



## **VSU Purchasing Card Policy**

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**Office of Accounting & Procurement**

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## I. Introduction

- a. **Purpose.** Valdosta State University (“VSU”) participates in the State of Georgia Purchasing Card (“P-Card”) Program, the only charge card program authorized for use by Georgia’s state agencies. The P-Card program is overseen by the Department of Administrative Services, State Purchasing Division (“SPD”) and the Office of Planning and Budget (“OPB”). Per the State Accounting Office, the P-Card may be used as the method of payment for unplanned, non- routine, or urgent point of sale purchases under \$1,000 and for purchases under \$5,000 that are preapproved and go through the requisition process prior to completing the purchase. Point of sale transactions include purchases made at a physical store, in person, online, or over the phone. These VSU Purchasing Card Procedures (“Procedures”) identify and explain:
  - i. The procedural rules and guidelines that govern VSU’s participation in the P-Card Program;
  - ii. The responsibilities of Cardholders, Approvers, and the VSU P-Card management team participating in VSU’s P-Card Program; and
  - iii. The internal controls established to prevent the P-Card from being used in a manner that violates State, System and/or VSU policies.
- b. **Applicable Laws, Policies, and Procedures.** These Procedures are derived from and subject to various Statewide and Board of Regents (“BOR”) policies and procedures, including but not limited to the following:
  - i. The State Purchasing Act, O.C.G.A. § 50-5-50 et seq.;
  - ii. Georgia Procurement Manual (“GPM”), published by SPD;
  - iii. The Statewide Purchasing Card Policy, published by SPD; and
  - iv. Business Procedures Manual, Section 3 Purchasing and Contracts, published by BOR.
- c. **P-Card Plan.** VSU, as a participant in the Card Program, is required to have a P-Card Plan approved by SPD and OPB. The P-Card Plan provides standing special approvals for certain Cardholders based on job requirements. The Plan is maintained in Procurement Office. For more information, contact [pcard@valdosta.edu](mailto:pcard@valdosta.edu).
  - i. **Items required in the Plan.** The P-Card Plan must include the following:
    1. Justification of need for each cardholder or job class.
    2. Justification of need for point of sale purchases based on job requirements.
    3. A scenario of card distribution that meets the statutory requirement of a maximum of 100 cards.
    4. Establish time limits for determining when to cut off or cancel dormant cards based on job requirements.
    5. Establish spending limits (with appropriate waiver requests) based on job requirements and business model.
    6. An overview of Internal Controls surrounding card use.
    7. Establish approval chain for each cardholder.
  - ii. **P-Card Plan Amendments.** Amendments must be submitted for approval as business needs change. All P-Card Plans and subsequent amendments must be reviewed and approved by the University President and submitted to SPD for approval in conjunction with OPB
- d. **Conflicts.** In administering its own P-Card Program, VSU may establish additional or stricter requirements than those found in the laws, policies, and procedures referenced above, but may not take away from them. If the provisions in these Procedures conflict with those of the Statewide or Board of Regents policies and procedures, the most restrictive provision will control.
- e. **Compliance.** VSU personnel assigned P-Card responsibilities are expected to be familiar with, understand, and comply with these Procedures. Failure to do so may result in suspension or termination of P-Card privileges or other disciplinary action (including termination of employment), and criminal prosecution.

## II. Issuance and Control of P-Cards

- a. **Eligibility.**
  - i. **Eligible to be a Cardholder.** Only permanent full-time or part-time employees of VSU, who:
    1. Are required as part of their regular duties to purchase services or supplies for their department/college;
    2. Pass a credit check and background check performed by VSU to qualify for a card; and

3. Have satisfactorily completed the Application Process requirements provided in Section II.b. below, are eligible to receive a P-Card. Cards must be surrendered and accounts closed upon termination of employment for any reason or upon demand.
- ii. **Ineligible to be a Cardholder.** Without exception, the following are ineligible to receive a P-Card:
1. Non-employees, Students (including Student Employees), temporary employees, and contractors.
  2. Departments/Colleges where the P-Card is intended to be shared between multiple employees.
  3. Employees of foundations or any other entity associated with VSU but which is not a department/college of VSU.
  4. The University President, the Director of Accounting and Procurement, the College/University Procurement Officer (CUPO), and P-Card Manager.
  5. Employees who do not meet or no longer meet the eligibility requirements of these Procedures.

**b. Application Process**

- i. **Applying to be a P-Card Cardholder.** To start the Application Process, prospective Cardholders must do the following:

1. Read and understand these VSU Purchasing Card Procedures.
2. Submit a P-Card Application, signed by prospective Cardholder's supervisor, to the P- Card Manager for initial review and processing.
3. Successfully complete the Introduction to Purchasing Card Principles course and exam, provided online through SPD's Professional Development Unit (Link to online course and exam will be provided to applicant via email). Certificates of Class completion and exam passage must be submitted via email to [pcard@valdosta.edu](mailto:pcard@valdosta.edu).
4. Complete the Blazeview course titled USG Ethics Program, if not already completed. Access to the online Orientation is available at this link:

<http://ww2.valdosta.edu/finadmin/training/OnlineTrainingModules.shtml>.

All applications must be approved by the applicant's supervisor, the departmental Budget Manager (if different from supervisor), the CUPO, and the Vice President for Finance and Administration (VPFA) and may also require approval by SPD and OPB. Receipt of a P-Card is also contingent on the applicant passing a credit check and background check

1. **Background Checks.** Criminal background checks are required for all employees hired for positions that are eligible for P-Cards. Criminal background checks may also be run on at the time of card renewal.
2. **Credit Checks.** Credit checks are required before an employee can be issued a P-Card. The Credit check is run as an "employment inquiry" so as not to affect the employee's credit score/rating. Credit checks must also be run on Cardholders at the time of card renewal.

When Human Resources notifies the P-Card Manager that the applicant has passed the credit and background checks, the P-Card Manager will request the employee's P-Card from Bank of America, set the employee's Single Transaction Limit (STL) and monthly Cycle Limit (CL), and will designate the employee as a Cardholder in the WORKS™ System.

