



VALDOSTA STATE UNIVERSITY

DIVISION *of* FINANCE & ADMINISTRATION

Valdosta State University Purchasing Card Program Procedures

State Guidelines for Use of the Purchasing Card

Use of the State Purchasing card is governed by the State Department of Administrative Services (DOAS) State Purchasing Division (SPD). Use of the State of Georgia Purchasing Card (Pcard) must comply with all SPD [Purchasing](#) and [Pcard](#) regulations. Use of the card must also comply with the Board of Regents [Business Procedures Manual](#) and Valdosta State University Purchasing Card Program Procedures. When Federal grants or contracts are the source of funds for the transactions there could be additional requirements in those agreements which additionally restrict or regulate use of those funds. The regulations with the most restrictive limits must be followed. The cardholder and their supervisor who approves the card transactions are both responsible for assuring all transactions comply with the appropriate regulations. Supervisors or other approving officials who knowingly, or through willful neglect, approve personal or fraudulent purchases are subject to the same disciplinary actions as the cardholders.

So that VSU will follow State regulations, the State of Georgia-issued credit cards are the only cards VSU can allow for purchasing. VSU cannot allow any department to have a credit card issued by any company or bank. Credit card statements for the State cards are the only card statements which can be paid with VSU funds.

Membership fees for purchasing access to companies which allow individuals to personally buy items using the membership cannot be paid with VSU funds. Paying the membership through VSU for the ability to personally purchase is a gratuity since the individual does not need to personally pay for a membership. **MEMBERSHIPS AND SUBSCRIPTIONS CURRENTLY CANNOT BE PAID WITH THE PURCHASING CARD.**

Credit cards and membership cards which do not reference either VSU or a VSU department as a member/owner are considered personal and are not regulated by the state since VSU makes no payments for the account.

I. Valdosta State University Procedure to Apply for a Purchasing Card

- A. Following the procedure to apply for a purchasing card is important to allow several regulations to be met. The application process allows:
- Verification of the need for a card
 - Verification the applicant is a permanent employee
 - Assurance that adequate authority has been given to the individual by their supervisor to obligate VSU for purchases
 - Verification of budget authority for the charges on the card
 - Information provides to set up the Works program to allocate charges and to set the organizational hierarchy for approval and review of the charges
 - Online review and testing for the user to learn the procedures for using the purchasing card
 - The cardholder and approving supervisor met with the VSU Purchasing Card staff to review the procedures to use the purchasing card and have any questions answered
 - Original signatures to check against in the event charges are disputed or not authorized
- B. Each cardholder and their approving supervisor are responsible for reading the information in these procedures and in the Purchasing Card Application. **TO APPLY FOR A PURCHASING CARD:**
1. Print and complete the [Purchasing Card Application](#). Submit the completed application to the Purchasing Card Office.

The card will be issued in the name of the University with the employee listed as the user. The cardholder will need to personally go to the Purchasing Card Office to pick up their purchasing card and sign for it.

C. Limit on Number of Cards a Supervisor May Approve

VSU requires that each purchasing card and the transactions on that card be reviewed and approved by the supervisor of the cardholder. In some situations, if the supervisor must handle has a purchasing card with a considerable volume of transactions, then either meeting the reporting deadlines or being sure the transactions are thoroughly reviewed could become compromised. VSU will allow a supervisor to be responsible for the higher of 3 cards or 100 transactions per billing cycle. If both numbers exceed the limits, then the supervisor and their supervisor must sign a statement that the individual has adequate time to thoroughly review the assigned purchasing cards.

D. Multiple Cards for a Person

VSU will not issue multiple cards to an individual. VSU utilizes the Works program which allows an individual to allocate to multiple accounts if needed.

- Charging to Other Than the Default Budget

The higher in the organization, the more ability the individual has to charge multiple accounts. If an individual finds their card must be used to charge to an account that is not within their authority, then they should first determine if a higher administrative level employee should make the purchase. The Works program will trigger an unauthorized transaction error for the Purchasing Card staff to resolve.

- Submit in Process Plan and select the budget of the chart string as approval.

