

# PURCHASING CARD POLICIES AND PROCEDURES MANUAL

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**OGEECHEE**  
**TECHNICAL COLLEGE**  
*Education with Purpose*

***Ogeechee Technical College  
System  
of Georgia***

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**PURCHASING CARD  
POLICIES  
AND  
PROCEDURES MANUAL**

**November 2014 (Version Three)**

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## **SECTION 1 – PURCHASING CARD PROGRAM OVERVIEW**

The Purchasing Card is a VISA® credit card issued by Bank of America (BOA) for the State of Georgia. The Purchasing Card (P-Card) Program streamlines payments for goods and services for State business use by eliminating the administrative burdens and costs associated with traditional methods of payment.

The State of Georgia P-Card Program is the **only charge card program authorized** for use by all state agencies and the Technical College System of Georgia. The State of Georgia Purchasing Card is the property of the State of Georgia and is only to be used for State business purposes. The Technical College System of Georgia (TCSG) or individual Technical College (Ogeechee Technical College) is responsible for purchases made with the card, which will then be charged back to the specific Entity's budget. Although the card is issued in an individual's name, its use does not affect personal credit in any way. Cardholders should be aware that abuse of the Purchasing Card or failure to follow the procedures established for the TCSG Purchasing Card Program may result in revocation of card privileges or other disciplinary action.

The Purchasing Card Program does not alter DOAS State Purchasing rules and regulations, nor does the program diminish the need for control of expenditures and good record keeping. Rather, the card makes the acquisition process simpler and faster. Please be aware that the written policies for individual Technical colleges may be **more restrictive** than the guidelines contained herein.

## **SECTION 2 – ASSIGNMENT AND CONTROL OF THE PURCHASING CARD**

### **2.1 How to Obtain a Purchasing Card:**

Purchasing cards can only be issued to part-time or full-time, permanent employees of Ogeechee Technical College who have job responsibilities that require the purchase of certain types of supplies, materials, equipment and/or services under the current small dollar purchase guidelines. Cardholders are limited to one (1) active P-Card account.

New card accounts must be requested on the ***P-Card Cardholder Profile Form (SPD-PC002)*** which must be approved by the employee's supervisor, department or division manager and your Purchasing Card Program Coordinator. If approved, the Purchasing Card Program Administrator will request a new card account through the Bank of America WORKS system. Prior to issuing new card to cardholder, Program Administrator will do the following:

- Complete profile set up in WORKS defining spending limits
- Complete profile set up in Team Georgia Marketplace
- Obtain cardholder and cardholder supervisor approvals on the ***P-Card Cardholder Agreement Form (SPD-PC001)*** which contains terms and

conditions for use of the P-Card account. This should be maintained in the cardholder file

--Provide training to new cardholder on use of the Purchasing Card

Additional restrictions with no exception include the following:

1. Neither cards nor accounts will be issued to employees of foundations associated with any State Entity, student employees, temporary workers or contractors.
2. Cards and other accounts will not be issued in the name of a Department or work unit (i.e., Facilities Maintenance) to be shared by multiple employees.
3. All agency top-tiered leadership, i.e., Commissioners, Deputy or Assistant Commissioners and Technical College Presidents **are not approved** to have Purchasing Cards. Technical College Vice Presidents may have Purchasing Cards with appropriate hierarchal review and approval from the President of the Technical College.
4. Only the employee whose name is shown on the face of the card is authorized to make purchases with the card. Use by any other person, even if for State business purposes, is considered misuse of the card.

## **2.2 Legal Issues:**

All purchases made with the Purchasing Card must be in compliance with the Georgia Procurement Manual and the provisions of O.C.G.A. 50-5-50, et seq. All cardholders must have a minimum understanding of State purchasing laws, State Purchasing Division rules and regulations and TCSG purchasing procedures. Cardholders must also be familiar with the provisions of O.C.G.A. 45-10-1 et seq. regarding State Employee Code of Ethics and Conflicts of Interest. The cardholder is accountable for all purchases made with the assigned card.