Then, the P-Card Manager will set up an appointment to meet with the Applicant to have the Applicant sign a P-Card Agreement, provide training on VSU's P-Card guidelines and the WORKS™ System, and issue the new P-Card to the Cardholder.

The Cardholder must sign the card on the back as soon as it is received to prevent unauthorized use. Cardholders are instructed to keep the card in a secure place at all times, only carry the card at the time a transaction is made, and are cautioned not to store card in personal wallets to avoid misuse of P-Card.

- ii. **Applying to be a P-Card Approver.** To start the Process to be a P-Card Approver, the following is required:
1. Read and understand these VSU Purchasing Card Procedures

2. Successfully complete the Introduction to Purchasing Card Principles course and exam, provided online through SPD's Professional Development Unit (Link to online course and exam will be provided to applicant via email). Certificates of Class completion and exam passage must be submitted via email to [pcard@valdosta.edu](mailto:pcard@valdosta.edu).
3. Attend a training session with the P-Card manager at least once and sign the P-Card Approver Agreement. Schedule a session with the P-Card Manager in the Procurement Office.

When the Applicant has completed the steps above, the P-Card Manager will designate the employee as the Approver of a Cardholder the in WORKS™ System.

**c. Cardholder and Approver Responsibilities.**

- i. **Cardholder Responsibilities.** When accepting the P-Card, the Cardholder becomes an authorized purchaser for the University with specific responsibilities for expending public funds. A Cardholder is required to:
  1. Read, understand, and follow these Procedures.
  2. Maintain the security of the card, account number, expiration date, and security code.
  3. Request and receive Pre-Approval for all Planned Purchases prior to the transaction and, in cases of Unplanned Purchases, ensure that justification from Cardholder's supervisor is emailed to [pcard@valdosta.edu](mailto:pcard@valdosta.edu) within 72 hours after the Unplanned Purchases is made.
  4. Use the P-Card only for State business purposes, not for personal use.
  5. Immediately self-report to the P-Card Manager any misuse of the card.
  6. Obtain best value and ensure that Order of Precedence is followed.
  7. Inspect all items purchased using the P-Card and report discrepancies to the Supplier.
  8. Obtain, validate and reconcile all sales slips, register receipts and/or P-Card slips and submit appropriate paperwork to the Approver for approval.
  9. Notify the P-Card Manager of dispute issues and document attempts to resolve disputes or billing errors directly with the Supplier. Dispute forms must be faxed to 1-888-678-6046 or emailed to the bank within 60 days from the date of the original purchase. (See Dispute Forms on VSU Procurement Website).
  10. Ensure that an appropriate credit for the reported disputed item or billing error appears on a subsequent Statement.
  11. Report declined transactions to the P-Card Manager immediately for resolution.
  12. During normal business hours, immediately notify the P-Card Manager to report lost or stolen P-Cards as well as fraudulent charges; or, if after normal business hours, contact Bank of America at (888) 449-2273 and notify the P-Card Manager as soon as possible (When contacting Bank of America, do not request a new card. It is up to the P-Card Manager to request the new card.)
  13. Never accept cash or gift card in lieu of a credit to the P-Card account as a refund.
  14. Use discretion when making P-Card purchases so as not to violate the provisions of O.C.G.A. Section 45-10-20 *et seq.* ("Conflicts of Interest"). The Cardholder may not make purchases from himself, or from a member of his family, or from a business where he or his family member has a substantial interest, except in cases where exemptions exist.
  15. Never allow Suppliers to store P-Card number in their systems or onfile.
  16. Never pay "past-due" invoices or open item accounts with P-Card. A "past-due" invoice is any invoice that is 30 days old or more. Invoices for memberships, registrations, subscriptions, or licenses that are new or recurring annual flat rates.
  17. Complete Refresher Training annually.
- ii. **Approver Responsibilities.**
  1. Read, understand, and follow these Procedures.
  2. Provide an email to [pcard@valdosta.edu](mailto:pcard@valdosta.edu) within 72 hours after any Unplanned Purchase is made by Approver's Cardholder explaining and justifying why no Pre-Approval was needed.
  3. Review all P-Card charges on a monthly basis. The Approver must sign both the P-Card statement and the P-Card Transaction Log (P- Card Log) to indicate that the review has been completed and the charges are appropriate to the department and fund source and that adequate documentation is included.

4. Notify the P-Card Manager if the Approver's Cardholder changes departments or position.
  5. Immediately notify the P-Card Manager of suspected fraudulent activities or misuse.
  6. Complete Refresher Training annually.
- d. **Refresher Training.** Cardholders and Approvers must complete P-Card Refresher Training on an annual basis and when required as part of a Corrective Action Plan. Failure to complete Refresher Training may result in the loss of a Cardholder's or Approver's P-Card privileges.
- e. **Card Limits.** Cardholders have limitations under the VSU P-Card Program, which vary based on department need. These limitations include:
- i. **Limits to the Number of Cards.** As an institution, VSU is limited to a maximum of 100 P- Cards.
 

Cardholders are limited to only one (1) P-Card at any time. While it is permissible for a Cardholder to make purchases on behalf of another, P-Cards should not be shared with anyone, including the Approver. The P-Card is issued to an individual and only that individual can use the card.

Approvers are limited to supervising no more than ten (10) P-Card holders or 200 transactions per billing cycle. If both numbers exceed the limits then the Approver and his/her supervisor must sign a statement that the Approver has adequate time to thoroughly review the assigned cards.

