

P-CARD POLICY AND PROCEDURES

I. PURPOSE OF P-CARD

The WCU purchasing card (P-Card) is a corporate Visa credit card in which the liability rests with the University instead of the individual cardholder. Upon approval of the Department Head, the P-Card is issued in the designated individual's name to streamline the purchasing process by allowing the rapid purchase of low dollar goods and services. All state purchasing rules and regulations and University policies apply to P-Card transactions. Under no circumstances may this Visa card be used for personal purchases even if the intent is to pay the University back.

II. HOW TO BECOME A CARDHOLDER

To apply for a card, download the P-Card enrollment form found at, <http://admfin.wcu.edu/purchase/P-Card.html> complete the information requested, obtain the required signatures, and forward it to the Purchasing Department. It generally takes 2-4 weeks to complete the bank application and cardholder training process. Both cardholder(s) and the designated departmental reconciler are required to attend a 2 hour cardholder training session and sign a card use agreement before receiving the card. Departments are responsible for notifying Purchasing of any changes in a cardholder's employment status. Cards should be treated as university property and the integrity of the card maintained by the cardholder. Departments are encouraged to apply for at least two cards so that there is an alternate cardholder in the event that the primary cardholder is unavailable but may be required to have at least one cardholder.

III. TRANSACTION LIMITS

Three spending levels are available to the cardholder at the department head's discretion:

	<u>WCU-2</u>	<u>WCU-3</u>	<u>WCU-4</u>
Single Transaction Limit	\$ 500		\$ 2,500
Monthly Transaction Limit	\$5,000		\$15,000

IV. AVAILABLE FUNDING SOURCES and LIMITATIONS

NO Foundation purchases allowed on P-Card.

State, Grants (not currently available), and other Special Funds are allowed on P-Card. A single default fund and account must be designated on every P-Card enrollment form. A default fund and account can be changed upon written request and approval.

V. BILLING

The billing cycle closes on the tenth (10th) of each month. The purchase balance is paid in full each month and IS NOT encumbered in advance. It is essential for cardholders to keep good records and for the departmental reconciler to closely monitor budget fund expenditures for this reason. Cardholders must keep priced, itemized invoices and receipts to document each transaction and complete a P-Card Transaction Log entry for each purchase made with the card. Transactions are available in the bank's on-line P-Card reconciliation system and must be approved in the system by the cardholder within eight (8) days of the close of the monthly billing cycle. Card statements are available on-line to the cardholders at the close of the billing cycle. Cardholders must print the statements, verify the transactions, attach the priced, itemized invoices and receipts to the statement, sign the statement, attach a signed copy of the Transaction Log and submit the package to the departmental reconciler prior to the eighteenth (18th) of each month. Reconcilers must approve each transaction on-line in the bank's P-Card System by the eighteenth (18th) of each month, review the package from the cardholder for appropriate purchases and documentation, obtain supervisors'/department heads' signatures on statements and Transaction Logs, batch the statements and logs, and submit all to Purchasing by the first (1st) of the following month for audit and archiving.

VI. RECONCILIATION STEPS

The P-Card billing cycle closes on the tenth (10th) day of each month.

A. IF FUND OR ACCOUNT NUMBER CHANGES ARE REQUIRED

On-line FUND number and ACCOUNT number changes MUST be completed prior to the 18th of each month. Cardholders may make these changes or may submit their paperwork to their departmental reconciler prior to the 18th of each month with the numbers to be charged clearly indicated for the reconciler to make the change. All departments should follow their internal processing procedures. The P-Card on-line system will be available to the cardholder and reconciler to make the requested fund and account number changes for only 8 days following the close of the billing cycle. Please note that the cut-off date may be moved up to allow sufficient processing time during holiday periods.

This will require advance planning and coordination on the part of BOTH the cardholder and the reconciler. Although it will shorten the normal reconciliation period, it will ELIMINATE the need for special disbursements.