The State Cards Program Manager and State Purchasing Division reserve the right to withdraw any authority or delegated approval due to non-compliance with applicable laws, rules, regulations, policies, and procedures, or the terms of any conditional approval. Cardholders, program users, or supervisors/approving officials who knowingly, or through willful neglect, fail to comply with the following may be subject to suspension or termination of account privileges or other disciplinary action, up to and including termination of employment and criminal prosecution to the fullest extent of the law.

- A. **PERSONAL Purchases Prohibited** – Cardholders and other program personnel are prohibited from using the P-Card for the purchase of any goods or services not directly related to job responsibilities or other official State of Georgia business. Intentional use of the card for personal purchases will result in disciplinary action, up to and including termination from State employment and criminal prosecution as follows:
  1. O.C.G.A. 50-5-80 states that any person who knowingly uses state funds for personal purchases under \$500 is guilty of a misdemeanor.
  2. A person who knowingly uses state funds for personal purchases of \$500 or more is guilty of a felony punishable by one to 20 years in prison.

3. Supervisors or other approving officials who knowingly, or through willful neglect, approve personal or fraudulent purchases are subject to the same disciplinary actions as those making the purchases.

- B. **Cardholder Background Checks** – O.C.G.A. 50-5-83 requires criminal background checks on all employees hired for positions that are eligible for P-Cards. DOAS requires that these requirements must be met for all employees using P-Card accounts. Although background checks on cardholders are not required at the time of card renewal (every two years), this practice is highly recommended.
- C. **Cardholder Credit Checks** - O.C.G.A. 50-5-83 also requires credit checks on all employees issued a purchasing card. Credit checks must be run as an “employment inquiry” so as not to affect the employee’s credit score/rating. Although not required, it is recommended that credit checks also be run at the time of card renewals.
- D. **Split Purchases Prohibited** – O.C.G.A. 50-5-69 requires competitive bidding for all open-market purchases anticipated to be \$25,000 or more. However, 50-5-83 sets the legal Single Transaction Limit (STL) for P-Card transactions at less than \$5,000 unless the purchase is from a Statewide Contract and in compliance with State procurement policy.

Cardholders are prohibited from splitting a transaction between two or more transactions on a single account, two or more transactions on multiple accounts or two or more transaction using the P-Card and a purchase order, in order to 1) circumvent competitive solicitation requirements or 2) to circumvent the Single Transaction Limit imposed on the card regardless of the amount of the STL.

- E. **Payment of Sales and Use Tax** – O.C.G.A. 48-8-3 exempts purchases made by state agencies including Ogeechee Technical College from State Sales and Use Tax when payment is made with appropriated funds. The requirement for out-of-state suppliers to charge Sales and Use Tax on shipments to purchasers in the State of Georgia does not apply to tax exempt State Entities.

In order to avoid confusion, Cardholders should present the Department of Revenue *Sales and Use Tax Exemption Form ST-5* to suppliers upon request. If the supplier refuses to remove taxes, the cardholder must make the purchase from a different supplier whenever possible.

Cardholders are responsible for ensuring that merchants do not charge tax or provide a credit for inadvertent charges.

1. If taxes are charged, the cardholder must contact the merchant to obtain a credit to their account.
2. Credits cannot be obtained by any other method, including but not limited to, cash, gift cards or store credit.

3. Documentation of attempts to obtain credit for any State Sales and Use Tax charged in error must be maintained with the documentation for the transaction where the tax was charged.

- F. **Internal Revenue Service 1099 Reporting** – In 2011, the Internal Revenue Service announced changes to the IRS Revenue Code, Section 6050W, that shifted the burden of payment reporting requirements from the purchaser to the supplier's merchant bank when the P-Card is used as the method of payment for a reportable transaction. Because of the shift in responsibility, participants in the State's P-Card program are no longer required to report total P-Card transactions in excess of \$600 with certain suppliers. This change only applies to P-Card transactions. Reporting for all other payment methods including checks, ACH, and other means will remain the responsibility of the entity making the payments.
- G. **E-Verify Affidavits** – The Georgia Security and Immigration and Compliance Act, O.C.G.A. 13-10-91 requires suppliers to file an affidavit that the supplier and its subcontractor have registered and participate in the Federal Work Authorization Program known as e-Verify. This program is intended to ensure that only lawful citizens or lawful immigrants are employed by supplier or subcontractor.