A Proxy Reconciler is a person to whom the Cardholder has delegated all the functions associated with post-purchase processing including verifying that the amount of the purchase matches the monthly statement, providing a business purpose for the transaction in associated systems, verifying supporting documentation including approvals is provided, and uploading said documentation into the WORKS™ System. Each card must have only one reconciler; however, one reconciler can be the sole reconciler on multiple cards. The Reconciler cannot be a subordinate of the Cardholder.
  - ii. **Profiles.** There are two profiles: Standard and Travel. The "Standard" Profile is for general purchasing needs. The "Travel" Profile is to be used only for student travel and only in conjunction with student sanctioned events.
  - iii. **Spending Limits.** Cardholders must adhere to two spending limits when using their P- Cards: the Single Transaction Limit (STL) and the Credit Limit (CL).
  - iv. **Single Transaction Limit (STL).** The STL is the maximum per transaction limit that a Cardholder may spend on any one transaction. The standard STL for Cardholders is \$1,000.
  - v. **Credit Limit (CL).** The CL is the maximum monthly spend limit. The CL is refreshed at the beginning of the billing cycle (the 28th of each month). The Standard CL for Cardholders is \$4,999.
    1. **Increases to Spending Limits and Changes to Profile.** Contact the P-Card Manager to request an increase (or decrease) in a P-Card's STL or CL, or to change a profile.
 

Requests to change spending limits and profiles will require written approval from the Cardholder's Approver and written justification for the requested change.

The P-Card Manager will review the Cardholder's request to determine if the change is allowable under State guidelines, based on departmental needs. Any request to increase a Cardholder's STL to \$5,000.00 or above will require special approval from SPD and OPB.

Any increase to a Cardholder's STL or CL is temporary and will revert back the original level within 5 business days unless special approval has been granted by SPD and OPB.
  - vi. **Blocked Merchant Category Codes (MCCs).** Merchant Category Codes (MCCs) are codes assigned by a supplier's merchant bank based on the types of goods/services the merchant provides. Certain MCCs are blocked at the State level to protect against unauthorized or prohibited purchases. If you believe a purchase has been blocked in error, notify the P-Card Manager.
- f. **Report Lost or Stolen Cards, Compromised Cards and Fraudulent Charges.** In order to protect the University's interest, lost or stolen P-Cards, compromised P-Cards, or fraudulent charges must be reported immediately.
- i. During normal business hours, immediately notify the P-Card Manager to report lost or stolen P-Cards, Compromised P-Cards, as well as fraudulent charges; or,

- ii. After normal business hours, contact Bank of America at (888) 449-2273 and notify the P- Card Manager as soon as possible (When contacting Bank of America, do not request a new card. It is up to the P-Card Manager to request the new card.)
  - iii. Lost, Stolen, and/or Compromised Cards will result in the termination of the card, and a new card to be issued.
  - iv. If the Cardholder authorizes any Supplier to hold their card information on file, automatic renewals, or allows another individual to utilize their P-Card – this will be treated as the all other non-compliance issues. See Section IV of this document for more information.
- g. Changes to P-Card Accounts.** P-Card account information must be correct and current at all times. Contact the P-Card Manager if:
- i. The Cardholder's or Approver's name or information changes,
  - ii. The Cardholder's or Approver's position changes, or
  - iii. The spend limits need to be increased or decreased.
  - iv. If the Cardholder leaves employment of VSU, the P-Card Manager will be notified by Human Resources and the card, and any outstanding statements or other required documentation must be returned for reconciliation and cancelation before clearance will be given.
- h. Allowable Purchases and Prohibited Purchases.** P-Cards can generally be used for all official purchases less than \$5,000 in the furtherance of VSU's mission, except where prohibited by federal, State, and/or VSU guidelines. However, additional limits and restrictions may apply based on the price and/or type of item being purchased:
- i. The P-Card may only be used for equipment under \$3,000 per unit (including shipping).
  - ii. Service(s) performed within the State of Georgia that cost \$2,500 or more must meet the eVerify requirements outlined in Section III.c.
  - iii. State law limits single transactions on the P-Card to \$5,000, except for purchases from statewide contracts or items on SPD's NIGP Exempt List (both of which require P-Card Manager approval) or with prior written waiver from SPD. Contact the P-Card Manager for more information on temporarily raising your P-Card limit.
- i. Allowable Purchases.** Some allowable purchases have specific requirements and restrictions. See Table 1, below, for more information.
- j. Food purchased with Student Activity Funds.** Food and non-alcoholic drinks and lodging for student activities, but not for faculty, staff, coaches, or other school employees, when on official school business (e.g. athletic team travel) is allowed. However, there are certain circumstances that require special approval by the respective department Vice President and/or the President on a fiscal year basis. Please contact the Department of Procurement before purchasing any food to find out exactly what is required.
- Note:** For further information, see the Food Guidelines document here:  
<http://www.valdosta.edu/administration/finance-admin/financial-services/procurement/purchasing/documents/purchasing-card/pcard-food-purchasing-guidelines.pdf>
- k. Documentation required.** Documentation for the purchase must include:
1. Itemized receipt showing all meals purchased
  2. Roster of participants showing student name and signature
  3. Copy of team schedule or other documentation showing that the meal was for an authorized student activity
- l. Split Purchases.** Cardholders are prohibited from splitting a transaction between two or more transactions on a single account, two or more transactions on multiple accounts, or two or more transactions using the P-Card and a purchase order, in order to circumvent either the Cardholder's STL, CL, or State bidding requirements.
- m. Using the P-Card for Student Travel.** Purchasing Card Procedures – Student Travel Expenses, available on the VSU Procurement Website, provides a quick reference of the P-Card Procedures for Student Travel Expenses:
- i. VSU employees must pay their travel expenses directly and then request reimbursement through the VSU Travel Department upon returning to the University. No employee or non-student expenses may be paid using the P-Card. Violation of this policy is a reportable offense to the Office of Internal Audits, Board of Regents.

- ii. A cardholder must request approval from the P-Card Office prior to each trip to use the P- Card for student travel expenses when traveling with a sanctioned student group. All purchasing regulations including the \$5,000 bid limit and food per diem amounts apply.
- n. Student travel expenses include:
  - i. Airlines
  - ii. Ground Transportation
  - iii. Food
  - iv. Lodging
  - v. Entertainment

**Note:** The cardholder must ensure that VSU has the vendor's certificate of liability insurance on file for chartered airlines, buses, limos or vans.