E. Renewal of Cards

When the card expires, the Purchasing Card Manager will start the process of verifying if a renewal card is appropriate. The amount of use on the existing card will be considered in determining the need to renew. Human Resources will verify that the cardholder has previously had a criminal background check performed. The Purchasing Card Manager will email a renewal form to the approving supervisor of the cardholder for approval to renew the card. The supervisor will respond to the email with either approval or denial for the card. If a previous criminal background check has not been performed, the cardholder will receive a Criminal Investigation Consent Form to complete and give to the University Policy Department. When Human Resources evaluates the criminal background check results and determines a cardholder is eligible to renew the card, the cardholder will be asked to attend a Purchasing Card Training Session in Purchasing Services to review the Purchasing Card Policy and to sign a cardholder agreement showing the card was received.

F. Training

Every new cardholder, approving supervisor, and proxy reconciler must complete the online Purchasing Card Training. Annual training is required thereafter.

II. Valdosta State University Procedure for Use of the Purchasing Card

The following procedure generally details how the Purchasing Card is to be used. If authority to use the card for a department need is not specifically listed, then the cardholder should write or call the VSU Purchasing Office Purchasing Card Manager to determine if the intended use is appropriate.

PURCHASES MADE WITH THE CARD WILL BE CHARGED TO THE CARDHOLDER'S ASSIGNED ACCOUNT NUMBER AS A DEFAULT, BUT THE CARDHOLDER CAN REALLOCATE THE TRANSACTIONS IN THE WORKS PROGRAM TO ANY ACCOUNT THEY ARE AUTHORIZED TO USE.

A. Authority to Purchase

All purchasing transactions are governed by the State Purchasing regulations. An individual with authority to use the card has delegated authority to use the card when following all the state purchasing regulations.

1. Choice of Supplier to Use

Purchasing Order of Precedence:

1. VSU: Marketing, Printing Services, Campus Mail Services (the Purchasing Card is **NOT** to be used on campus; charges will be allocated by journal transfer)

2. Mandatory Statewide Contracts: Contracts are listed on the State website: <http://doas.georgia.gov>. Navigate to State Purchasing and then select Statewide Contracts.

3. VSU Entity Contracts: Active contracts are listed on the website under Resources: <http://www.valdosta.edu/finadmin/business/resources.shtml>

4. Preferred Sources (MANDATORY ITEMS); SEE PROCUREMENT LIST:

Check the individual websites for specific items.

- Georgia Enterprises for Products and Services (GEPS) <http://www.georgiaenterprises.com/>
- Georgia Correctional Industries (GCI) <http://www.gci-ga.com/>

5. Intergovernmental Agreements (NO bidding required): Convenience Statewide Contracts, GEPS or GCI preferred products, Georgia Industries for the Blind or any other governmental entity; or **OPEN MARKET (REQUIRES BIDS OVER \$5,000)**

The State awards [contracts](#) for various items and services. When ordering the cardholder must use these contracts if the same functionality is available with the contract item. The VSU OIT and VSU Telecommunications can help with software and hardware contracts which are on the [Georgia Technology](#) website. A second mandatory source for ordering are companies the state calls [preferred or state use suppliers](#). These state contracts are the first place to review to determine if the items must be purchased from a state approved source.

Additionally, some contracts awarded by [other state agencies](#) are structured to allow any agency or institution to use the contract. Examples of these are the software and AV contracts available through UGA, these agency contracts are not mandatory and are only available if the contract was bid with wording to allow other agencies to use the contract.

PLEASE NOTE THAT SOME OF THESE NON-STATE ADDITIONAL SOURCES WILL SELL TO INSTITUTION EMPLOYEES AT THE SAME PRICE AS TO VSU. THAT WOULD BE A PERSONAL TRANSACTION. THE STATE PURCHASING CARD CANNOT BE USED FOR THESE ORDERS. ALSO, IT MUST BE CLEARLY EXPLAINED IF THE ORDER IS PLACED THAT THESE ARE PERSONAL SO THAT VSU IS NOT RESPONSIBLE.

B. Terms and Conditions

Anything with terms and conditions, a contract, agreement, or any other document that will legally obligate the University must be submitted for contract review. A Monetary Contract Approval Routing Form must be completed and submitted via email with the document to Contracts@valdosta.edu. **PLEASE ALLOW A MINIMUM OF 30 DAYS FOR CONTRACT REVIEW & NEGOTIATIONS. IF YOUR ITEM IS IT RELATED, ALLOW MINIMUM OF 60 DAYS.**

C. Transaction Limits

The Valdosta State University Purchasing Card Program is the preferred method of payment for goods and services valued at up to **\$2,499.00 PER TRANSACTION** and up to **\$4,999.00 PER MONTH**. These standard limits will be used unless the Purchasing Card manager determines higher or lower limits are justified. In some cases, a higher limit can be given for a short time to meet a specific need. Purchases over the limits should be processed in accordance with established purchasing procedures.

