

## PURCHASING CARD PROCEDURES

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

### P-Card Overview

The purpose of the SLCC P-Card program is to establish a simple, easy to use, more efficient cost-effective method of purchasing and payment for small dollar transactions. The P-Card holder should be familiar with the Small Dollar Purchase guidelines maintained by SLCC. The P-Card is the preferred way to purchase and pay for small dollar purchases **under \$1,500**. This program is designed to replace or augment a variety of other small dollar purchase methods including limited cash drafts, check requests, expense reimbursements and small dollar purchase orders.

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

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

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

### How to Apply for a P-Card

When a SLCC supervisor determines it is within the scope of a full-time SLCC employee's job duties to make small dollar purchases on behalf of the department, the supervisor will direct the employee to apply for a SLCC P-Card using an *SLCC Purchasing Card*

*Application.* The applicant's direct supervisor must approve the application for a P-Card by signing the application.

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

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

All applications will be processed through the SLCC Purchasing Card Program Key Personnel. When the employee receives the SLCC P-Card after training, the employee must sign the back of the card and follow the instructions for activation. P-Cardholders must keep the P-Card issued in their name in a secure place. Compliance with PCI requirements should be followed at all times. PCI compliance guidelines can be found at [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org).

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

## **P-Card Program Use**

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

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

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

### **Small Dollar/Micro Purchases Using Federal Grant Funds**

When using grants funds, departments, to the extent practicable, must distribute small dollar purchases equitably among qualified suppliers. Small dollar purchases may be used without soliciting competitive quotations (up to \$1,500) if the department considers the price to be reasonable and allowable. In regards to the SLCCBuy purchasing system, departments can make purchases for greater than \$1,500 from on-catalog vendors because those vendors have already been selected from a competitive procurement process. However, Office Depot and Amazon accept P-card payments only so departments still have a \$1,500 transaction limit with these two catalog vendors.

Allowability of cost/purchases is determined by Cost Principles (§2 CFR 200 Subpart E) under the Uniform Guidance as promulgated by The Federal Office of Management and Budget. General unallowable costs include but are not limited to food, alumni activities, entertainment expenses activities, selling and marketing costs, employee parking passes, etc. For questions regarding allowability of costs using grant funds contact the Grant Accountants Office X4676.

### **Examples of when the P-Card may be used:**

- Purchases **under \$1,500 (total inclusive of shipping and handling)**  
Purchase transactions shall not be split or fragmented intent on circumventing the \$1,500 single purchase transaction limit, as per further discussion on pg. 10.
- Subscriptions, publications, memberships, conference registrations
- Supplies
- Maintenance Agreements
- Equipment under \$1,500
- Rental of Equipment (coordinate with facilities and/or other departments to ensure that the college is not already in possession of desired equipment)
- iPads, Netbooks, Tablets, and other similar devices (always consult IT prior to purchase)

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

- Any purchase **exceeding \$1,500 (total inclusive of shipping and handling)**
- Capital Equipment
- Computers (i.e. laptops, desktops, etc. {excluding the items discussed above})
- Software (call OIT Help Desk @ 5555 for ALL software purchase requests and software license renewals)
- Furniture (furniture purchases must be coordinated through Facilities)
- Travel-related expenses, such as transportation, lodging, baggage fees, etc. (unless the card holder has been granted specific travel rights)
- Gas or oil for any vehicles (there is a separate Gas Card; contact Motor Pool)
- Services that would be considered either Payroll (salary) or Independent Contractor Payments (Independent Contractor Form)
- Charitable Donations
- Alcoholic Beverages
- Cell Phone Invoices (see OIT's *Personal Communication System Guidelines*)
- Cash Advances

Contact the Purchasing Card Specialist at ext. 4256 for consideration of special needs.

**When Making Online & Phone Orders**

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

Attn: {*Cardholder's Name*}  
4600 South Redwood Rd  
PO Box 30808  
Salt Lake City, UT 84130-0808

## “Ship To” Addresses for SLCC

All packages, **EXCEPT through US Post Office**, must be routed through Central Receiving, no matter the campus you are ordering for. Central Receiving will deliver these packages to the different campuses. Please use the following address for the “Ship To: address

Salt Lake Community College  
Central Receiving  
Attn: *Name or Department Name*  
2675 S. 900 West  
Salt Lake City, UT 84119

If shipped through United States postal Service (USPS), please use the following address:

Salt Lake community college  
Attn: *Name or Department Name/Mail Stop Code*  
PO Box 30808  
Salt Lake City, UT 84130-0808

We expect all shipments are delivered to Central Receiving and Distribution Services. This will ensure the accountability of all shipments.