**Note:** Agency accounts (Fund 60000) can use the P-Card for student travel only for Study Abroad Programs.

**Note:** Cardholders for Athletic teams have standing authorization to use the P- Card for student expenses when traveling to athletic events.

- o. **Documents Required by the P-Card Office Prior to the Trip.** To request approval to use the P-Card for student travel expenses, the cardholder must submit the following documents to the P-Card Office prior to the trip. The cardholder will be notified by email when the documents are received and travel profiles are added to the purchasing card. The travel profile will be removed and the original credit limits will be restored when the group returns from the trip.
  - i. Approved Field Trip Authorization or Approved Group Travel Request
  - ii. Roster of Students
  - iii. Reallocation of Travel Expenses is required before signing off transactions
  - iv. The cardholder or proxy reconciler must utilize the add/edit feature in WORKS to reallocate student expenses to the appropriate travel accounts before signing off the transactions.

The domestic student travel accounts to be used are listed below.

- p. Contact the P-Card Manager for international codes:
  - i. 727110 Registrations for Students and Employees
  - ii. 651110 Bus Charter or other Ground Travel including Tolls
  - iii. 651120 Air travel
  - iv. 651130 Meals
  - v. 651140 Lodging
  - vi. 651150 Misc
  - vii. 651160 Rental Car
  - viii. 651170 Parking
- q. **Prohibited Purchases.** A number of purchase categories are prohibited by federal, State, and/or VSU guidelines. They include those identified in Table 2.

<b>Table 1</b>	
<b>ALLOWABLE P-CARD PURCHASES</b>	
<b>Category</b>	<b>Special Requirements/Restrictions</b>
<b>Advertising</b>	Only allowed if approved through VSU Creative Services. Must include a copy of the ad/job announcement in documentation.
<b>Carwashes for VSU vehicles</b>	Only allowed if required for safety. Ex: dirty windshield that restricts driver's view.
<b>Office Décor</b>	Must be permanent and not seasonal or personal. EX: artificial plants in office common areas.
<b>Emergency Purchases</b> (made in response to Declared Emergencies or Natural Disasters)	Only allowed with the permission and under the guidance of the Asst. Director of Procurement or P-Card Manager. Must be reported to pCard Manager within 24 hours of transaction.
<b>Employee Travel</b>	Only allowed for air fare that is within the Cardholders default STL limit.
<b>Equipment</b>	Only allowed for single units under \$3,000 per unit, including freight.
<b>Food and/or non-alcoholic drinks for Students</b>	Only allowed if paid with Student Activity Funds. Must comply with the VSU PCard Food Purchasing Guidelines.
<b>Grants</b>	Purchases allowed from grant funded accounts. Must adhere to the grant's outlined allowable purchases.
<b>Group Meals for Students</b>	Only allowed for student groups, must comply with current State Travel Policy per diem rates.
<b>Group Meals for Students Gratuities or Tips</b>	Only allowed for student groups, must comply with current State Travel Policy; meal+ gratuities must be covered within the per diem rates. Per diems are intended to cover the cost of the meal + gratuities. Any amounts that exceed the allowable per diem will not be approved.
<b>Invoices</b>	Must be less than 30 days old, a permissible purchase per State of Georgia Procurement Policies, for Student Travel, per diem rates still apply.
<b>IT-related items</b>	Only allowed if approved in writing by VSU IT, see Section III.h. of these Procedures. This includes software, hardware, licenses or anything else that touches a VSU computer, network, or VOIP device.
<b>Items on Statewide Contract</b> (not IT related)	Include Statewide Contract number in documentation.
<b>Library purchases</b>	Limited to Library staff only
<b>Memberships, Subscriptions, &amp; Licenses</b>	Must be in the University's name and not an individual's name. *auto renewals are prohibited.
<b>Off-Campus Printing</b>	VSU Printing Services has first right of refusal. If refused by VSU Print Shop, approval from VSU Creative Services must be received prior to purchase.
<b>Registration for Conferences/Meetings/Webinars</b>	Only for meetings, etc. taking place in the current Fiscal Year (7/1 to 6/30). Must provide adequate documentation to discern <b>who</b> is meeting, <b>what</b> the meeting is for, and <b>when</b> and <b>where</b> it will be held.
<b>Professional Services</b>	Only for the following Professional Services: CPA, architecture, chiropractic, dentistry, professional engineering, land surveying, law, psychology, medicine, optometry, osteopathy, podiatry, veterinary medicine, registered professional nursing, harbor piloting, or as provided in O.C.G.A. 14-7-2.
<b>Rentals</b>	<b>NOT</b> allowed for Real Estate related rentals or rentals that cross fiscal years
<b>Repairs &amp; Maintenance</b>	Equipment service agreements and repair. Non-mechanical body shop repairs not covered under the state's vehicle maintenance contract (ARI) may be allowed.
<b>Student Travel</b>	Only allowed with written approval from P-Card Manager. Must comply with Section II.I. of these Procedures.
<b>Supplies</b>	Generally associated with requirements of job duties.
<b>Telecommunication services: Cellular/Wireless/Local/Long Distance</b>	Only allowed if approved by VSU Telecommunications.