Circumventing these limits by splitting a large order into two or more orders is not allowed and may lead to revocation of the Purchasing Card. Additionally, State Purchasing expects that when an agency uses a supplier or group of suppliers to purchase items of similar categories (e.g. toner cartridges and inkjet cartridges) with a total value of more than \$5,000 annually the agency will attempt to bid an agency contract for the category of items.

D. Sales Tax Exemption

Tax Exempt is printed on each card. However, when using the card online or in the state of Georgia or Florida the **CARDHOLDER MUST ALERT THE VENDOR** at the time of purchase of the tax-exempt status. If sales tax appears on the cardholder's bank statement, the cardholder is responsible for contacting the vendor to credit the Purchasing Card for the sales tax. The Purchasing Department will contact the cardholder if sales tax appears on a receipt and there is no credit receipt included. Copies of the sales and use tax certificate of exemption for use in [Georgia](#) and [Florida](#) are available by contacting the Purchasing Department.

E. State Business Use

The Purchasing Card can only be used for university related business for which Institutional funds will be disbursed. **NO PERSONAL PURCHASES, AGENCY FUND PURCHASES UNLESS SPECIFICALLY APPROVED BY THE STATE OR UNIVERSITY SYSTEM OFFICE, OR VSU FOUNDATION PURCHASES MAY BE MADE WITH THE PURCHASING CARD.** The cardholder and Dean, Department Head or Director will be responsible for assuring that all University and State purchasing policies have been followed.

F. Additional Pre-Approvals

The cardholder and approving supervisor are required to get any pre-approval authority needed by VSU policy before using the Purchasing Card to purchase. Examples of required pre-approvals are Information Technology for all IT related software and hardware; travel authorization for any student trips being charged; Plant Operations approval for any items requiring facility changes to electrical, HVAC, or mechanical systems. State pre-approval is needed for food purchases, which must also be justified as being for either student or instructional use.

G. Ordering Procedures

1. The Purchasing Card may be used for purchases from vendors that accept the VISA card and have a Merchant Category Code that has been approved for State use. Purchases can be made in person, by phone, fax, Internet or postal service. Recording each transaction on the transaction log is a useful tool for assuring all orders are received.

a. Automatic Recurring Charges

Cardholders are not permitted to place orders that will automatically charge to the card at recurring intervals. This sets up a situation that allows a company to charge the card, and therefore VSU, regardless of whether the card is canceled or the employee leaves VSU.

2. Delivery Instructions

All deliveries must be addressed to the cardholders' department since most items are small and lightweight and can be handled by department personnel. It is extremely important that someone is present to sign for orders being delivered. Ask the vendor to send deliveries to the department using the following address:

Pcard, Cardholder Name
Department Name
Valdosta State University
1500 N. Patterson St.
Valdosta GA 31698

If a heavy or bulky item is ordered that cannot be handled by the department then the item can be shipped to the Central Warehouse so delivery can be provided by VSU personnel. When this option is needed the address to use is:

Pcard, Cardholder Name
Department Name
Valdosta State University
Central Warehouse
2903 N. Ashley St. Valdosta GA 31698

3. Declined Transactions

If a purchase is declined, the cardholder should contact the VSU Purchasing Card Manager at pcard@valdosta.edu immediately with the name of the vendor, amount of the purchase and date of the decline. Bank of America keeps information regarding declined charges in their systems for only five days.

4. State and VSU Restrictions on Purchases

The supervising approver of the cardholder is jointly responsible with the cardholder for seeing that the purchasing card is used for purchases appropriate to the following accounts:

651xxx **Non-Employee Travel: ONLY FOR STUDENTS WHO ARE NOT WORKING AS STUDENT OR GRADUATE ASSISTANTS DURING THE TRIP.** Travel with an athletic team, trip for academic coursework with proper funding or an approved student activity group. **CAN NOT BE USED TO PAY DIRECTLY FOR FOOD, LODGING, OR TRAVEL OF A CONTRACTED EMPLOYEE, CONSULTANTS, OR OTHER CLASSES OF INDIVIDUALS DOING WORK FOR VSU.**

714xxx Supplies - **GIFT CARDS ARE NOT PERMITTED.** If approved by the VSU Campus Mail Manager Postage can be purchased.

