

PROCUREMENT CARD POLICY AND PROCEDURES

INTRODUCTION

The procurement card program is designed to provide a quick turnaround on the purchase of small dollar items with a reduction in paperwork, approvals and time.

The use of a procurement card does not, in any way, eliminate the need to comply with all GTCC and the state of North Carolina purchasing policies, procedures and regulations.

The program will be coordinated through the Manager, Procurement and Inventory Control and the Director of Finance.

DEFINITIONS

- GTCC P-Card Coordinator – the designated GTCC employee who will oversee and coordinate the program for the entire college. At the time of this publishing, the Manager, Procurement and Inventory Control will oversee this program.
- HUB – Historically Underutilized Business.
- MWBE – A minority/woman-owned business.
- Vendor – A company used by the cardholder to order/purchase goods and services.
- Cardholder – A GTCC employee approved to make purchases using the procurement card.
- Account Manager – The designated person in each department that is responsible for reconciling each monthly statement of account.
- Statement of Account – the monthly listing of all items purchases for a particular account/cardholder. These statements must be reconciled back to the cardholder's receipts for the month.
- Single Purchase Limit – the dollar amount allowed per transaction and per month for each cardholder. These may differ among departments and cardholders based on needs and not to exceed the allowance by the State.
- Over the counter purchase – a purchase made in person at the selected supplier in order to expedite the purchase and receipt of the goods.

APPROVAL PROCESS

Anyone that is interested in getting approved to have a GTCC procurement card must do the following:

1. Make the request through the Vice President of the Division. If he/she approves the employee as a cardholder, the employee will complete a P-card Employee Agreement Form. The form must be completed in its entirety and signed by the employee, his/her supervisor and the Vice President of the Division. By signing the form, the employee acknowledges that he/she has sole responsibility for the p-card and purchases made on it. The bottom section will be signed upon receipt of the card after mandatory training has taken place. By signing this section, he/she understands the policies and procedures as related to the card, the policies and procedures for making purchases and is responsible for the use of the card.
2. Forward the approved form to the Director of Finance for final approval.
3. Once all approval levels have signed the form, forward the completed form to the GTCC P-card Coordinator.
4. The GTCC P-card Coordinator will schedule training. Once training is complete, the P-card Coordinator will order the card. When the card is available for pickup, the requestor will sign the bottom section of the application form.

An employee must be in good standing with GTCC in order to receive a p-card. Any employee on new-hire probation will not be eligible for a p-card. If a p-card holder is placed on probation at any time for any reason, his/her p-card privileges will be revoked immediately. The Director of Human Resources will notify the P-card Coordinator immediately of instances where the p-card should be revoked or suspended. Reasons include termination of employment or a status change to probation or suspension. The P-card Coordinator will forward a signed copy of the p-card agreement to the Human Resources department for filing in the employee's files.

TRAINING

All persons applying for a p-card will be required to attending training sessions on the use of the card. Each cardholder must be knowledgeable of the GTCC purchasing policy, the State purchasing policy and the use of State negotiated contracts. These training sessions will be held at a minimum of monthly during the initial implementation of the program. Refresher sessions will be available during the first year of implementation. Thereafter, training will be held periodically as the need arises. Reasons for additional training include, but are not limited to, audit findings, changes in GTCC or State procedures and changes in the p-card program

RECEIVING THE P-CARD

The issuing bank will forward the P-card to the GTCC P-card Coordinator. Once received, the GTCC P-card Coordinator will record the account number on the P-card Employee Agreement Form. The new cardholder will be contacted to schedule a time to pick up the p-card in the Purchasing Office. No card will be delivered through interoffice mail. ALL p-cards must be picked up in person by the cardholder. Proper photo identification, drivers license or GTCC employee badge, must be presented at the time of pickup.

The GTCC P-card Coordinator will maintain a log of all cardholders and account numbers. When a new card is picked up, the new cardholder must sign that he/she has picked up the new card.