<b>Table 2 PROHIBITED P-CARD PURCHASES</b>	
<b>Category</b>	<b>Examples</b>
<b>Alcoholic Beverages / Tobacco Products</b>	All types
<b>Assets</b>	Any tangible item valued at \$3,000 or above, including any freight, installation, and/or supplier provided training. EX: Equipment, IT/AV hardware, fixtures/signs, furniture.
<b>Automatic Renewals</b>	EX: monthly, annually, etc.
<b>Blocked Merchant Category Code (MCC)</b>	Any purchase where the MCC has been blocked. MCCs are determined by the State of Georgia.
<b>Cash Advances</b>	All types. Examples: ATMs, banks, or “cash back” at time of transaction.
<b>Central Stores and other departments within VSU</b>	Any exchanges between VSU colleges/departments or purchase from VSU’s Central Stores. These should be handled through journal voucher transfer.
<b>Chamber of Commerce Memberships</b>	Any Chamber of Commerce membership for any reason.
<b>Computers and Computer Equipment</b>	All types.
<b>Conference Meals and Events</b>	Any meals or events (tours, etc) listed with Conference registrations as a cost separate from the conference registration fee.
<b>Data plans, software, or applications for non-State Entity issued devices.</b>	All types.
<b>Decorations</b>	Items such as seasonal decorations, temporary accessories, temporary posters/signs/cards, etc.
<b>Employee Travel Expenses</b>	Examples: hotel, automobile rentals, meals, events, entertainment, parking, and other travel-related incidentals.
<b>Employer Provided Clothing</b>	Per IRS Publication 963, except for clothing that must be worn as a condition of employment not suitable for everyday wear.
<b>Entertainment Expenses</b>	Examples: in-room movies for State employees traveling on business. *This restriction does not apply to student activities
<b>Firearms and Explosives</b>	All types. Exception: allowed for University Police.
<b>Food and Catering</b>	All types, unless purchased in accordance with BOR BPM section 19.7 & 19.8 Group Meals.
<b>Foundation</b>	Any Foundation Account purchase.
<b>Fuel</b>	All types. Fuel is purchased via the State’s Fuel Card.
<b>Furniture</b>	All types.
<b>Gifts, Awards, and Prizes</b>	Any type, including awards to employees or non-employees unless authorized in the purpose of fees collected.
<b>Gift Cards, Calling Cards and Vouchers</b>	Any type, including gift certificates.
<b>Goods/services from an outside vendor that are available in- house</b>	Any good/service that is provided by an in-house department.
<b>Greeting Cards</b>	All types.
<b>Memberships at wholesale warehouses and shopping clubs</b>	All types, including Amazon Prime, Costco, and Sam’s. No purchases can be made using these memberships, even if the is it a personal membership.
<b>Online purchases requiring agreement to supplier provided terms &amp; conditions</b>	All types. To include any contract, agreement, or electronic click-through terms and conditions acceptance, unless approved by the Office of Procurement.
<b>Payment of Past Due Invoices</b>	All types. A “past due” invoice is considered any invoice that is 30 days old or greater. This requires a Request for Payment through Accounts Payable.
<b>Personal Purchases</b>	Any item for use by an individual for non-work related use or use other than official State business. Ex: air freshener for an office space, snacks for the office, a microwave for an office suite, a vacuum cleaner for your department, space heaters, tower fans, candles, personal décor, cough drops, etc.

<b>Purchases with Terms &amp; Conditions that have not been approved by VSU, BOR, SPD, or not on a statewide contract</b>	Any contract, agreement, or quote for the purchase of goods/ services, unless prior written approval is received from the Office of Procurement and/or Legal Affairs. Exception: Software licenses, domain names, cell phones and support renewals with prior approval by IT and P-Card Administrator.
<b>Repairs and Maintenance of State- owned or Rental Vehicles</b>	All types. Exception: Non-mechanical body shop repairs not covered under the state's vehicle maintenance contract (ARI) may be allowed. Contact the Fleet Manager, pCard Manager, or Univ. Purchasing Manager for further guidance.
<b>Sales &amp; Use Tax</b>	VSU is tax exempt and can provide proof of status upon request.
<b>Split Purchases</b>	Purchases intended to circumvent single/monthly transaction limits or bidding requirements.

### III. Purchasing, Processing and Monthly Statement Reconciliation

**a. How to make purchases with the P-Card.** Only the individual to whom the P-Card has been issued can use the card. Orders can be made by telephone, fax, online, or in person. Be sure to inform the vendor that the purchase is for the State of Georgia to receive applicable discounts. Central Warehouse will deliver ordered products to the cardholder in their department.

**b. Pre-Approval Process.** Per the Statewide Policy, all P-Card transactions are categorized as either Planned or Unplanned Purchases.

**i. Planned Purchases.** Any P-Card purchase that is, or reasonably should be, planned for must go through the Pre-Approval Process and be approved by at least 2 Approvers (Budget Manager of the chart string used in the transaction & P-Card Manager) before a purchase is made. The Requisition Tool is available on the P-Card Website:

<https://www.valdosta.edu/administration/finance-admin/financial-services/procurement/purchasing/purchasing-card.php>

IT-related purchases will require VSU IT Purchasing review and approve/deny requests.

Advertising, Marketing, or Branding of the University-related purchases will require VSU Marketing & Communication Office review and approve/deny requests.

Once the pre-approval has received the last and final approval, a "Proceed with Transaction" automated email from ProcessPlan will be sent to the Requestor, Approver, and Cardholder listed in the pre-approval submission. Print and retain this "Proceed with Transaction" automated email; this email, along with the P-Card log and original receipts must be submitted with the Cardholder's monthly statement. Transactions that exceed the pre-approval amount by 10% or \$100.00 whichever is higher, must be pre-approved again prior to finalization of the purchase. All other amount changes below the established threshold should be documented on the receipt and detailed explanation of overage turned in with monthly statement.

Approved pre-approval submissions must be utilized within 30 calendar days of receiving the "Proceed with Transaction" automated email. If the purchase/transaction is not made within this 30 calendar-day window, the Requestor must submit a new pre-approval request; the new pre-approval request must include an updated quote/estimate/agreement that is less than 30-calendar days old. The Requestor, Approver and Cardholder will receive a new "Proceed with Transaction" automated email once this new pre-approval has reached final approval. This new pre-approval must reach final approval before the transaction is made.

For any transaction that is made based on a 30+ day old approval- the Requestor, Approver, and/or Cardholder will be subject to the Non-Compliance/Corrective Action process as outlined in section IV of this document, and will be contacted by the VSU P-Card Manager.