715100 Repairs and Maintenance: Equipment service agreements and repair. Provide certificate of insurance with request.

719102 Rents - Other Than Real Estate: for rentals not crossing any fiscal year

727110 Registration for meetings: For meetings in the current fiscal year. A meeting that takes place in the next fiscal year will be charged to a prepaid account.

727250 Advertising

727100 Other Operating Expenses – Other

733xxx Software/License: **OIT APPROVAL NEEDED.**

742150 Off Campus Printing: **PUBLICATION AND DESIGN APPROVAL REQUIRED.**

THE PURCHASING CARD CAN NOT BE USED TO PURCHASE THE FOLLOWING:

- Alcoholic beverages: unless specifically authorized for the purpose of the fees collected such as Continuing Education offering a seminar on wine tasting.
- Awards: gifts, plaques, to give away as an award or prize – unless specifically authorized in the purpose of the fees collected.
- Chamber of Commerce Membership Dues
- Contracted employees and consultant fees payments which are reported as income on IRS 1099 forms.
- Decorations: Items such as seasonal decorations, temporary accessories, cards unless specifically authorized in the purpose of the fees collected.
- Employee Travel Expenses: Includes fuel, car rental, lodging, and food. **(STUDENT EXPENSES OF SEMINAR REGISTRATIONS ARE ALLOWED)**
- Equipment: Equipment in the amount of \$3,000 or more per item that requires a VSU Property decal and will be added to the asset inventory.
- Firearms/explosives: Firearms are allowed for the University Police Department
- Food/food related items: Unless a pre-approved is obtained.
- Per Diem Payments
- Personal Use Purchases: Items that do not have a state function such as coffee pots, plaques, gifts, greeting cards, water coolers, etc. unless specifically authorized for the purpose of the fees collected. An example is the Student Health Center could get a coffee pot to be used for student patients.
- VSU Department payments: Campus Mail, Continuing Education, Library, Plant Operations, Printing Services, Spectator, etc.
- Telecommunications unless approved by VSU Telecommunications

H. Unauthorized or Illegal Purchases

Items must be immediately returned for credit to the Purchasing Card or paid for in full by personal check made payable to Valdosta State University from the cardholder. Failure to reimburse the University will result in funds being deducted from the cardholder's paycheck. **UNAUTHORIZED OR ILLEGAL PURCHASES, REGARDLESS OF WHETHER THEY ARE REIMBURSED, MAY RESULT IN REVOCATION OF THE PURCHASING CARD AND/OR TERMINATION OF EMPLOYMENT.**

I. Purchasing Card and Works Login Sharing

Only the cardholder can use the card to make purchases. No one may share a card number with anyone to be used by anyone for purchases.

The individual's login to the WORKS program for approving transactions may not be shared. If another person must approve the transactions due to an inability of the cardholder to accomplish the approval task, then with authorization from the cardholder, their supervising approver, and the Purchasing Card Manager can assign a login to a proxy who can approve transactions.

J. Monthly Card Statement Reconciliation

The statement period ends on the 27th of the month. A monthly central bill of all campus Purchasing Card activity will be sent to the Purchasing Card Manager. The cardholder will receive a monthly memo statement. **CONTACT THE PURCHASING CARD MANAGER IF A CARD STATEMENT IS NOT RECEIVED BY THE 5TH OF THE MONTH.** The statement must be approved and be received in the Purchasing Office by the 27th of the month following the statement date.

Cardholders perform the following:

1. Use the Works Program to review, approve or dispute all open transactions. This can be done during the billing cycle, so all transactions are handled before the statement is received by the

cardholder. Sign off on transactions in WORKS by the 2nd of the month before the billing cycle ends on the posted date of the 27th. On the home page in WORKS under Action Items there will be a list of Actions Requiring A Sign Off for purchases made with the Purchasing Card.

a. Disputes

The cardholder and the approving supervisor are responsible for resolving disputes with the vendor over pricing, shortages, damaged merchandise, etc. Notify the Purchasing Card Manager if you wish to file a dispute with Bank of America concerning a fraudulent charge on the bank statement or an unresolved dispute with the vendor concerning credits for items that were found defective or faulty. The Bank of America dispute must be filed no later than 60 days after the appearance of the item on the bank statement. Sales tax charges cannot be disputed with the bank and must be resolved with the vendor.

b. Refunds and Rebates

Any refunds issued for Purchasing Card purchases **MUST** be credited back to the Purchasing Card; cash, checks or store credit is not allowed. Rebates must be deposited in an Institutional revenue account and a copy of the cash receipt attached to the bank statement.