All State Entities including Ogeechee Technical College are required to obtain this signed and notarized affidavit from suppliers prior to entering into any service contract where the supplier's labor or physical performance of services exceeds \$2,499.

For P-Card transactions that meet this definition, the cardholder is responsible for ensuring receipt of this affidavit. A copy of this affidavit must be included with all transaction documentation including uploading a PDF version to Team Georgia Marketplace during P-Card reconciliation.

### **2.3 Internal Controls – Segregation of Duties:**

The DOAS State Purchasing division administers the contract on a statewide level. SPD personnel serve as resources for all program users in the areas of policy development and implementation, day-to-day administration of the Program, auditing and training for card program personnel. The State Cards Program Manager serves as the official liaison between the Bank, SPD and all Program users. The State Cards Program Manager approves all special requests for exceptions and monthly card limit changes exceeding \$25,000, and works to determine new ways to use the P-Card within legal and policy requirements.

A strong system of internal controls is essential for detection and deterrence of fraud, cardholder misuse or cardholder abuse of the P-Card. Internal controls include policies, procedures and training in addition to spending limits and Merchant Category code restrictions. There should be a separation of duties between ordering cards (Program Administrators), making transactions (cardholders) and review or approval of transactions for payment (supervisors/approving officials). In addition, there should be a provision for an annual audit/review of your P-Card program by



your P-Card Program Administrator, Internal Audit unit or other designated auditing functions within your entity.

Each entity within the TCSG must adhere to strict internal control procedures that ensure that Purchasing Card usage is consistent with this policy and to address Segregation of Duties. **No cardholder shall be his or her own reviewer/approver.** It is a requirement that all cardholder statements, receipts and reconciliation documents be reviewed and approved by a knowledgeable direct supervisor and the Purchasing Card Program Administrator in a timely fashion.

The Agency Procurement Officer (APO) for each entity will usually be the designated Purchasing Card Program Administrator. The Program Administrator may designate additional administrative roles within Ogeechee Technical College P-Card Program.

All agency top-tiered leadership, i.e., Commissioners, Deputy or Assistant Commissioners and Technical College Presidents are **not approved** to have Purchasing Cards. Technical College Vice Presidents may have Purchasing Cards with appropriate hierarchal review and approval from the President of the Technical College.

#### **A. Purchasing Card Program Administrator Responsibilities:**

Ogeechee Technical College must have a designated Purchasing Card Program Administrator who serves as the main point-of-contact for all card program personnel and serves as the liaison between their entity management, DOAS State Purchasing and other card program personnel. In some cases, responsibilities may be shared and/or delegated to a Card Program Coordinator. Duties of the Purchasing Card Program Administrator shall include:

##### **1. Card Management:**

- Develops and maintains entity's internal P-Card policy ensuring that it is in compliance with State Procurement laws and the Statewide Purchasing Card Policy
- Develops internal procedures for requesting new cards, requesting or making changes or canceling cards when lost or stolen or when a cardholder leaves employment including utilization of BOA Works Payment Manager
- Determines appropriate cardholder candidates and spending limits based on budget restrictions, job requirements, historical spending patterns and overall procurement practices
- Monitors spending and usage of cardholders monthly and performs an annual review of spending limits to determine if changes are needed. Annual use of the Spending Limits Analysis template from State Purchasing website is recommended (<http://doas.ga.gov/StateLocal/SPD/Process/Pages/Home.aspx>).
- Monitors card accounts for inactivity. Card accounts that have no activity for a period of six (6) months or greater should be considered for suspension or termination.
- Maintains an up-to-date list of all cardholders, their approving supervisors, account numbers, expiration dates, single transaction and monthly credit limits

- Maintain an individual cardholder file for each cardholder account which includes original signed P-Card Cardholder Purchasing Card Agreement and original signed P-Card Cardholder Profile Form
- Adds / updates cardholder profiles in Team Georgia Marketplace including account information, expiration dates, default chartfields and reconciliation proxies assigned
- Submits all requests for exceptions to the Statewide Purchasing Card Policy to the Process Improvement Cards Program Team at [pcard@doas.ga.gov](mailto:pcard@doas.ga.gov).