**ii. Unplanned Purchases.** For urgent, unplanned, non-routine purchases under \$1,000, there is no pre-approval required. Examples include, purchases for an urgent repair made outside of normal business hours or that cannot wait for pre-approval. However, an email from the Cardholder's Approver, providing an explanation and Justification for not using the pre-approval Process must be sent to the P-Card Manager within 72 hours of the Unplanned Purchase.

**Note:** Failure to plan does not mean that a transaction qualifies as an Unplanned Purchase. Failure to use the Pre-Approval Process when appropriate will result in Corrective Action up to and including loss of P-Card.

**c. Guidelines to Making a Purchase.** When making a purchase, do the following:

- i. Be sure that funding is available and allocated to the appropriate budget.
- ii. Be sure the purchase is not prohibited on a P-Card.
- iii. Be sure you are following State, Board of Regents, and VSU Purchasing Guidelines:

1. The State requires a purchase from existing statewide or university contracts for products and services when they are available, rather than pursuing a purchase with a non-contracted vendor. To ensure you are complying with the State's requirements you must follow the Order of Precedence when making a purchase:

**1st** - Use existing Mandatory Statewide Contracts, if available. You can find items on statewide contracts by searching GeorgiaFIRST Marketplace or by searching the Statewide Contract Index, found here:

<http://doas.ga.gov/state-purchasing/order-of-precedence/tier-one-mandatory-statewide-contracts>

**2nd** - Use State Entity Contracts, if available. A State Entity Contract is a contract already in place between a state entity/college/university/USG system and a Supplier.

<http://doas.ga.gov/state-purchasing/order-of-precedence/tier-two-state-entity-agency-contracts>

**3rd** - Use Mandatory Statutory Sources, if available. These include items designated as mandatory (not preferred) from Georgia Correctional Industries (GCI) and Georgia Enterprises for Products and Services (GEPS). You can find lists of items provided by these sources here:

<http://doas.ga.gov/state-purchasing/order-of-precedence/tier-three-mandatory-statutory-sources>

**4th** - If the needed good/service is not available through any of the sources listed above, you may use any other source, including Convenience Statewide Contracts, Piggyback Purchases, Consortia Purchasing, or purchasing on the open market if no other sources meet your needs.

<http://doas.ga.gov/state-purchasing/order-of-precedence/tier-four-convenience-swcs-and-other-sources>

**Note:** Purchases made through Central Stores, between departments of VSU, or with other state or local government entities are exempt from and supersede the Order of Precedence.

2. If the purchase costs more than \$24,999, you must first go through the state mandated solicitation process unless the good/service is exempt for state bidding requirements. Contact the P-Card Manager for more details.
3. If the Supplier requires you to agree to certain terms and conditions as part of your purchase, you will need to have them reviewed, approved, and signed by someone with contract signing authority. Contact the P-Card Manager for more details.
4. If the purchase is for services that will be physically performed in the state of Georgia and costs more than \$2,499; then you will need to satisfy eVerify requirements. Contact the P-Card Manager for more details.
5. If purchase costs more than \$4,999, you will need to get prior State approval unless you qualify for an exemption. Contact the P-Card Manager for more details.

**d. eVerify Requirements.** By law, a signed and notarized E-Verify Affidavit from a contractor for any procurement of \$2,500 or more for services performed in the State of Georgia. This must be received PRIOR to authorizing payment on a P-Card.

However, a contractor with NO employees and no intent to hire employees shall, in lieu of the affidavit, submit a copy of their state issued driver's license or identification card. The driver's license or identification card is acceptable only if it is issued by a state that verifies lawful immigration status prior to issuance. A blank form can be accessed at this link: E-Verify Affidavit (link to form found on the VSU Procurement website)

**e. Sales/Use Tax Charged by a Supplier.** VSU is exempt from State Sales and Use Tax when using appropriated funds.

The Cardholder is responsible to ensure that no tax is charged or for recovery of the tax if it is charged. The Cardholder will ask the supplier to confirm that no tax will be charged before giving the supplier the P-Card or the P-Card's information. The Cardholder will present the Georgia Tax Exemption, Form ST-5 (link to form found on the VSU Procurement website) to any supplier requesting it. The Cardholder will present the Georgia Tax Exemption, Form ST-5 to out-of-state suppliers prior to placing an order.

If the Vendor refuses to honor the tax exemption, the Cardholder must make the purchase from a different supplier whenever possible. If the Cardholder is unable to identify a different supplier, the Cardholder must obtain prior approval from the P-Card Manager or Administrator.

Due to VSU's close proximity to the State of Florida, a Florida Tax Exemption Form (link to form found on the VSU Procurement website) is also provided if conducting business with a Florida based company.

Providing the Florida Tax Exemption does not alleviate the Cardholder of the responsibility to provide the supplier with the Georgia Tax Exemption, Form ST-5.

If, upon review of the receipt, the supplier charged taxes, the Cardholder must contact the supplier and obtain a credit to the account. A credit may not be obtained by any other method, including, but not limited to, cash, gift cards, or store credit. Documentation of attempts to obtain credit for any tax charged in error must be maintained with the documentation of the transaction where the tax was charged. If a solution cannot be achieved between the Cardholder and the supplier, the Cardholder must contact the P-Card Manager.

- f. Surcharges and Convenience Fees.** Many suppliers charge a "credit card processing fee" or "convenience fee" for accepting credit cards including the P-Card. These types of fees are strictly regulated by Visa and MasterCard (also called the Associations). Cardholder should contact the P-Card Manager in the event the supplier attempts to charge such fees.

**g. Returns/Exchanges.**

- i. Cardholders will generally prepare a shipping order for all returns or exchanges of merchandise purchased using a purchasing card. On the shipping order, be sure to indicate that this was a purchasing card purchase and state the amount of credit due for the returned item. In some instances, a vendor may supply a return authorization number (RA number) which should be noted on the shipping order. If the supplier provides a material return authorization number, be sure to include that number on the shipping order.
- ii. A copy of the shipping order should be attached to the Cardholder Monthly Statement Detail Report with details surrounding the return.
- iii. All return credits must be applied to the purchasing card account, and must not be taken in cash.
- iv. Be sure to note the shipping arrangements on the documentation (i.e., if the supplier or state paid for the freight).

