



COLLEGE of CENTRAL FLORIDA

ADMINISTRATIVE PROCEDURE

Title: Procurement Card (Visa Purchasing Card)

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Implementing Procedure For Policy # N/A

Date Approved/Revised:
2/05/2007, 8/06/10, 2/18/11,
1/10/17, 4/16/19

Division: Administration and Finance/Purchasing

Section I – General

A purchasing card is like a credit card, with special electronic controls, to be used only for purchases of goods and services for official college business. The purpose for implementing the purchasing card procedures is to reduce administrative burden and streamline the college's procurement and payment processes by delegating the authority and responsibility to make certain purchases directly to the cardholder.

This program will allow the cardholder to purchase approved commodities and minor repairs from vendors. Each **purchasing card** is issued to a named individual, and College of Central Florida is clearly shown on the card as the governmental buyer of goods and services. Purchases can either be picked up or delivered to the receiving department at College of Central Florida. The purchasing card is intended to complement the purchase order process and **not** replace it (see also "Prohibited Expenditures"). The greatest benefit to the purchasing card is eliminating the need for a majority (but not all) of the petty cash purchases and blanket purchase orders issued by departments.

Authorized Department Official's may recommend a purchasing card be issued to an employee. Issuance of a purchase card is a privilege and not a right. The employee must complete a *Purchasing Card Request* form, located on the College of Central Florida intranet. This application must be approved by the appropriate Vice President and Vice President of Administration & Finance. Once approved, the cardholder must attend training for the procurement card transaction management and reporting platform and sign the cardholder agreement.

Section II - Purpose

The purchasing card system was implemented to:

- Permit departments to accelerate the ordering, receiving and payment process by allowing the department to purchase goods without the use of the standard requisition/purchase order method.
- Support the elimination of most blanket purchase orders.
- Provide greater purchasing flexibility and empower employees to manage expenditures.

- Allow departments to purchase those items from vendors who do not accept purchase orders (within established limits).
- Reduce the need to use petty cash.
- Reduce paperwork and administrative burden, especially for small dollar, repetitive transactions.
- Shorten the cycle time for ordering and receiving orders.
- Provide immediate payment to vendors and consolidate billing to one statement per month and ACH payment to the card sponsoring bank.
- Improve accountability and control of small dollar purchases through training and the cardholder agreement. In addition, better controls are established when limits are placed on the dollar amounts as well as on the kinds of items that can be purchased with the card.

Section III – Procedures

The ***program administrator and/or business department personnel*** will:

- Assume overall responsibility for administering the purchasing card program.
- Inform the procurement card holder, their budget supervisor and the appropriate Vice President when situations arise involving improper use of the purchasing card.
- Recommend to the appropriate Vice President's the revocation of the purchasing authority and purchasing card use by employees who fail to follow established purchasing card procedures.
- Ensure coordination of the program with budget supervisors, the purchasing agent, and the financial services office to include training.
- Establish internal control and billing statement review and approval procedures with budget supervisors and appropriate personnel.
- Setup security for each purchasing cardholder per approved application.
- For deactivating a purchasing card the department approving official will personally bring the card to the purchasing department.

The ***purchasing department*** will:

- Assist in providing college-wide training on the use of the purchasing card and in obtaining the signed cardholder agreement at initial card issuance and refresher training when expired cards are reissued.
- Monitor the vendors used.
- Monitor products purchased and evaluate future requirements to use in establishing future contracts for purchase.
- Monitor the use of vendors ***not*** approved for specific purchases.
- Monitor purchasing card purchases and advise the p-card holder, budget supervisors, administrators and Vice-President's if transactions appear to be in violation of purchasing procedures.
- Review departmental purchasing methods to ensure that appropriate purchasing practices are being followed.
- Retrieve and destroy canceled cards from employees, including cards from employees no longer working for the department.
- Request purchasing cards for appropriate personnel within the department.

The **business office staff** will:

- Assist in providing college-wide training on the use of the purchasing card.
- Review purchasing card expenditures, to ensure that purchased goods are necessary, for official use, and that purchases are in compliance with established policies and procedures.
- Resolve issues related to questionable or inappropriate purchases as it relates to the above.
- Ensure that the cardholder receives the goods prior to payment.
- Monitor purchasing card approvals and documentation and advise the p-card holder and the Purchasing Department if procurement card procedures are not being followed.
- Monitor resolution of disputed purchase, credit, or billing errors.