**2. Internal Controls:**

- Ensures that entity has documented internal controls to prevent and /or detect misuse or abuse of the P-Card accounts
- Ensures separation of duties between cardholders, approving supervisors and reconciler/approvers

**3. Reconciliation Procedures:**

- Develops reconciliation procedures that ensure timely approval, payment and allocation of transactions to the General Ledger at least monthly
- Provides documentation of process for all card program personnel for reconciliation of transactions in Team Georgia Marketplace (Reference “Instructions for Reconciling P-Card Transactions in TGM”, 10-15-13)
- Reviews all monthly P-Card Reconciliation packages for all cardholders verifying:
  - a. Compliance with TCSG P-Card Policies and Procedures
  - b. Compliance with State of Georgia purchasing regulations
  - c. Approval by both cardholder and appropriate supervisory levels
  - d. Complete justification, documentation and receipts attached in TGM
- Provides written notification to cardholder and cardholder supervisor of any non-compliance issues found during review and performs follow-up for any corrective actions required; maintains documentation in the cardholder file
- Develops internal procedures for disputing transactions with BOA

**4. Card Program Training:**

- Develops entity specific training for all cardholders, supervisors and other approving official
- Ensures that appropriate refresher training is delivered annually to all employees involved in the P-Card Program
- Ensures that all card program personnel receive notification of changes in State and internal policies including Official Announcements from DOAS State Purchasing.

***B. Cardholder Responsibilities:***

All cardholders must have a minimum understanding of State of Georgia procurement laws and the rules and regulations of the Georgia Procurement Manual. All cardholders are required to follow the Order of Precedence when making purchases. The Order of Precedence may be referenced in Section 1.3 of the Georgia Procurement Manual at the following link: ([http://pur.doas.ga.gov/gpm/MyWebHelp/GPM\\_Main\\_File.htm](http://pur.doas.ga.gov/gpm/MyWebHelp/GPM_Main_File.htm)). In addition,

cardholders must maintain knowledge of the **Ogeechee Technical College** internal procurement procedures related to use of the P-Card.

### **1. Card Usage and Security:**

--- Cardholders must ensure that no other persons have access to any card information (i.e., card account number, expiration date, security code)

--- The following are suggested card security procedures:

- a. Treat the Purchasing Card with the same level of care as your own personal credit cards
- b. Keep your card in an accessible, but secure, location. The card needs to be accessible to you only, as you are the only person authorized to use the assigned card
- c. DO NOT lend your card to any other person for use. If you are going to be absent from your office for an extended period, your Supervisor may need to request a new card issued for a different person
- d. Guard your credit account number carefully. DO NOT post the account number at your desk or write it in a clearly visible location
- e. NEVER display the card number on any packing slips, labels, etc.
- f. When ordering via fax, take the necessary precautions for card number security (for example, verify fax phone number and receipt of fax)
- g. When ordering online via the Internet, utilize only trusted, secure sites

--- Cardholders will ensure that all purchases comply with State and internal policies and procedures

### **2. Documentation and Reconciliation:**

--- Cardholders must document details of P-Card purchases as they are made using the ***Purchasing Card Activity Log (SPD-PC004A)***. This log is your key to managing and controlling your card purchases

--- Cardholders must maintain appropriate documentation and paperwork pertaining to P-Card transactions:

- a. Itemized sales receipts
- b. Itemized packing slips showing itemized pricing
- c. Credit card charge slips with itemized description of products
- d. For Subscriptions, usually a copy of order form will serve as receipt
- e. For ads, a detailed receipt and a copy of the ad should be supplied

--- Approval of all transactions by sign-off on paper billing statement and ***Purchasing Card Activity Log (SPD-PC004A)*** and/or Team Georgia Marketplace (Cardholder must at least sign billing statement and activity log OR approve transactions in TGM. )

### **3. Other:**

--- Cardholders must participate in annual P-Card training to stay informed of rules and regulations