LOST OR STOLEN CARDS

The cardholder is responsible for reporting a lost or stolen card immediately upon discovery of a missing card. The cardholder must first report the loss to the bank and then notify the GTCC P-card Coordinator. If the lost or stolen card is found after it has been reported missing, the card must be cut in half and both pieces brought to the GTCC P-card Coordinator and not sent through interoffice mail.

P-CARD PURCHASING GUIDELINES

General

1. Each P-card issued will have the cardholder's name embossed on the front of the card. The name on the card is the **ONLY** person that will be able to use the card. **No other person is authorized to use the card – including the employee's supervisor, department head, vice president or other department employee.**
2. Limits will be placed on the dollar amount per transaction and per month for each individual card. Decisions will be based on the type of work the cardholder does and the needs associated with

that position. Freight and tax are considered when calculating the total dollars. Neither purchases nor payments may be split into multiple transactions to avoid the limits placed on the card or to avoid the state and GTCC purchasing guidelines.

3. Each p-card will also have a limit on the number of transactions allowed per day and per month. These limits will be based on the type of work performed by the cardholder and the needs associated with that position.
4. Any and all p-card orders must be shipped complete. When placing an order, check with the supplier to be sure all items are available. **No backorders are allowed.**
5. Tax will be applied to all orders even if the item is sold as tax exempt.

Security

The cardholder is responsible for the whereabouts of the card at all times and should treat the card's security as if it were his/her own. The cardholder should be the **ONLY** person using the card. No purchase is allowed by another employee, a family member, a friend or any other individual.

If the card is lost or stolen, the cardholder must immediately notify the issuing bank. Then the cardholder must notify the GTCC P-card Coordinator.

The GTCC P-card Coordinator can authorize a new card to replace the lost or stolen one after he/she has received confirmation that the old card has been reported as missing. In the event that the old card is found, the card must be cut in half turned in to the GTCC P-card Coordinator immediately. The GTCC P-card Coordinator will destroy the old card.

State Contract Items

It is GTCC's policy to purchase items that are on state contract from a contract supplier. Remember that it is the item on contract, not the supplier. Items are not brand specific. For example, if you wanted to purchase a Nikon digital camera but state contract had only Minolta, you would be required to purchase the Minolta from the state contract.

Competition

Purchases up to \$2,500 do not need written quotes or bids. However, GTCC's purchasing policy encourages competition at all levels and thus encourages the cardholder to seek competition wherever possible.

Printing Services

Printing orders must be approved by both Marketing and Duplicating before contacting an outside supplier.

Repetitive Monthly Charges

A cardholder may use the p-card for repetitive monthly charges for items that would normally be purchased under a blanket purchase order that total between \$2,500 and \$4,999 for the year as long as written documentation of competition is received. These written quotes must be maintained in the cardholder's files and are subject to audit by the GTCC P-card Coordinator.

Charges that will total \$5,000 or over for the year must be bid through the Purchasing Department **BEFORE** the cardholder executes a transaction with the supplier.

Equipment

GTCC defines equipment as any item that has a total cost of \$1,000 or more including tax and shipping charges. **Equipment cannot be purchased on the P-card.** Any type of computers, PC's, laptops or others that are under \$1000, **cannot** be purchased with the p-card.

NON-ALLOWABLE TRANSACTIONS

Transactions listed below are examples of items that cannot be purchases with the p-card. The list is intended as examples only and is not intended to be all-inclusive. If questions arise about a transaction, contact the GTCC P-card Coordinator for guidance.

- ∞ Personal purchases
- ∞ Vehicle repairs
- ∞ Maintenance or service agreements
- ∞ PSA payments
- ∞ Gasoline (except for the fuel card program)
- ∞ Meals
- ∞ Entertainment
- ∞ Flowers or other gifts
- ∞ Invoices for items that were not originally purchased with the p-card
- ∞ Membership or Dues
- ∞ A single transaction that exceeds the p-card limits
- ∞ Cash advances
- ∞ Alcoholic beverages
- ∞ Telephone calls or monthly telephone service
- ∞ Equipment items or enhancements to equipment

Note: A cardholder who makes an unauthorized purchase or otherwise uses the p-card in a careless manner will be liable for the total purchase amount of the unauthorized purchase plus any additional fees charged by the bank in connection with the misuse of the card. In addition, the cardholder is subject to disciplinary action according to the GTCC Policies and Procedures Manual.