The **cardholder** will:

- Comply with the procedures set forth in this purchasing manual.
- Deal directly with the vendor to authorize and obtain the materials and supplies and certify receipt. Be responsible for all actions related to the successful completion of the order.
- Make only authorized purchases. Unauthorized purchases or careless use of the credit card may cause the cardholder to be liable for the total dollar amount of such unauthorized purchases, plus any administrative fees charged by the bank in connection with the misuse of the card. Also, the cardholder may have their p-card privileges suspended or permanently revoked and may be subject to disciplinary action up to and including termination (refer to "Prohibited Purchases" below).
- Forward a monthly transaction report including a description of all purchases, receipts and statements to the appropriate budget supervisor for approval, and then to accounts payable for processing by the 15th of the statement month.
- Resolve the disputed purchases, credits or billing errors. Disputes or errors that cannot be resolved will be referred to the purchasing agent or Director of Purchasing.
- Provide any information necessary to minimize the liability for a lost or stolen card.
- Under no circumstances, take cash, gift card, or a refund to a different credit card for returned merchandise.

The **budget / department managers** will:

- Verify all charges of the purchasing card users in their departments. Verification includes proper card use in compliance with Purchasing Card Policies and validated receipt of ordered commodities.

ISSUANCE OF THE PURCHASING CARD

- All requests for purchasing cards will be made by the authorized department official via the Purchasing Card Request Form located on the College of Central Florida intranet and forwarded to their Vice President for approval.
- Forward application to the purchasing agent or Director of Purchasing for processing.
- The purchasing card will have the employee's name, the college's name and logo, the tax-exempt certificate number, and the expiration date embossed on the face of the card.
- Once the purchasing card is received at College of Central Florida, the cardholder will be required to attend a training session on the use of the card. After training, the cardholder will be required to sign a cardholder agreement and will be given the

purchasing card, a copy of the purchasing card procedures, a Consumer's Certificate of Exemption, and a copy of the cardholder agreement.

- Any employees approved for a transaction limit that exceeds Category 1 (F.S. 287.017) shall complete and file a Statement of Financial Interest (F.S. 112.3145 (3) (a) 1 or (b) 1.

CHANGES TO THE PURCHASING CARD

Changes to the card must be submitted to the purchasing agent or Director of Purchasing with the approval of the cardholder's Vice-President using the Purchasing Card Request form for revisions.

Permanent Balance Increases

All requests to permanently increase a Purchasing Card's limit must be submitted using the Purchasing Card Request form, with justification for the increase, signed off by all departmental approvers and appropriate Vice President.

Temporary Balance Increases

A temporary limit increase may be requested and should be addressed to the Director of Purchasing or his delegate. The request should be made via email and include justification for the increase. If approved, the temporary balance will be set to expire at the end of the monthly cycle (the 3rd day of the following month) prior to reverting to its original card limits.

TRAINING

All cardholders will be briefed on information that covers policies and procedures for use of the purchase card, ordering and payment processing, purchasing card security, and the terms and conditions of the cardholder agreement before receiving the card.

TRAVEL

The cardholder may contact a travel agency recommended by the college or make travel arrangements directly online through the Internet. If purchasing airline tickets, making hotel reservations, or paying for registration through the Internet, print a copy of the items and attach it to the p-card transactions report that is submitted to accounts payable monthly. The purchasing card should **not** be used for personal travel under any circumstances.

- All travel shall comply with the college travel policy. Prior approval of travel should be obtained in advance of making reservations, paying for registrations, or paying for airline travel.

PURCHASING CARD SECURITY

The named cardholder is the only person authorized to use the purchasing card.

To prevent against theft or fraudulent use: The cardholder is responsible for keeping the purchasing card in a safe, secure place at all times and taking necessary precautions to prevent the account number from being stolen or used by others. Employees should not give their card nor their card information to other employees to use for purchases.

LOST OR STOLEN CARDS

The cardholder must immediately notify the college's purchasing agent or program administrator of a lost or stolen purchasing card. The appropriate department supervisor should also be notified as soon as possible.

The cardholder will submit a written report to the program administrator within two (2) business days of the incident. The report shall include:

- Purchasing card number,
- Cardholder and department name,
- Date and location of loss,
- Date and time the issuing institution was notified,
- Purchases made the day the card was lost/stolen or last used,
- Any other comments or descriptions.

REPLACEMENT CARD

To obtain a replacement card, the employee will complete a new application for purchasing card, attend training and sign a new cardholder agreement. If the original card is found after it has been replaced, the employee will send it to the program administrator for it to be destroyed. The Purchasing Department will request a new card for the employee via the procurement card management and reporting platform.