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

## Restrictions

The **single purchase limit on all P-Cards is \$1,500**. In addition, each P-Cardholder has an individual **monthly credit limit** which is based on projected purchasing activity as determined by the P-Cardholder’s direct supervisor or manager. If the monthly limit needs to be increased or decreased to more accurately reflect the P-Cardholder’s monthly requirements, the P-Cardholder should contact their supervisor to re-evaluate and readjust the current monthly credit limit. If the supervisor agrees it would be appropriate to increase or decrease the P-Cardholder limit, the supervisor will request such via email to the Purchasing Card Specialist at ext. 4256.

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

If a P-Cardholder experiences a declined attempted purchase and believes the decline should not have occurred, call the 800 number on the back of the P-Card. U.S. Bank Customer Service will determine if the P-Card was declined because of merchant blocking, exceeding the \$1,500 single-purchase limit, or exceeding the P-Cardholder's monthly credit limit.

### **Sales Tax Exempt**

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

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

### **Transaction Cycle**

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

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

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

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

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

### **Cardholder Activity Log**

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

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

All P-Card reconciliation packets are reviewed monthly by the SLCC Purchasing Card Key Personnel. In addition, all P-Card reconciliation packets are subject to audits that may be conducted by the Controller’s Office, Internal Auditor, Board of Regents Auditor, State Auditor and Legislative Auditor.

**P-Cardholders must obtain itemized receipts from merchants when making purchases using the P-Card.** Individual itemized receipts must itemize by line item the merchandise purchased. For purchases made via phone, fax, email, or online P-Cardholders can request the merchant to include their name/VISA on the shipping label (e.g. Bonnie Johnson/VISA) and an itemized receipt with the shipment.

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

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

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

### **P-Cardholders Required to Reallocate**

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

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

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

Each purchase transaction must be reallocated by each SLCC P-Cardholder at the U.S. Bank Access Online site. Individual P-Cardholders must register with U.S. Bank Access Online to be able to reallocate transactions online. P-Cardholders can self-register with U.S. Bank Access Online at <https://access.usbank.com> by clicking on the link "Register Online." Our company short name is SLCC and our zip code is 84130. If you need additional help registering you may contact the Purchasing Card Specialist at ext. 4256.

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

1. Log into U.S. Bank Access On-Line: <https://access.usbank.com>
2. Click on "Transaction Management" then "Transaction List."
3. Scroll down to view the current or "Open" transactions. (If it is after the cycle end date, the P-Cardholder must either choose "View Previous Cycle" from "Transaction Management" or from their "Transaction List" choose the cycle date from the drop-down box and click on "Search".) After the cycle end date, the P-Cardholder has 7 calendar days to reallocate that cycle's purchase transactions.
4. Click on the Index/Account on the right hand side and end of the line item transaction under the heading "Accounting Code".
5. Double click on the "Account Code" field and type in the current expense account that applies to this purchase and click on "Save Allocations". If you need to search for a current expense account you can click on the little magnifying glass next to the "Account Code" field and double click in the "Value" field. Type a "7" in that field and click on "Search". This will pull up all the current expense accounts and their



descriptions. (There are several pages.) You can then click on “Select” and it will populate the “Account Code” field with the current expense account you have chosen. You then must scroll down and click on “Save Allocations”. If you need to change the index on a transaction double click on the “Index” field and enter the new index in that field and click on “Save Allocations”.

**Please Note: If you have a 5 digit number index as your default or if you are reallocating a transaction to a number index, you must add a space in front of the number index in the index field. Double click on the index field, hit your space bar once and then type in the number index. Spaces are never required in the account code field (the current expense account).**

At the top of the screen you should see a message “Request was Submitted Successfully”. (If you do not see this message, call the Purchasing Card Key Personnel to troubleshoot.) Scroll down and go back to your “Transaction List” and if you look at the “Accounting Code” field at the right end of the transaction, you will see that it has been changed to the new current expense account that you have chosen. It should also have a little @ symbol to the left of that “Accounting Code” field.

### **P-Cardholder Review/Reconciliation/Signature**

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

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

### **Supervisor Review/Approval/Signature**

The supervisor must review and sign the P-Cardholder’s statement AND *Purchasing Cardholder Activity Log*; supervisor signature constitutes approval of the small dollar purchase transactions made by the P-Cardholder. **The Supervisor is responsible to ensure there is a legitimate Business purpose for all transactions.**

After the P-Cardholder signature and P-Cardholder supervisor signature have been completed, the entire P-Card packet, inclusive of U.S. Bank statement, *Purchasing Cardholder Activity Log* and original receipts must be forwarded to the Purchasing Card Specialist in the Controller’s Office, (mail code: BOF) AAB 311, by the 10<sup>th</sup> of each month. It is essential that P-Cardholders meet this deadline.

