-Card privileges will be revoked. Additional consequences may also include disciplinary action and/or termination of employment.

- After supervisory review and signature, the P-Cardholder's **entire packet must be forwarded to the P-Card Administrator, Janice Lust, Purchasing Services (PCH) AD144, by the 10th of each month.** P-Cardholders that habitually miss this deadline will be placed on P-Cardholder notice; continued lateness will result in P-Card deactivation and revocation of P-Card privileges.

Lost or Stolen Cards

The U.S. Bank SLCC P-Card is SLCC property and must be kept secure and safe as with any credit card. If a SLCC P-Card is lost or stolen call U.S. Bank Customer Service IMMEDIATELY at **1-800-344-5696**, and then notify the SLCC P-Card Administrator, Janice Lust at 4621. Upon notification of a lost or stolen P-Card, the card will be blocked from future use. Prompt action by the P-Cardholder may reduce or prevent possible fraudulent charges.

Contact Information

P-Cardholder questions and/or comments regarding the P-Card program are welcomed. Please contact the P-Card Administrator, Janice Lust, at 4621 to ask questions and/or share comments.

Janice Lust
Purchasing Card Administrator
4600 S Redwood Rd, AD144
SLC, UT 84123
Phone: 801-957-4621
Fax: 801-957-4445

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U.S. Bank Customer Service
1-800-344-5696
Toll-free, 24-hour, 7 days-per-week servicing