VENDOR NOTIFICATION OF LOST, STOLEN, OR CANCELED CARDS

Vendors who have the cardholder's card number on file (such as subscription(s), mail order(s), and telephone order(s)) should be contacted to ensure that they update their records to reflect that a card was lost, stolen or canceled and the account number on file is destroyed. All contact with the vendor should be documented, in writing, and shall be sent to the purchasing agent or the Director of Purchasing.

TERMINATION, RETIREMENT OR RESIGNATION OF CARDHOLDER

When an employee ends employment with College of Central Florida, or fails to follow purchasing card procedures, the employee shall surrender their purchasing card to either the purchasing agent or Director of Purchasing who will then destroy the card. Regardless of whether or not the card is returned or destroyed, the p-card will be disabled in the procurement card transaction management and reporting platform. Confirmation will be shown in the Audit Report of the procurement card management platform.

AUTHORIZED USE OF THE CARD

The purchasing card may only be used by the employee whose name is embossed on the purchasing card. No other person is authorized to use the card. Use of the card will be limited to commodities that are pre-authorized for purchase and with vendors that accept VISA cards. The purchasing card cannot be used for any personal use. Any such use will require immediate reimbursement and could result in suspension or revocation of procurement card privileges and disciplinary action up to and including dismissal.

ORDERING PROCEDURES

The cardholder may initiate college-related purchases for his/her designated department. The card may only be used for authorized commodities and services. A list of vendors is available in Jenzabar. Purchasing card transactions will be limited to pre-established dollar limits and commodity classifications that will be explained during the training session. Orders can be made over-the-counter, via telephone, mail order, or the Internet.

Personal use and sharing of cards is prohibited and may result in the revocation of the purchasing card and serious disciplinary actions up to and including dismissal.

Orders should meet the following criteria:

- The total cost of any transaction must not exceed the established single purchase limit specified including freight. A single purchase may be comprised of multiple items purchased in one transaction. All items purchased to meet a single requirement must be purchased in one transaction. **A single purchase shall not be split into two or more transactions to stay within the single purchase or cardholder limit.** Any cardholder in violation of this requirement may be subject to forfeiture of the use of the purchasing card.
- The order should be delivered or picked up in total. Partial deliveries or back orders will be accepted, in unusual circumstances. For partial deliveries or back orders, contract the program administrator. It is incumbent that the cardholder confirms that all back-ordered items are resolved without financial loss to the college.
- Funds must be available in the departmental budget for the purchase.
- All freight, if applicable, must be added to the invoice by the vendor at the time of purchase.
- The total cost of any transaction must not exceed the cardholders established single purchase limit.

Cardholder will provide vendor with the College of Central Florida's Sales and Use tax-exempt number. All purchases made by telephone, over-the-counter, fax or internet are exempt from Florida Sales and Use Tax. The vendor must be informed that the purchases are for official College purposes and are not subject to Florida State sales tax.

If orders are placed by telephone or the Internet, the cardholder must confirm that the vendor will charge the purchasing card only when shipment is made and only for the goods being shipped so that receipt of the commodities may be certified by the cardholder monthly on the procurement card transaction management and reporting platform. The customer copy of the receipt must be mailed to the cardholder or picked up by the cardholder. For purchases made via the Internet, a screen print from the Internet site, which indicates that is the receipt, may be printed for receipt purposes. **In order to ensure that the goods are sent promptly to the correct department, indicate the name of the department and the college address to which the vendor should send the goods. Do not ship goods to a residential or other non-college address.**

Obtain the total cost of the order from the vendor (including shipping, if applicable) before placing the order to ensure that it does not exceed the available budget or the cardholder's limit. Remind the vendor that a receipt is needed for all purchases. If a receipt is not obtained or is lost, the cardholder shall submit the Missing Receipt describing the transaction (what, when, where and dollar amount) and use this form as a last resort in place of the receipt.

Follow all State of Florida purchasing laws, rules, and regulations.

PROHIBITED PURCHASES

The purchasing card may **NOT** be used for the following:

- Cash advances are not permitted under any circumstances
- Gift cards (Allowed exceptions: For prizes and giveaways approved by the appropriate Vice President and the Director of Purchasing. See also "Procedures for Handling Returns" below).
- Rental or lease of land or buildings
- Long distance telephone calls