Policy 6.01 also has the following requirement for items purchased.

Other high risk and mission-critical items under \$5,000 may/should be tracked on a departmental basis. Departments determine on an individual basis which items they will track. The following criteria should be used to evaluate what inventory is tracked.

1. Susceptible to frequent theft/loss.
2. Reporting purposes for grants, accreditation and statistical measures.
3. Mission-critical.
4. Goods having an established replacement cycle.
5. Frequent location changes.

### **P-Cardholder Non-compliance and/or Misuse**

The P-Card is the ideal purchasing method for small dollar purchases, and it is the intent of the College that P-Card usage be compliant with the procedures set forth in this manual.

Misuse and/or non-compliance with the P-Card procedures damages and undermines the P-Card program at the College as well as the P-Card concept as used in the public sector.

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

- Itemized receipts are required for all purchase transactions. **Failure to submit an itemized receipt(s)** will be followed by a written request from the Purchasing Card Key Personnel for immediate submission of the receipt(s) along with reiteration of the requirement to submit receipts, and notification that failure to comply will result in placing the P-Cardholder on notice. A second occurrence may result in P-Card deactivation and revocation of P-Card privileges.
- **Splitting the dollar amount of the total purchase** and making multiple smaller purchases so as to fit the purchase under the \$1,500 small dollar transaction limit is prohibited. **Splitting purchases between two P-Cardholders, or amongst multiple P-Cardholders**, to circumvent the \$1,500 small dollar transaction limit is prohibited. Evidence that splitting has occurred will be followed by written notification, reiteration of the appropriate procedure through further training with the cardholder and their Supervisor, and notification that the P-Cardholder(s) is placed on notice. A second occurrence will result in P-Card deactivation and revocation of P-Card privileges.
- **It is mandatory the *Purchasing Cardholder Activity Log* be included with every P-Card packet.** There must be a clear **business purpose** recorded on the log for every purchase. The **P-Cardholder must sign** on the P-Cardholder signature line and their **approving supervisor must sign** below the cardholder signature line on the corresponding signature line. Failure to include the Log of Transactions will be

followed by a written reminder and request for immediate submission. Continued failure to include the log may result in P-Card deactivation and revocation of P-Card privileges.

- It is mandatory the ***Hosting Authorization Form (must be pre-authorized) be included in every P-Card packet for any and all business meal or food purchases.*** All business meal purchases require pre-approval, review and approval by a second level manager or supervisor on the Form. Failure to submit a *Hosting Authorization Form* for meal purchases will be followed by a written request for immediate submission of the Form, reiteration of the requirement along with notification that failure to comply will result in P-Cardholder notice, and a second occurrence may result in P-Card deactivation and revocation of P-Card privileges.
- There are several small dollar items that require careful discretion and consideration of the business purpose BEFORE making the purchase, or are prohibited because it is inappropriate to purchase with College funds. **All items purchased by the College must have a clear business purpose** that is in support of conducting College business and/or advancing the mission of the College. If a P-Cardholder purchases a small dollar item that does not have a clear and direct business purpose, or is otherwise inappropriate to be purchased with College funds, the cardholder will receive written notification; reiteration of the requirement regarding business purpose and notification the P-Cardholder is placed on notice. A second occurrence may result in P-Card deactivation and revocation of P-Card privileges.
- **P-Cardholders are strictly prohibited from making personal purchases with the P-Card.** A P-Cardholder that inadvertently and unintentionally uses the P-Card by mistake for a personal purchase must immediately disclose the mistake to the P-Card Key Personnel and the P-Cardholder's supervisor, and must immediately reimburse the College fully. A repeat occurrence may result in P-Card deactivation.

Any P-Cardholder that knowingly makes a personal purchase on the SLCC P-Card will be notified in writing of the suspected personal purchase(s), and will be asked to respond accordingly. If it is determined the purchase is for personal use, the P-Card will be immediately deactivated and all P-Card privileges will be revoked. Additional consequences may also include a 50% penalty, disciplinary action and/or termination of employment.

- After supervisory review and signature, the P-Cardholder's **entire packet must be forwarded to the Purchasing Card Specialist, AAB 311 (BOF), by the 10<sup>th</sup> of each month.** P-Cardholders that habitually miss this deadline will be placed on P-Cardholder notice; continued lateness will result in P-Card deactivation and revocation of P-Card privileges.

### **Lost or Stolen Cards**

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

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