B. IF NO FUND OR ACCOUNT NUMBER CHANGES ARE NEEDED

1. Cardholder Duties:

Cardholders must sign-off on all transactions on-line in the bank's P-card System. Cardholders must print their bank statement from the P-Card System and submit their itemized invoices, receipts, all backup, signed bank statement and signed Transaction Log to their departmental reconciler by the eighteenth (18th) of the month. Packing slips are accepted only if priced. All ITEMIZED invoices, receipts and documentation must be batched and submitted with each cardholder's monthly

bank statement and Transaction Log. **Note:** Detailed records are vital to the integrity of the P-Card program. Card documentation may be audited by the State Auditor's Office, NC Division of Purchase and Contract, WCU Internal Auditor and is reviewed monthly by WCU Purchasing.

2. Reconciler Duties:

Reconcilers must sign-off on all transactions on-line in the bank's P-card System by the eighteenth (18th) of each month. Reconcilers must review and sign the batched statement, review the Transaction Log and backup for appropriate purchases and documentation, and obtain departmental supervisor/department head's signature. Reconcilers must forward the approved statements and logs with accompanying receipts to Purchasing for review and archiving no later than the first (1st) of the following month.

Cardholder, reconciler and supervisor/department head MUST sign the monthly statement.

NOTE: If the department head is the cardholder or the reconciler reports to the cardholder, the cardholder's superior must countersign the statement in addition to the cardholder and reconciler. If you are not sure how to resolve your situation, please contact the P-Card Manager for guidance.

VII. VIOLATIONS/COMPLIANCE

The delegation of authority to purchase goods using the card is a privilege that automatically ceases upon separation from the University or upon reassignment to another department. WCU Purchasing reserves the right to revoke and cancel any credit card(s) for failure to comply with the policies and procedures of the program. WCU Purchasing further reserves the right to evaluate the seriousness of any violation and may allow the department to provide an explanation, which may be used as the determining factor to whether card privileges continue or not. WCU Purchasing has the right to exercise appropriate action as deemed necessary.

A. Cause for employee suspension/termination

Fraudulent or willful misuse of the card, including willful use of the card to make personal purchases even if you intend to reimburse the University, may result in disciplinary action, up to and including termination of employment.

B. Cause to suspend or cancel purchasing cards

P-Cards may be suspended or cancelled if any of the following occur:

1. Fraud or personal use
2. A pattern of violation of WCU Purchasing and P-Card policies is documented , such as:
 - Splitting orders to avoid dollar limitations
 - Noncompliance with State contracts and/or Purchasing policies and procedures
 - Delinquent statements

- Incomplete statements/documentation
 - Misuse of funds
 - Unauthorized expenses or use of card
 - Travel violations
3. A card is determined to be of no use to the cardholder
- A quarterly report is used to identify cards having no activity for a 12 month term
 - The P-Card office will contact the cardholder to make sure he/she still has the card and to justify keeping the card account open

Cardholders and Reconcilers will be required to attend P-Card Training upon accumulation of three (3) or more violations from any of the categories listed above during a six month period. The card may be placed in a hold status until attendance at a class is documented.

Willful misuse of the card or inappropriate expenditures may be cause for immediate cancellation of your card privileges.

Using someone else's card, allowing others to use your card, and failing to secure your card are not allowed and may be cause for card cancellation.

Consistent abuse of the card is cause to place the card account in a hold status until a review can be conducted. Card abuse may be reason to cancel cards at the discretion of the WCU Purchasing Department. Notice of card cancellation for any reason will be prepared by the P-Card Manager and sent to the Director of Purchasing who makes the final determination and sends the cancellation notice to the cardholder, reconciler, and department head.

C. Personal use

The P-Card is NOT to be used for personal purchases under any circumstances, even if you intend to pay the University back. Intentional abuse of the card is cause for immediate cancellation of card privileges and may be cause for termination of employment. Unintentional use as determined by the P-Card Manager will be handled on a case-by-case basis. Repeated offenses, unintentional or otherwise, are cause for card cancellation.

D. Splitting transactions to circumvent transaction limits

This is based on the total order to a single vendor. The order cannot be "split" or divided into multiple smaller dollar orders to stay under your single, daily, or monthly transaction limits.

E. Noncompliance with State contracts or Purchasing policies

All State of NC purchasing rules and regulations apply. Contract items must be purchased through the contract source.

F. Delinquent Statements

Approved card statements with all documentation are to be IN Purchasing by the 1st of each month following the close of the billing cycle. If any statement is not received by the due date the cardholder and reconciler will receive a notice via email. If the statement is not received within 3 business days of the notice, the card will be suspended and the cardholder, reconciler, and Supervisor/Department Head will be notified of the suspension.

Extenuating circumstances may be considered on a case-by-case basis by the P-Card Manager upon receipt of a written (or emailed) explanation. Request for an extension must be made prior to the 1st of the month following the close of the billing cycle and does not guarantee approval.

- First Offense – Immediate reinstatement after receipt of delinquent statement and documentation.
- Second Offense – Reinstatement 10 business days after receipt of delinquent statement and documentation.
- Third Offense – Card will not be reinstated for a minimum of 30 days after receipt of delinquent statement and documentation, plus a written memo from the department head explaining the reason for the discrepancy which caused the delays/suspension and steps to prevent it from happening in the future. Cardholder and reconciler will be required to attend another P-Card training class.

The above-mentioned statement offenses will be considered on an annual basis. If delinquent statements persist, Purchasing reserves the right to cancel or suspend card privileges.

G. Incomplete statements and/or documentation

Statements are considered to be incomplete for any of the following reasons: missing signatures, initials, missing invoices/receipts, missing prices or descriptions, or receipt totals do not match transaction totals to within \$1.00.

Through email, phone, and/or fax, every effort is made to give the cardholder opportunity to provide incomplete information. However, cardholders who do not comply with the request for items/information after two notices will have their single transaction limit reduced to \$1.00. Once the required documentation is provided to the P-Card Manager, the cardholder's designated spending strategy will be reinstated at the close of that current billing cycle.

H. Misuse of funds or use of invalid object codes

State, Grant (not currently allowed), and some Special funds are allowed for P-Card purchases. The purchasing card does not change what you can buy, but how you pay for it. It is the cardholder's responsibility to be aware of the rules and guidelines applicable to each fund.

I. Unauthorized expense

Below are examples of authorized and unauthorized transactions, which are reviewed during training classes. The purchasing card cannot be used for items listed on the unauthorized transactions list.

Authorized Transactions:

- Memberships and Organization dues
- Subscriptions - To a business address / Annual Only / inc.; software subscriptions
- Registrations (All WCU Travel policies apply)
- Publications
- Interlibrary Loans
- Postage (small quantities)
- Express shipment charges
- Advertising
- Certifications
- Licenses such as nurses, doctors, etc.
- Office and lab supplies
- Office and lab equipment
- Software, accessories, and peripherals

All purchases must be within spending limits!

Unauthorized Transactions:

- NO Animals
- NO Purchases over designated spending limits
- NO Split ticket purchases to circumvent the single purchase limit
- NO Weapons and ammunition
- NO Purchases from pawn shops
- NO Controlled substances (Drugs, Alcohol, Fireworks)
- NO Radioactive Materials
- NO Payment to individuals, consultants or employees [Vendor must provide a FEIN versus a SSN]
- NO Purchases for personal use
- NO Travel (Lodging, Gas, Food, Meals, Car Rentals)
- NO Entertainment
- NO Cash Advances
- NO Gifts, NO Contributions
- NO Gift Certificates or Gift Cards
- NO purchases from Foundation funds

Travel violations

The purchasing card can be used to pay registration fees. The purchasing card CANNOT be used for meals (including registration “add-ons”), lodging, car rental, or gas.

All WCU Travel policies and procedures apply. The WCU Travel Manual may be accessed at <http://admfin.wcu.edu/control/travl.htm>