- Purchase of consultant or personal services
- Alcoholic beverages
- Non-college related purchases or purchases made for personal use
- Property and equipment with cost equal to or greater than \$750
- Orders for services, except minor repairs (less than \$750) to equipment
- Ordering minor technology equipment without approval from the I.T. Department
- Splitting transactions on one card or across multiple cards to bypass cardholder limits,
- Gasoline and Diesel Fuel (Allowed exceptions: Gas and fuel for rental cars or college vehicles. For rental cars, a copy of the approved travel form and rental car agreement must accompany the receipt. For college vehicles, the vehicle details must be written on the receipt or accompanying paperwork.
- Personal Meals
Allowed exceptions/examples:
 - a. Catering for publicly noticed District Board of Trustee Meetings
 - b. Club Advisors may use the card to purchase food for authorized club events using fund 2 student activities funds.
 - c. Food/meals/catering pre-approved to be paid from college activity funds
- **Exceptions:** In the event of an emergency or special circumstances the President, Vice President of Administration & Finance, or Director of Purchasing has authority to approve exceptions.

Violations may result in suspension or revocation of P-card privileges and disciplinary action up to and including dismissal.

PURCHASE DENIED AT POINT OF SALE MACHINE

Occasionally a cardholder may attempt to purchase items from a vendor and the purchase may be denied. The reason for denial will be available the next day after the purchase is attempted. Some of the most common reasons for denial include:

- The purchase from the vendor may be greater than the cardholder's limit.
- The cardholder may attempt to make a purchase from a vendor category code that is not authorized by the college.

TAXES

Purchases made in Florida are exempt from Florida Sales and Use taxes. The college's tax-exempt identification number is printed on the face of the purchasing card. Business card size tax exempt forms are available through the purchasing office. A letter size copy of the tax exempt form is available on the college intranet under "Forms." Purchases made in other states are generally subject to that state's sales tax.

RECORDKEEPING PROCEDURES

The procurement card transaction management and reporting platform records purchases made using the purchasing card. The platform maintains and shows the cardholders name, card account number, department, description of items purchased, date of purchase, amount and vendor information.

The individual cardholder must login to the procurement card transaction management and reporting platform to reconcile and add descriptions for all purchasing card transactions for the month and forward to their respective supervisor who in turn forwards the document to their Vice-President who then sends the documents to accounts payable.

PROCEDURES FOR DISPUTED CHARGES

First and foremost, if the cardholder has a problem with a billing it is their responsibility to contact the vendor and try to reach resolution. If the amount on the vendor statement is incorrect, request that the supplier credit the card as soon as possible. The cardholder should document all attempts to resolve any problems.

If a card is fraudulently used and confirmed, the individual cardholder must go into the procurement card transaction management and reporting platform and mark the transaction(s) as disputed and this process will pre-populate a dispute form. This action must take place immediately upon the individual understanding that the card was fraudulently used.

Print the form, complete it and the cardholder must sign the form. Depending on the reason for the dispute, the cardholder maybe required to send additional information with the dispute form. Without the necessary documentation the financial institution that issues the procurement card will not be able to proceed with the dispute. Send the dispute form along with all documentation to the Director of Purchasing who will then forward to the appropriate personnel at the financial institution issuing the card.

The financial institution will complete a process to transfer the history of the blocked account to a new Account and issue a new procurement credit card. This process takes an average time of 48 hours.

Below is the procedure one should use for disputed charges:

- In the P-Card ESP platform go to main menu
- Click on "Expenses"
- Click on the transaction that you wish to dispute (located either in the "To Do" or "Completed" section)
- Click on the bottom right box on your screen that says "Options"
- Click on "Dispute"
- Form will pre-populate. Fill out, sign and forward to the Director of Purchasing

PROCEDURES FOR HANDLING RETURNS

- If an item needs to be returned, the cardholder should return the item(s) to the vendor within the timeframe posted by the vendor for replacement or credit. Any action taken under this provision shall be documented in writing.
- For items returned in person to the vendor, make a copy of the original receipt and attach it to the Return Material Request. This form is to be attached to the statement report and explains the reason for the return. Take the original invoice and item(s) to be returned to the vendor, and present the purchasing card with the original purchase receipt to the cashier to process the credit.
- For items returned via mail, make a copy of the original receipt and attach it to the Return Material Request. This form is to be attached to the statement report and explains the reason for the return. Mail the original invoice, the Return Material Request and item(s) to be returned to the vendor for either credit or replacement. Obtain the credit receipt from the vendor and attach it to the statement report for the month when the credit appears on the statement. Retain a file copy.
- ***Under no circumstances, take cash, gift card, or a refund to a different credit card for returned merchandise.***

PROCEDURE FOR HANDLING PROCUREMENT CARD SPENDING REBATES

Any rebates will be deposited in Fund 1 to offset the operating costs associated with administering the P-Card program.

Vice President, Administration & Finance		Date:
Approved by President		Date: