

PROCEDURE

Subject	Small Purchase Charge Card Program Page 1 of 9	Number: 5.18.14 (Formerly 6.02.01)
Source	Associate Vice President - Finance Director, Facilities Management	Reference (Rule #) 6HX14-5.18
President's Approval/Date:	 3/24/2014	

PURPOSE

This procedure defines the elements of the Facilities Department's small charge card program and establishes an orderly and efficient method for qualified Facilities personnel to quickly obtain needed materials. Instructions are also presented for the use and documentation of transactions.

FUNDAMENTALS

As part of the continuing efforts to streamline the State's procurement and payment processes, the State of Florida established a contract with Bank of America to provide its Visa purchasing card program to state agencies and institutions, including state colleges.

In keeping with those goals, State College of Florida, Manatee-Sarasota instituted a procurement card program involving personnel of the Facilities Planning & Maintenance Department.

The purchasing charge card may be used when purchasing goods and limited services. Cards will be issued in the name of the individual. Orders can be made over the counter, via telephone, mail order or Internet.

The purchasing charge card policies and procedures, record keeping requirements, and the payment processing procedures are detailed below.

OVERVIEW

The small purchase charge card program will be an alternate method for procuring goods and services and simplifying the payment process. The program will reduce the number of purchase orders and accounts payable transactions by consolidating multiple vendor invoices into one monthly invoice from the college card vendor. The availability of the purchasing card will not change or supersede College Rules and Procedures and other internal controls for procuring goods.

POLICY

The purchasing card shall only be used to purchase low dollar goods and limited services for the College. There is a \$1000 single purchase limit for all non supervisory authorized personnel. Each

authorized supervisor will be given a higher single purchase limit depending upon department needs, but not to exceed \$5,000. Monthly spending limits will not exceed \$5,000 for non supervisory personnel and \$10,000 for supervisory personnel. The Director of Facilities will determine the maximum credit limit for each card and designate which personnel are to be issued cards. A written request from the Director of Facilities or designee to the Associate Vice President, Finance will be required for the issuance of cards, single purchase and monthly limits, new cards, canceled cards, and any other changes or additions. The Associate Vice President, Finance or designee will be responsible for corresponding with the bank for these requests. For control purposes, facilities personnel will only be permitted to correspond with the bank for statement reconciliation purposes.

The purchasing card does not relieve the Facilities Department from using beneficial state contracts, or contracts established by the Purchasing Department, nor does it provide an avenue to circumvent the College's procurement system for normal purchases.

Prohibited charges include, but are not limited to, personal charges, cash advances, and business travel and entertainment expenses. Orders shall not be placed for capital items (equipment and furniture which cost \$500 or more). Other restrictions will also apply. (See paragraph F). Facilities Department budget supervisors are encouraged to use the card program to maximize the reduction in administrative costs and the efficiency of the procurement process.

PROCEDURES

- A. Card Issuance, Cancellation and Changes: Purchasing cards will be issued by the bank and through the Associate Finance to individuals who have been designated by the Budget Supervisor(s) in the department, or by the Director of Facilities. The cards will be issued in the name of the designated individual. The cardholder must sign an employee Cardholder Agreement (attachment A) before obtaining the purchasing card. Upon request by the College or upon termination of employment, cardholders must return the purchasing card to the Associate Vice President, Finance or designee. Any requests for new, replacement or cancelled cards or changes of any kind to existing purchasing cards will be initiated by the Associate Vice President, Finance or designee.
- B. Security: Authorized use of the purchasing card is limited to the person in whose name the card is issued. The purchasing card shall not be loaned to another person. In the event the cardholder is absent from work for an extended period of time, a new card may be issued to another person for the duration of the absence if requested by the Budget Supervisor or Director of Facilities. The purchasing card shall be kept in an accessible but secure location. The account number on the purchasing card shall not be posted or left in a conspicuous place. If the cardholder's purchasing card is lost or stolen, the cardholder must immediately notify the Associate Vice President, Finance or designee, who will in turn notify Bank of America.
- C. General Requirements for Card Usage: Cardholders must maintain a separate log of their purchases made with the purchasing card to monitor spending and purchasing activity and limits, and for reconciliation to the monthly charge card statements. A new purchasing log sheet should be established at the beginning of each month. To use this card, the cardholder must:

1. Identify a supplier that sells the required goods. The Purchasing Office will assist with supplier information.
2. Call or go to the supplier's place of business and place your order. Provide any specific point of sale information that your department desires to capture for reconciliation purposes (such as charge code). Do not generate a requisition. (Remember the use of mail order and Internet is acceptable).
3. Give the supplier the account number and expiration date of your purchasing card. The supplier will verify the account number with the charge card vendor. The spending limit will be checked electronically for compliance with applicable limits.
4. Retain all documentation pertaining to the purchase. When the supplier delivers the order, documentation of the purchase (such as a sales receipt or packing slip) should accompany the order. This documentation must be kept on file and reconciled to the individual SCF Purchasing Log Sheet (Attachment B).
5. Enter the purchase information in your cardholder's purchasing log.

D. Returns, Credits and Disputed Items: In most cases, disputes can be resolved directly between the cardholder and the supplier of the goods or services. The cardholder must use the following guidelines when returning an item:

1. If an item needs to be returned for any reason, the cardholder should send the item back to the supplier in the manner agreed upon.
2. The supplier should issue a credit for items that are returned. This credit will appear on a subsequent charge card statement.
3. The supplier should issue documentation of the return (such as a credit card receipt). All documentation pertaining to returns must be kept on file for reconciliation to the monthly charge card purchasing log.
4. The return should be entered in your cardholder's purchasing log.
5. If the cardholder and supplier cannot resolve an issue, the cardholder must contact the charge card vendor. The charge card vendor will investigate the dispute on the cardholder's behalf and assist in the resolution. A temporary credit will be issued pending final resolution.

E. Reconciliation of the Charge Card Statement: Each user is responsible for retaining documentation of purchases and returns and, with the aid of the monthly charge card purchasing log, reconciling them to the monthly charge card statement. The Director of Facilities will assign a departmental employee who has not been assigned a purchasing card to perform the monthly reconciliation for each card assigned to departmental employees. That employee must read and understand the Small Purchase Card Procedure (5.18.14), and sign and date it prior to assuming any of the above responsibilities. A copy of this signed Procedure will be retained by the Associate Vice President, Finance.

The following guidelines are to be used for monthly reconciliation:

1. Each cardholder will receive a monthly charge statement that must be compared to the purchasing log to verify that purchases and returns are accurately listed on the statements.
2. All documentation pertaining to purchases and returns must be matched with the charge card statement.
3. Discrepancies shall be noted in the purchasing log for subsequent resolution. A Purchasing Card Payment Authorization form (Attachment C) must be prepared and on the 5th day of each month, return the Purchasing Card Payment Authorization form to Accounts Payable, Finance Office. All supporting documentation for each charge card must be retained by the department for at least 3 fiscal years and be available for post-auditing by the College and the State Auditor General.
4. Purchases listed on purchase log sheet but not on the cardholder's Bank of America Statement.
 - a. Highlight item on purchase log sheet, and annotate: "missing from statement"
 - b. Add note of explanation to next purchase log sheet when item appears on statement.
5. Purchases on cardholder's statement, but missing on purchasing log:
 - a. Process your statement for payment, but note missing items.
 - b. Reconcile differences with vendor.

F. Additional Criteria for use of Procurement Cards:

1. The order must be delivered or picked up in total--- NO partial deliveries or backorders will be paid for until they are received.
2. Funds must be available in your departmental budget for each purchase, and an encumbrance must be completed. It is the responsibility of the cardholder and the Budget Supervisor to assure those funds are available.
3. Freight, if applicable, must be added to the cost of the order by the vendor.
4. The College is exempt from the State of Florida Sales Tax. The College's tax-exempt certificate will be shown and verified with every purchase if required.

5. The purchasing charge card may not be used for certain purchases, including but not limited to the following items: Alcoholic beverages, repair or contracted services, ammunition, animals, consulting services, controlled substances, cylinder gases, food, gasoline, hazardous chemicals, leases of equipment, liquid nitrogen, mailing services, personal items, furniture, equipment, postage, radioactive materials, telephone services, tobacco products, travel, weapons, purchases outside the USA, purchases involving trade-in of equipment.
 6. The following vendor types are disallowed and an attempt to charge at one of these will be rejected at the site: Airlines, airports, adult video/magazine stores or entertainment clubs, bars, taverns, other kinds of night clubs, boat rentals, hotels, duty free stores, marinas, package stores, beer, wine liquor, personal service providers (laundry, barbers, funeral services, dating services, health spas and exercise facilities), professional services & membership organizations (doctors, hospitals, schools), railroads, restaurants, service providers (financial institutions, insurance, lodging, campgrounds), steamships, cruise lines, transportation services, and travel agencies.
 7. Accounts Payable must process Bank of America's invoice immediately upon receipt in order to comply with the terms of the State Contract. Therefore, each cardholder's Purchasing Charge Card Payment Authorization form statement is due in Accounts Payable by the 5th day of each month. If this date is not met, Accounts Payable will charge the delinquent department's account for their purchases based on the invoice received in Accounts Payable from Bank of America. Any corrections needing to be made to the account number and/or object code will be the responsibility of the departments. Any finance/late charges assessed due to late payment authorization from a department will also be charged to the department.
- G. Responsibilities of Cardholder:** Cardholders are expected to follow appropriate state laws and guidelines, as well as use good and reasonable judgment when making purchases. When in doubt, speak to Director of Facilities or designee for assistance before making the purchase.

Serious or repeated misuse or abuse of the card will result in the revocation of the card as well as disciplinary actions up to and including termination of employment and prosecution to the extent permitted by law.

Attachments A, B, and C

ATTACHMENT A

STATE COLLEGE OF FLORIDA, MANATEE-SARASOTA PURCHASING CARD
PROGRAM
CARD HOLDER AGREEMENT

I, the undersigned, agree to the following regarding the use of the State College of Florida, Manatee-Sarasota purchasing card that is to be assigned to me for Official College Business only:

1. I understand that I am being entrusted with a powerful and valuable tool and will be making financial commitments on behalf of the College and will strive to obtain the best value for the College by using “preferred suppliers,” including state contract and SCF Purchasing contracted vendors whenever possible.
2. I understand that under no circumstances will I use the SCF Purchasing Card to make personal purchases, for either others or myself. Willful intent to use the SCF Purchasing Card for personal gain or unauthorized use may result in disciplinary actions up to and including termination of employment or prosecution to the extent permitted by law.
3. I will follow Florida Law and State College of Florida, Manatee-Sarasota Purchasing Rules and Procedures, including the established procedure and guidelines for using the SCF Purchasing Card. Failure to do so may result in either revocation of my card privileges or other disciplinary action as noted above.
4. I have been provided a copy of the Small Purchase Charge Card Program Procedure (5.18.14) and attended training on _____ and understand the SCF Purchasing Card Program. I have been given the opportunity to ask any questions to clarify my understanding of the program. I further understand that I am free to contact the Facilities Staff Assistant @65211, the Accounting Clerk III @ 65355, or others as may be needed, for any other information or help that I may need in connection with the SCF Purchasing Card Program.
5. I acknowledge that the SCF Purchasing Card may not be used for the purchase of items shown in SCF Procedure 5.18.14, paragraph F.5.
6. I acknowledge the single purchase limitation of \$1000 on the SCF Purchasing Card, or higher limit, not to exceed \$5,000 if I am an authorized supervisor, as shown in the “Policy” section of Procedure 5.18.14.

7. I agree to keep the necessary records and documentation of transactions that I make with the SCF Purchasing Card so that reconciliation of transactions may be done in a timely manner by the responsible departmental person.
8. I agree that, should I violate the terms of this agreement, I will be subject to disciplinary action up to and including termination of employment and that I will reimburse State College of Florida, Manatee-Sarasota for all incurred charges and any costs related to the collection of such charges. Additionally, any such charges that I owe the College may be deducted from any amounts which would otherwise be due and owing to me, including salary and wages.
9. I agree to return the card immediately upon request or upon termination of employment (including retirement). In addition, if I am involved in an organizational change or transfer to another department or cost center, I will return my card and arrange for a new one if deemed necessary by my supervisor.

Printed Name of Employee _____

Employee Signature _____

Date _____

Director of Facilities

Signature: _____

Date: _____

FOR FINANCE OFFICE USE ONLY

Card Number _____

Department Name & Number _____

Phone# _____ email: _____

Card Received by: _____

Date Card Picked up by Recipient: _____