**Note:** *It is the Cardholder's responsibility to follow up and obtain a credit for any recoverable amounts.*

- h. Information Technology P-Card Purchases.** All P-Card purchases that are Information Technology (IT) related have additional requirements. "IT related" includes, but is not limited to computers, computer hardware, software and peripherals, printers, scanners and multifunctional devices. All IT related P-Card purchases must receive Pre-Approval by IT and Cardholders must follow the [Information Technology EDP P-Card Policy](#) when making IT related transactions, which is available for reference on the IT Procurement Webpage.

- i. Reconciling Monthly Statements.** The Cardholder is responsible for ensuring that the monthly billing statement reconciliation is completed in a timely manner. The following steps are to be completed for the Monthly Reconciliation of P-Card Transactions, Statement and Log.

**Step 1: Sign Off.**

Sign off transactions in WORKS by the 2nd of the month for the billing cycle ended on the posted date of the 27th. At the home page in WORKS under Action Items there will be listed Actions requiring Sign Off for purchases made with the P-Card.

Click on the Pending under Current Status to display the transactions. Under the Document column is the transaction number Ex. TXN00000000 hover over it click on the black triangle to display the menu for actions available.

Click on the Allocate/Edit to display the allocation details screen. On this Allocation Details screen is where you change the Description to match your purchase. You must provide adequate information that the person reviewing the transaction will have a reasonable understanding of **WHAT** was purchased, if the purchase was for a specific event, **WHEN** and **WHERE** was the event and **WHO** attended, and lastly **WHY** was the purchase made. Then you will change or reallocate the chart-string or account numbers as needed. Click Save and Close.

Hover over the transactions number again click on the black triangle to display the menu for actions available, click on Sign Off, the Confirm Sign Off box screen will display. This is where you put in the business purpose. A good rule of thumb is to explain who, what, when, and where for each purchase. The description and the business purpose must have enough detail that an auditor can know what the purchase is and why it was made, without looking at the receipt. Click OK, the transaction will disappear if signed off correctly and it will display Signed off 1 transaction with

a green check mark. If the transaction will not close or if you have 2 red X's contact the P-Card Manager for help.

### **Step2: P-Card Log.**

O.C.G.A. § 50-5-83(b) requires all transactions be recorded on the P- Card Transaction Log (P-Card Log). The P-Card Log Report is printed from WORKS, hover over the Reports tab, click on Template Library, the first section is your personal reports, and the second section is Shared reports. The first time you run the P-Card Log Report you will need to look in the Shared section at the bottom right you will see page 1 of 3, click on the next page until you find PCardLogReport20XX. Hover over the report name to display the black triangle click on it the click on Modify/Run. The Create Report and Report Options will appear, make sure the "Advanced" button is selected in the Report Options line.

Scroll below the 3 boxes in the Report Options section, you will see Filters check the Post Date, may have to click on Post Date calendar button to select the previous cycle or the cycle you are needing.

At the Card with the red X you will see a spy glass, click on it, select yourself, then click OK, if the Card with the red X is not there at the Add filter above the Post Date, click on the black pull down, select Card then select the person for the needed report, click OK.

Leave Output Format alone, at the Save Template line, click on the box next to Save Template to Template Library- you will only need to do this step one time, this puts the report under your personal reports at the top so next time you can just click on the report.

Under Scheduling and Expiration, you can change the Job Name or put the cycle date at the end of the title, click on Submit Report at bottom right.

The Completed reports will display Awaiting processing under the Status column, when it shows Ready there will be a Green check mark, click on the PDF under Output Type(s), open the document.

The document is the P-Card Log Report, it has all the required information on it, place for signatures for both the Cardholder and

Approver, cycle date, transaction information, vendor, purchase date, postdate, description, chart-string, and business purpose (comments).

### **Step 3: Review Statements and Receipts.**

Verify the P-Card bank statement and original receipts with detail of transactions listed on the P-Card Log Report for appropriateness of items being purchased and funds being utilized. Pre-Approval emails, or, alternatively, emails justifying Unplanned Transactions, along with original receipts should be maintained during the month and included in the reconciliation process. An original receipt must be from the vendor and must indicate the details of the transaction. In cases of online purchases where no original receipt is generated, email confirmations of the purchase are acceptable. Packing slips, copies of shipping labels, etc. are not acceptable forms of receipt unless they contain all the necessary information, i.e. detailed description of each item purchased, price by item, total price, and date. If you are missing a receipt, please contact the vendor for a copy. If you are not able to get a detailed receipt from the vendor, submit a detailed written explanation along with the completed Lost Receipt Affidavit form (found on VSU Procurement Website). All receipts and other documentation must accompany the P- Card statement. Identify and document any issues. The purpose of the purchase should be documented if questionable. If the receipt itself does not provide a clear understanding, write a note on it that makes the use and appropriateness clear.

**Note:** *Missing receipts are considered a Non-compliance (see Section IV below) even when the Lost Receipt Affidavit is submitted. Use of this form more than three times during a fiscal year will result in suspension of card privileges for a period of time determined by the Asst. Director of Procurement*

### **Step 4: Assemble and sign P-Card statement and log.**

The order for submission is the P- Card statement, P-Card log report, then original receipts and Pre-approval emails or Unplanned Transaction Justification emails in order by the transactions listed on the statement.

Sign with original signature (no stamped signature or signatures by another individual will be accepted) the P-Card Statement and the P-Card log, attach the original receipts and Pre-approval emails or Unplanned Transaction Justification emails to the back of the P-Card log in order by the transaction listed on the statement. Although the cardholder and approver may understand the purpose of purchase, it is also important for the P-Card Manager and/or outside party to understand the purpose of purchase when reviewed.