2. **RETAIN ALL ORIGINAL RECEIPTS AND DELIVERY FORMS RECEIVED FROM ONLINE ORDERING OR WITH THE ITEM. RECEIPTS MUST BE ITEMIZED BY DESCRIPTION AND PRICE FOR EACH ITEM ORDERED.** The receipt for a registration shall be a copy of the registration or renewal form. For mail or phone orders, the receipt may be a packing slip **ITEMIZED BY DESCRIPTION AND PRICE.** If a receipt is not sent with your order, request one immediately; do not wait until the bank statement is received. If the original receipt is lost, contact the vendor for a copy of the receipt. Ask the vendor to credit the Purchasing Card for any sales tax that was added to the purchase and submit a credit receipt when the transaction appears on the bank statement.
3. Compare each of the card statement transactions with the corresponding receipts. Verify all items as being received.
4. Provide signature of accountability on the cardholder signature line.
5. A transaction log is maintained by the cardholder for documentation to be attached to the statement. Enter each transaction in the purchasing card log including the transaction date, post-date, vendor name, amount, fund, item description and business purpose. The description and business purpose should identify the item and purpose in the department. Example: toner for laser printer in Learning Lab room XXXX, or parts to repair folding machine in office.
6. Attach the receipts and transaction log to the statement and forward it to the supervisor who reviews and approves the transactions on the card.

Supervisors perform the following:

7. Review and approval of the transactions showing on the receipts and statement. Verify the receipts are itemized by description, price, and the transaction log includes an acceptable item description and business purpose. Approval of the statement will be indicated by your signature of accountability on the Manager's Signature Line.
8. Forward the signed original bank statement, transaction log, the original receipts and any disputed items to the Purchasing Office by the 15th of the month following the statement date. If a receipt is missing, attach a memo to the front of the statement explaining the status of the receipt and what attempts are being made to get a replacement. **A PATTERN OF MISSING RECEIPTS MAY RESULT IN REVOCATION OF THE PURCHASING CARD.**

K. Failure to Comply with Requirements

If a cardholder fails to comply with the requirements for using the Purchasing Card generally there will be three warning levels of notices to the cardholder and their approving supervisor before the card is canceled. Both individuals will be accountable for any issues so both will get the first notice along with a copy to the Cabinet Level Officer over the division for the cardholder. If a second notice is needed, then it will also go to the VP of Finance and Administration, and the cardholder will be required to retake the Online Purchasing Card Training. A third notice will mean the card has been inactivated and applicable decisions will be made by the appropriate Administrative Personnel. In the event of an employee's stated refusal to follow the regulations the Purchasing Card will immediately be inactivated.

In the event of intentional employee fraud, the Purchasing Card will immediately be inactivated, and appropriate legal action will be taken. In a situation involving intentional employee fraud the Bank will cover up to a \$100,000 loss based on immediate termination of the cardholder's employment and legal action by the State.

L. Lost or Stolen Cards or Suspected Fraudulent Use on the Purchasing Card

If a card is lost or stolen, or there is suspected use by someone other than the cardholder then the cardholder has the responsibility to notify the Purchasing Card Office immediately at 333-5708. If the Purchasing Card is lost or stolen outside of business hours, the cardholder should call Bank of America's 24-hour service line at 1-888-449-2273 to cancel the card. **DO NOT REQUEST A NEW CARD**; notify the Purchasing Card Manager on the next business day. Keep this phone number and the Purchasing Card Office number on file for reference. Purchasing Card numbers will not be given out over the telephone by the Purchasing Card Office staff.

M. Return of Card

Should a cardholder terminate employment with the University, the cardholder's approving supervisor has specific obligation to reclaim the Purchasing Card and return it to the Purchasing Card Manager prior to the employee's termination date. Small value charges not requiring bank approval may still be made until its expiration date, even if the card has been canceled. The approving supervisor will be held responsible for handling any such charges.

If a cardholder chooses to return a Purchasing Card, then their approving supervisor must contact the Purchasing Card Office to verify that they know the card will be inactivated. The cardholder must come to the Purchasing Card Office to return the Purchasing Card and get verification that it has been returned.