P-CARD RESTRICTIONS

Some departments may have a special need for a p-card that is above and beyond normal, everyday purchases. In these instances, the p-card(s) can be restricted to certain Merchant Category Codes. For example, a card can be restricted to a Merchant Category Code that permits only the purchase of food products. For specific needs, contact the GTCC P-card Coordinator.

FLEET CARDS

GTCC will designate a group of cards for the fleet card program. These cards will be limited to gasoline purchases and vehicle repairs while the traveler is on the road. No food, beverage, hotel or other charges are allowed on this group of cards. Control of these cards will be the responsibility of the Director of Physical Plant.

MAKING A P-CARD PURCHASE

The cardholder must be familiar with all state and GTCC purchasing policies pertaining to the allowable dollar amounts, competition, HUB suppliers and state contracts. See GTCC's purchasing manual at www.gtcc.edu/inside/purchase.pdf or the State Purchase and Contract purchasing manual at www.doa.state.nc.us/PandC. The State website will also reference all state contracts so that you can determine the items that are on state contract PRIOR to making your purchase.

The cardholder must seek as many competitive quotes as feasible for the item(s) being purchased. Remember, these quotes can be verbal as long as the total purchase is less than \$2,500.

Steps to Completing a Transaction:

1. Check to see if the item(s) to be purchased are on state contract. If so, select your supplier from the contract.
2. Determine if there are any HUB suppliers that can meet your requirements. GTCC and the State of North Carolina encourage the use of HUB suppliers wherever possible. A list of suppliers can be reviewed on the HUB website at <http://www.ips.state.nc.us/ips/vendor/vndpubmain.asp>. Whenever possible solicit a quote from at least three suppliers. Any faxed or written quotes received must be maintained in the cardholders file in the event that there is a pricing discrepancy or dispute with the supplier.
3. Confirm that the selected supplier will accept the P-card.
4. Be sure that ALL items ordered are in stock and will ship as one complete shipment. Remember that no backorders are allowed on P-card purchases.
5. Provide the supplier with shipping instructions. These include:
 - a. Note the cardholder's name and telephone number on the shipping label and the packing list.
 - b. Put the words "P-card purchase" on the shipping label.
 - c. Provide the supplier with GTCC's shipping address. **No order can be shipped to the cardholder's home address or to any other alternate address.** The correct shipping address is 601 High Point Road, Jamestown, NC 27282.
 - d. Shipping and receiving will deliver the package to the cardholder without opening the box. It is the cardholder's responsibility to account for the items shipped and verification of the purchase itself.
6. If the purchase is from a HUB supplier, send an email notice of the supplier's name to the GTCC P-card Coordinator. He/she tracks HUB purchases on a quarterly basis and needs to be able to identify HUB purchases made on the P-card.

RECEIVING AND RECORD KEEPING

It is the cardholder's responsibility to receive and maintain all necessary records of any and all transactions made on his/her card. The cardholder will use all receipts, credit memos, invoices, shipping documents and packing slips to verify the cardholder's monthly statement.

If the cardholder makes an over the counter purchase, he/she must get an itemized charge receipt from the supplier. Any sales tax, delivery or installation is to be included on the charge receipt. The cardholder will then sign the charge receipt slip.

There may be times that someone other than the cardholder actually receives the items ordered. The cardholder should notify that person in advance of the shipment arriving at GTCC and explain the process to him/her. Regardless of who receives the shipment, the cardholder is ultimately responsible for obtaining all documentation related to the purchase and verifying that the documentation complies with the requirements of this procedure.

RECONCILIATION OF MONTHLY STATEMENTS

Cardholder

At the end of each billing cycle, the cardholder will receive a monthly memo statement that lists all charges against his/her card. The cardholder is responsible for verifying the statement to be sure that it is correct. He/she will use the receipts file that has been maintained during the month to verify each transaction listed. If the cardholder does not have a receipt or packing slip for a transaction, he/she must attach an explanation of that transaction that includes a description of the item(s), date of purchase, vendor's name, the amount of purchase and the reason that there is no supporting documentation on file. If the cardholder continuously does not obtain a receipt or packing slip, the cardholder will lose the use of the p-card.

If the cardholder made purchases that are not listed on the current monthly statement, the cardholder will retain all documentation in his/her file until the next monthly statement arrives. All documentation related to credits will be maintained in the cardholder's file until the credit has been listed as a transaction on the p-card. If the purchase or credit does not appear on the monthly statement after sixty (60) days, the cardholder will notify the issuing bank and the GTCC P-card Coordinator.

If the cardholder does not receive a monthly statement by **the 20th of the month**, the cardholder must contact the issuing bank and request a faxed copy of the statement.

The cardholder will complete form SF-25, attach all documentation, sign the form and forward it to his/her supervisor within five (5) working days of receipt of the monthly statement each month.

Cardholder Supervisor

The supervisor will review the form for the following items:

- All purchases made by the cardholder were appropriate and allowable purchases.
- Guidelines and procedures for the P-card were followed.
- All required documentation for each transaction is attached.

The supervisor will then sign the form and forward it to Accounts Payable by **the 25th of the month**.

Accounts Payable

At the end of each billing cycle, GTCC will receive a master P-card statement that will be used to pay all charges to GTCC's account. Accounts Payable will pay the statement in total. There will be no short pays or disputes handled through the AP area. The cardholder is responsible for assuring that credits are received from the suppliers.

Once Accounts Payable receives Form SF-25 from the supervisors, AP will enter all charges back to the individual departments. Once completed, AP will forward the form along with all back up to the GTCC P-card Coordinator for auditing.

GTCC P-card Coordinator

The Coordinator will randomly audit charges on each cardholder's statement. He/she will be looking for the appropriateness of the items charged, adherence to State and GTCC purchasing policies and procedures, the use of state contracts where applicable and the use of HUB suppliers. Once the audit is complete, all monthly statements will be returned to AP for retention. These records are to be kept for five (5) years. These records are subject to audit by the State Purchasing Compliance Office and the State auditors as well as GTCC's internal auditor.

Note: More than two reminders to the cardholder that his/her monthly statement is past due to AP will be grounds for suspension and/or revocation of p-card privileges. Any inappropriate use of the card discovered during the monthly audit performed by the P-card Coordinator will be grounds for suspension and/or revocation of p-card privileges.

P-CARD RETURNS AND DISPUTES

It is the cardholder's responsibility to handle returns and disputes with the supplier.

For items that are defective, not received, received incorrectly, or a duplicate order, the cardholder will contact the supplier for resolution. The cardholder should discuss the problem with the supplier and determine the supplier's return policy. If the cardholder has not received an item that the supplier says has shipped, the cardholder should request a proof of delivery.

Corrective action must be taken immediately upon the realization that there is a problem. Delays in problem resolution are unacceptable. If the problem remains unresolved at the time the cardholder receives his/her monthly statement, that purchase will be considered in dispute. The cardholder must call the issuing bank and follow the instructions provided to file a dispute.

If an item has been returned and a credit transaction is due, the cardholder will verify that the credit is reflected on his/her monthly statement. All applicable forms and documentation on this transaction should be attached to Form SF-25.

If the cardholder tries repeatedly to resolve an issue with a supplier and cannot get resolution to the problem, he/she should notify the GTCC P-card Coordinator. The cardholder should make every effort possible by contacting the supplier a minimum of three (3) times before notifying the GTCC P-card Coordinator.

CARDHOLDER RESIGNATION FROM GTCC

A cardholder that has resigned from GTCC employment or otherwise been separated from the college, must turn his/her card into his/her supervisor along with all current files prior to the last scheduled day of work. The P-card Coordinator will be required to sign off on the employee's exit sheet to acknowledge that the employee has turned in his/her p-card.

The supervisor will review all transactions, complete and approve form SF-25 and forward to Accounts Payable along with the month-end statement. The P-card will be sent to the GTCC P-card Coordinator who will destroy the card and advise the issuing bank.

Note: A P-card cannot be passed on to another employee. The employee name is embossed on the card and can only be used by that one employee. If a p-card is needed for another employee, that employee must submit the proper paperwork as noted in the Approval Process section of these procedures.

MISUSE OF A P-CARD

Suspension or Revocation

Any misuse of a GTCC p-card is grounds for suspension or revocation of the card. Reasons for suspension or revocation include but are not limited to:

- ✓ Personal purchases made on the GTCC p-card.
- ✓ Proper purchasing procedures were not followed for any purchase transaction.
- ✓ Cardholder has had items shipped to an address other than the Jamestown address without prior permission.
- ✓ Cardholder exceeds his/her card limits.
- ✓ Cardholder makes single transaction purchases larger than the allowed dollar amount.

- ✓ Cardholder has not submitted Form SF-25 and proper documentation on time for more than two (2) months. These occurrences are not consecutive months. These occurrences are more than two since the card was issued to that cardholder.
- ✓ Cardholder is reminded more than two (2) times in any given month that he/she has not submitted Form SF-25 and all documentation. If Form SF-25 is not received within the timeframe allotted, Accounts Payable will send an email to the cardholder and copy the GTCC P-card Coordinator to submit his/her report within 1 day. If the cardholder does not respond, Accounts Payable will send a reminder email to the cardholder and the cardholder's supervisor and copy the GTCC P-card Coordinator that the report is past due and must be submitted within 24 hours. If the cardholder still fails to respond by submitting the form, his/her card may be suspended or revoked.
- ✓ Any other abuse of the card will be cause for suspension or revocation.

In the event that a p-card must be revoked, the GTCC P-card Coordinator will notify the issuing bank to cancel the card. Accounts Payable will also be notified. The Coordinator will document the reason(s) that the card was revoked for that cardholder. The cardholder and/or his/her supervisor will be responsible for verifying the last monthly statement and submitting the proper documentation.

If a p-card has been revoked, the cardholder must wait a minimum of one (1) year before re-applying. Re-authorization is not guaranteed. The P-card is a privilege, not a right.

Dismissal

During the monthly audits performed by the GTCC P-card Coordinator, cardholders will be notified of any transactions that did not meet proper purchasing procedures. This will include purchases that should have been from a state contract supplier, purchases that exceeded the limit, etc. If the cardholder does not adhere to these notifications and repeatedly misuses the p-card, it will be grounds for discipline. The GTCC P-card Coordinator will provide a written notification to the cardholder's supervisor and to Human Resources of the repeated abuse of the card. The supervisor will discipline the cardholder as appropriate. After two written warnings of abuse, the cardholder may be subject to dismissal.

Any gross misuse of the p-card may be grounds for immediate dismissal.

HUB REPORTING

Each month the GTCC P-card Coordinator will run an electronic report from the website provided by the issuing bank on all suppliers that had transactions on the p-card. The report will be reviewed for HUB suppliers that should be included on the quarterly HUB report. It is understood that the GTCC P-card Coordinator may not know the status of all suppliers used but will make every attempt to identify as many as possible. A file will be maintained in the Purchasing Department of all known HUB suppliers. As new HUB suppliers are identified, they will be added to this list for future reference.

GTCC P-CARD COORDINATOR'S MONTHLY AUDITS

Each month, the GTCC P-card Coordinator will audit each cardholder's statements. If there is a question on any transaction, an email will be sent to the cardholder requesting information or explanation. The cardholder will respond to the email within 48 hours. All information or documentation received by the Coordinator will be attached to the cardholder's statement.

The P-card Coordinator will advise cardholders of items that should have been purchased from state contract, should have been bid, etc. These email notices will be attached to the appropriate monthly

statement. The GTCC P-card Coordinator will maintain a file with all correspondence related to the p-card filed by cardholder's name. In the event that a general email or communication is sent to all cardholders, that communiqué will be filed in a general file.

GTCC P-Card Application and Employee Agreement

I, _____ (printed employee name), hereby request a GTCC P-Card. As a P-Card holder, I agree to become familiar with the overall state and GTCC purchasing policies including the P-Card policy.

Employee name (please print full name)	Employee ID Number	Telephone
GTCC Campus	Department	P-Card Account Number (To be Assigned)
Hire Date	Employee Status (ie new hire, probation, etc.)	
Employee Name (please print)	Signature/Date of Application	
Supervisor's Name (please print)	Supervisor's Signature/Date	
VP of Division's Name (please print)	Signature/Date	
Nancy Sollosi		
Director of Finance (please print)	Signature/Date	

TO BE COMPLETED UPON RECEIPT OF CARD:

Based on the training that I received on _____, I understand and agree to comply with all policies referenced in the P-Card Policy manual and the terms and conditions that follow:

- I will be making financial commitments on the behalf of GTCC and obligating GTCC to make such payments. I understand that GTCC is liable for such transactions and that GTCC reserves the right to revoke or suspend my card at any time for any reason deemed necessary by GTCC.
- Any time that I am placed on probation for any reason my P-Card privilege will be suspended immediately.
- I will adhere to GTCC and the State of North Carolina's guidelines and policies for competition.
- I will make decisions that are in the best interest of GTCC and strive to seek the best source available to provide for the needs of my responsibilities for GTCC.
- The GTCC P-Card is to be used only for approved purchases that are required at GTCC and I will not use the P-Card to make any personal purchases.
- The GTCC P-Card Coordinator will audit the monthly statements associated with my P-Card and that he/she will take appropriate action on any discrepancies.
- I have read and understand the proper procedures for use of the P-Card and agree to be bound by those procedures.
- Failure to comply with all applicable policies and procedures may lead to the revocation of my P-Card or some other disciplinary action up to and including dismissal from GTCC's employment.
- I agree to return the P-Card to my supervisor immediately upon request or upon termination of my employment.
- If the P-Card is lost or stolen, I agree to immediately report such loss to the issuing bank and to the GTCC P-Card Coordinator.

Signature

Date

Instructions for Procurement Card Monthly Statements

Form SF-25

Each month every procurement cardholder will receive a monthly memo statement from the issuing bank. Each cardholder will reconcile the statement with receipts, credit memos, etc received from the monthly purchases. Form SF-25 is due to Accounts Payable no later than the 25th of the month. Delinquent cardholders will be subject to discipline.

Steps to Reconciliation

1. Match each transaction line on the monthly statement with the receipts, packing slips, etc that you have received during the month.
 - a. If you do not have proper paperwork for a transaction, you must include a memo stating what the purchase was for and why there is no original documentation on file.
2. Complete for SF-25.
 - a. In the Budget Code to be Charged column, list the account number that the transaction should be charged to. List only the current account codes. No old codes should be listed. The account code should be XX-XXX-XX-XXXXXX-XXXXX. If the incorrect account code is repeatedly used, access to the p-card may be discontinued.
 - b. In the Description Column, write a brief description of the items purchased for that account number.
 - c. In the Amount column, write the total amount from your statement that should be charged to that account number.
3. Sign and date the form at the bottom for the cardholder. Be sure to include your phone number.
4. Forward the form to your supervisor for approval. Approval MUST be received prior to forwarding the form to Accounts Payable.
5. Forward the completed form along with the monthly statement and attached receipts to Accounts Payable no later than the 25th of the month.

Notes:

- ∞ A separate form should be used for each Accounts Payable TYPE. State funds start with 1. County funds start with 2. Special funds start with 0.
- ∞ If multiple forms are used, the totals on all forms submitted must equal the total on the monthly statement.
- ∞ If receipts are small and apt to get lost, tape them to an 8 ½ X 11 piece of paper.
- ∞ It is the cardholder's responsibility to reconcile each monthly statement and to handle disputes with suppliers.
- ∞ Any questions concerning this form should be directed to the GTCC P-card Coordinator or to Accounts Payable.