Submit the signed P-Card Statement, signed P-Card Log report, original receipts, and Pre-approval emails or Unplanned Transaction Justification emails along with any documentation to Approver for review and approval.

Please note that an independent review of each P-Card transaction must be made by someone other than the cardholder, specifically a direct supervisor that has budgetary responsibility for the department. The Approver is responsible for ensuring that the cardholder has followed P-Card policy and procedures by signing both the P-Card Statement and P-Card Log as reviewed with original signature. (No stamped signatures or signatures by another individual will be accepted).

**Step 5: Approver review and submission.**

The Approver must submit all required documents (signed P-Card statement, signed P-Card Log, Pre-approval emails or Unplanned Transaction Justification emails, and all original receipts along with other needed documentation) to the Department of Procurement by the 27th for the following month for P-Card review. (For example, P-Card Statements ending on June 27th are due in the office of Department of Procurement on or before July 27th). The Department of Procurement will maintain all P-Card documentation in accordance with State of Georgia records retention policies.

- j. **Year End Deadlines.** In approaching year end deadlines, be aware all charges must be posted to the P-Card no later than May 27th. The post date is the date that the charge is incurred by Bank of America, not the date that the charge is issued so be sure that any charge made close to this timeline is considered. A good rule of thumb is to allow 2 to 3 business days for charge to post. Any charges posted after May 27th could result in charges being incurred to the next fiscal year.

**IV. Non-compliance and Corrective Action**

**a. Corrective Action Process.**

All statements received and/or returned and received by the 27th of the following month's cycle are acceptable. If a Cardholder fails to comply with the requirements under these Purchasing Card Procedures, except in cases where intentional employee fraud is determined to have taken place, the following steps will be taken to correct the Cardholder's noncompliance:

- i. **Warning.** When the P-Card Manager detects a Cardholder's noncompliance, Department of Procurement will issue an informal warning and notification to the Cardholder by email. The email will contain a scanned copy of the Department of Procurement's "Request for Additional Information" form. The form will: (i) identify the area(s) of noncompliance; and (ii) instruct the Cardholder to correct the noncompliance by the 27th of the following month's cycle to avoid receiving a formal First Notice.
- ii. **First Notice.** If the noncompliance is not corrected by the 27th of the following month, formal First Notice letters will be sent by the Department of Procurement to the Cardholder and the Cardholder's Approver. Copies of the First Notice will be forwarded to the Cabinet Level Official overseeing the Cardholder. The First Notice will: (i) identify the area(s) of noncompliance; and (ii) instruct the Cardholder to correct the noncompliance by the 27th of the following month in order to avoid receiving a formal Second Notice of noncompliance; and (iii) recommend that the Cardholder re-take P-Card Online Orientation Test.
- iii. **Second Notice.** If the noncompliance is not corrected by the end of the First Notice period, or a second violation occurs within the same fiscal year, formal Second Notice letters will be sent by the Department of Procurement to the Cardholder and the Cardholder's Approver. Copies of the Second Notice will be forwarded to the Cabinet Level Official overseeing the Cardholder and the Vice President for Finance and Administration. The Second

Notice will: identify the area(s) of noncompliance; and (ii) instruct the Cardholder to correct the noncompliance within ten (10) business days in order to avoid receiving a formal Third Notice of noncompliance; and (iii) require the Cardholder re- take the online Introduction to Purchasing Card Principles course and exam within ten (10) business days (certificates must be provided to pcard@valdosta.edu as evidence of completion of this requirement).

- iv. **Third Notice.** If the noncompliance is not corrected and/or the required training was not re-taken by the Cardholder by the end of the Second Notice period, or a third violation occurs within the same fiscal year, formal Third Notice letters will be sent by the Department of Procurement to the Cardholder and the Cardholder's Approver. Copies of the Second Notice will be forwarded to the Cabinet Level Official overseeing the Cardholder and the Vice President for Finance and Administration. The Third Notice is a notice of P-Card Limit reduction. The Third Notice will inform the Cardholder that, due to his/her failure to correct the noncompliance and/or his/her failure to re-take the required P-Card training within allotted time, his/her STL and CL is reduced to \$1.00. The reduction will remain in effect until: (i) the Cardholder corrects any and all noncompliance, and (ii) the Cardholder re-takes the required P-Card training, and (iii) the Cabinet Level Official overseeing the Cardholder sends the P-Card Administrator a letter of reinstatement requesting that the Cardholder's STL and CL be restored.

If the Cardholder's STL and CL are reinstated after the issuance of the Third Notice, any other instance of noncompliance during the same fiscal year will result the immediate cancellation of the Cardholder's P-Card at the sole discretion of the P-Card Administrator.

- b. Intentional Employee Fraud.** Notwithstanding the above in this Section, if the Cardholder's noncompliance is determined by the P-Card Administrator to be the result of intentional employee fraud, the P-Card will immediately be inactivated and appropriate legal action will be taken.

#### **V. Review and Compliance**

- a. Annual Review.** The P-Card Plan and these VSU Purchasing Card Procedures will be reviewed annually by the P-Card Manager, CUPO, and Vice President of Finance and Administration for currency and compliance with new and existing state policies.
- b. Internal Audits Review.** Internal Audit will continue, as part of its regularly scheduled audit plan for departmental audits, to perform testing on P-Card compliance. Findings discovered by Internal Auditing will be covered in its audit reports and reported to Assistant Director of Procurement, The President, Vice President of Finance and Administration, and the respective Cabinet-level Supervisor of the area reviewed will be included in the distribution of audit findings. The Associate Vice Chancellor for Internal Audit at the Board of Regents level will also receive a copy of the report at the time of final distribution.

#### **VI. Revisions and Updates**

The Department of Procurement will routinely review this procedure and make changes as necessary. Cardholders and Approvers will be notified by email of any revisions made to these Procedures. In order to ensure that you are reading the most current version of these Procedures, do not print or save these Procedures. Access these Procedures from the Department of Procurement's website.

**END OF PROCEDURES.**