



Purchasing Policies and Procedures

Purchasing Card Program

Effective Date: July 1, 2009

Board Approval: September 9, 2015

1. Purpose.

The purpose of the TATC Purchasing Card Program is to establish a more efficient, cost-effective method of purchasing and payment. The program is designed to supplement a variety of processes including petty cash, check writing, low-value authorizations, and small dollar purchase orders. These policies and procedures provide the guidelines under which a cardholder may utilize his/her Purchasing Card.

2. Policy.

All cards are issued per TATC policies. Card usage may be audited and/or rescinded at any time. The person whose name appears on the Purchasing Card is the only person entitled to use that card. The cardholder's signature on the Cardholder Agreement indicates understanding of the intent of the program and agreement to adhere to the guidelines established by the program. Authorized cardholders will receive a TATC Purchasing Card upon submitting a signed Agreement to Accept the Purchasing Card, and may begin using the card immediately upon receipt. Cardholders should contact the TATC Fiscal Services Office with questions.

Record-keeping will be essential to ensure the success of this program. This is not an extraordinary requirement. State Finance and Purchasing policies require retention of receipts, competitive quotations, packing slips, etc. As with any charge card, cardholders must retain receipts for their own protection and the College's protection.

Cardholders should remember that they are committing State funds each time they use the TATC Purchasing Card. This is a responsibility that cannot be taken lightly!

3. Procedures.

3.1 To Obtain a Card.

- a) It is recommended that employees read this policy and procedures section in its entirety before requesting a TATC Purchasing Card. This section provides a variety of information about the process, the types of purchases that can and cannot be made, who will accept the card, records that must be maintained and reconciled monthly and miscellaneous information about the program.
- b) After an employee reads and understands the procedures outlined, the employee completes a Purchasing Card Application and gets supervisory approval.
- c) The Vice President of Fiscal Operations must indicate approval by completing the monthly and transaction credit limit, signing the form and processing the request.
- d) During this process, a cardholder training session must be attended by the prospective cardholder. These training sessions will be held as needed and scheduled by the Fiscal Services Office.
- e) At the conclusion of the training session, employees will be given a copy of these policies and procedures.
- f) When the card is received, the cardholder should sign the back of the card and always keep it in a secure place! Although the card is issued in the cardholder's name, **it is the property of the TATC and is only to be used for TATC purchases as defined in this document.**

3.2 General Information.

- The program helps to eliminate the use of small dollar purchases orders, petty cash, requests for checks, and the use of personal funds reimbursed by expense report.
- The program is NOT intended to avoid or bypass appropriate purchasing or payment procedures. Rather, the program complements the existing processes available.
- The card is not to be used for personal use.
- The cardholder will be assigned a monthly and transaction limit. The limits will be set based upon the employee's position and key business purpose of the card.
- The program can be used for in-store purchases as well as mail, e-mail, internet, telephone and fax orders.
- When items which will be delivered to the TATC are ordered with a Purchasing Card the cardholder should notify the Campus Purchasing Agent so the items may be received and delivered to the person making the order.
- Each cardholder is responsible for the security of their card and the transactions made with the card. The card is issued in the name of the employee and it will be assumed that any purchases made with the card will have been made by the employee. Failure to comply with the guidelines established for this program may result in severe consequences, **up to and including termination of employment.**

3.3 Examples of when the Purchasing Card may be used:

- Business related food items, subscriptions, seminars
- Program supplies, materials, tools
- Campus IT supplies
- Marketing expenditures
- Miscellaneous maintenance requirements

3.4 Examples of when the Purchasing Card may not be used:

- Any individual item exceeding \$500 unless the cardholder's assigned single transaction limit and key business purpose permits such purchases (Transaction Limit)
- Any merchant, product, or service normally considered to be inappropriate use of State funds (Many inappropriate MCC codes are blocked).
- Capital equipment – Capital items unless the cardholder's single transaction limit and key business purpose permits such purchases. (Capital items need to be capitalized, tagged and entered into the fixed asset system)

3.5 Services. Do not use the card to pay for any professional services. The college needs to collect a W-9 Form (Request for Taxpayer Identification Number and Certification) from all service providers. The card may be used for repair services from corporations.

For example:

- Personal services
- Consultants
- Attorney fees

3.6 Some Built-In Restrictions.

Each card has been assigned an individual credit limit which is based on anticipated purchasing activity. If the cardholder finds over time that the limit is too low to accommodate monthly requirements, the cardholder may contact the Vice President of Fiscal Operations to re-evaluate the limit.

Some supplier's Merchant Category code (MCC) codes have been "blocked" from usage in the program. If a cardholder presents their card to any of these suppliers, the transaction will be declined. It is likely that any supplier currently utilized as a source for products will accept the card. If a cardholder is declined and feels the decline should not have occurred, they may call the 800 number on the card. U.S. Bank Customer Service will determine if the decline was because of merchant blocking or exceeding the monthly credit limit or single-purchase limit imposed

on the card. If there is a legitimate business need to use a blocked MCC code please contact Fiscal Operations to coordinate the use of the card with a specific supplier.

3.7 The Purchasing Card Log.

The Purchasing Card Log becomes an ongoing record of information about the transactions made on each card. The form is simple and easy to use, and will require a minimum amount of time to maintain. The form will be provided by the Fiscal Operations Services. A cardholder may retain the detailed receipts in an envelope instead of a log if purchases are only made in person and there is not a need to track open orders.

Individual receipts typically itemize merchandise purchased. The log provides a record of activity enabling the cardholder to reconcile the Monthly Reconciliation Statement. In addition, the receipts retained in conjunction with the log provide the documentation necessary should there be an audit.

The Cardholder should always obtain a receipt when using the Purchasing Card. This is not an extraordinary requirement. In the log, record the date of the transaction, the name of the supplier, identifies the merchandise purchased, and the dollar value of the sale. A separate line item is required for each purchase. Indicate if the order was placed via phone, fax, mail, internet, e-mail, or in person.

This log is the record against which the cardholder will reconcile the Monthly Reconciliation Statement.

3.8 Specific Cost Accounting Needs.

The proper fund and class (program) code should be indicated on the Monthly Reconciliation Statement as well as a complete description of the purchase.

3.9 Reconciliation and Payment.

The U.S. Bank Purchasing Card Program carries institutional, not individual, liability. Invoices will be paid by the Fiscal Services Office and individual cardholders will not be required to pay a Monthly Statement using personal funds. **The program does not impact a cardholder's personal credit rating in any way.**

3.10 It is required that cardholders retain all Detailed (Line Item) receipts for goods purchased.

If a purchase is made via phone, fax, mail, e-mail, or other electronic means, the supplier should be asked to include an itemized receipt with the goods when the product is shipped. This itemized receipt is the only original documentation for the purchase. This will also be used for auditing purposes.

Each cardholder will receive the following and handle it accordingly:

1. Monthly Reconciliation Statement will be received from Fiscal Operations – reconciles all transactions made against the card during the previous billing cycle. The statement must be reconciled against the Purchasing Card Log and/or the retained receipts for accuracy. Each cardholder should attach all detailed receipts, sign the statement and forward their reconciled statement to their approved Department or Division Manager for review and approval.

Actual payment of a central invoice will be made by the Fiscal Services Office. However, each cardholder's activity may be audited at any time.

3.11 If Cardholder Records Do Not Agree With Statement.

There may be occasions when items on a statement do not correlate with the entries in a log or the retained receipts. The cardholder may not have made the transaction, the amount of the transaction may be incorrect, or there may be an issue with the quality of a product.

First, contact the supplier involved to try to resolve the error. If the supplier agrees that an error has been made, he/she will credit the account. Highlight the transaction in question on the log as a reminder that the item is still pending resolution.

Second, if the supplier does not agree that an error has been made, contact U.S. Bank Customer Service using the 800 number on the back of the Purchasing Card. The cardholder should state that they would like to dispute a

charge on their card. The cardholder will be asked to submit the information in writing so that U.S. Bank can research the disputed item. The cardholder may fax the completed Purchasing Cardholder Dispute Form to the Representative at U.S. Bank. The amount of the next invoice will be reduced by the amount of the disputed item until the transaction in question is resolved.

3.12 Disputed Transactions.

Any transaction which a cardholder wishes to dispute **must be identified in writing to U.S. Bank with a copy sent to the Fiscal Services Office, within 60 days of the statement date.** Disputes will then be resolved by U.S. Bank within 90 days. If a dispute is not identified in writing to U.S. Bank within 60 days of the statement date the issue must then be resolved between the cardholder's department and the supplier.

The cardholder is responsible for the transactions identified on their statement. If an audit is conducted on the account, the cardholder must be able to produce receipts and/or proof that the transaction occurred. If an error is discovered, the cardholder is responsible for showing that the error or dispute resolution process was completed.

3.13 Lost or Stolen Cards.

The U.S. Bank Purchasing Card is the TATC's property and should be secured just as personal credit cards would be secured. If a card is lost or stolen, the cardholder should notify the Fiscal Services Office, and contact U. S. Bank Customer Service immediately! Written confirmation of cancellation must then be provided by the cardholder to the Fiscal Services Office.

Upon receipt of a call, further use of the card will be blocked. Prompt action in these circumstances can reduce the Center's liability for fraudulent charges.

3.14 Sales and Use Tax.

Cardholder should NOT pay sales tax. The card should state tax exempt on it.

Cardholders may be charged tax when they should not. There may be an insignificant number of cases where tax will be paid unnecessarily.

Should a cardholder have additional questions regarding whether or not tax should be paid, they should contact the Fiscal Services Office for assistance.

3.15 Suppliers Who Do Not Accept the Card.

Although the Center does not endorse Visa or any of its associated banks specifically, the College encourages suppliers to become involved in the TATC Purchasing Card Program so that cardholders can use the program most effectively.

Suppliers may contact their local bank or financial institution to become Visa capable. These institutions can implement the processing of charge card transactions by suppliers.