--- Cardholder must notify the Purchasing Card Program Administrator immediately if cardholder changes departments or positions, retires or leaves the

employment of the Ogeechee Technical College and return the card for destruction and cancellation

--- Cardholder must submit changes to the Purchasing Card Program Administrator using the ***P-Card Cardholder Profile Form (SPD-PC002)*** if the cardholder's name changes or there is a need to change the profile - transaction or credit limits (changes to transaction or credit limits require approval of cardholder supervisor)

### **C. Supervisors/Approving Officials Responsibilities:**

Supervisors or other persons responsible for reviewing/approving P-Card transactions must have a thorough knowledge of the cardholders' job responsibilities in order to determine if purchases are job-related or otherwise authorized. Likewise, supervisors must have a minimum understanding of State of Georgia procurement rules and regulations as well as maintaining knowledge of the Ogeechee Technical College internal procurement procedures related to use of the P-Card.

#### **1. Monthly Reconciliation:**

--- Before approving the P-Card transactions, either by signing or approving in Team Georgia Marketplace, Supervisor must carefully review all transactions and documentation to ensure that it meets the minimum requirements and to verify that purchase was an authorized purchase which is compliant with procurement rules and regulations

--- Approval of all transactions by sign-off on paper billing statement and ***Purchasing Card Activity Log (SPD-PC004A)*** and/or Team Georgia Marketplace (Cardholder Supervisor must at least sign billing statement, activity log and account summary OR approve transactions in TGM. )

#### **2. Other:**

--- Supervisor will coordinate the following with the P-Card Program Administrator:

- a) Ordering and canceling cards for employees
- b) Establishing reasonable spending limits

--- Cardholders must participate in annual P-Card training to stay informed of rules and regulations

### **2.4 Card Limits:**

Department heads and supervisors in conjunction with the Purchasing Card Program Coordinator will establish appropriate card limits for each cardholder based on the needs of the cardholder and the budgetary limitations of their area. Lower internal limits may be established, and in exceptional cases (such as bookstore expenditures), higher limits may be requested with special approval.

**Single Transaction Limits for each cardholder must be set for less than \$5,000. Monthly credit card limits must not exceed \$10,000 per month per cardholder.** If a single transaction limit over \$5,000 is needed or the \$10,000

monthly credit card limit needs to be justifiably increased, the request must be made by sending the *Cardholder Special Approval Request Form (SPD-PC003)* to your Purchasing Card Program Administrator. The form will then be approved and forwarded to the DOAS State Purchasing Card Program Manager for final approval. This approval must be maintained in the cardholder file.

In addition, Bank of America creates Merchant Category Codes (MCC's) as requested by the DOAS State Cards Program Manager. These are codes assigned by a supplier's merchant bank based on the types of goods and/or services are provided. By allowing or blocking certain codes, protection is offered against unauthorized or prohibited purchases. P-Card Program Administrators should ensure that cardholder profiles permit only those MCC groups that a cardholder needs to meet job requirements. If specific additional MCC's are needed, P-Card Programs Administrators may make requests to the State Card Program Manager using the *Cardholder Special Approval Request Form (SPD-PC003)*.

## **2.5 Paying the Bill:**

Cardholders will receive a monthly cardholder statement for reconciliation as described in Section 3.4. Under no circumstances should a cardholder or departmental representative send a payment to Bank of America. Bank of America will send a Master Billing Statement covering all cardholder charges for the billing statement period. One payment will be issued by the designated Settlement Contact to BOA.

## **2.6 Policy Violations:**

Ogeechee Technical College expects every individual cardholder to strictly adhere to all policies and procedures governing use of the State Purchasing Card. Failure to do so could result in card privileges being revoked, disciplinary action up to and including termination of employment, and prosecution to the fullest extent of the law (including financial restitution and criminal prosecution).

Under no circumstances is a cardholder permitted to use the Purchasing Card for personal purchases. Using the Purchasing Card for personal purchases will result in disciplinary action, up to and including termination from State employment and criminal prosecution. O.C.G.A. 50-5-80 states that any cardholder who knowingly uses the card for personal purchases under \$500 is guilty of a misdemeanor. A cardholder who knowingly uses the card for personal purchases of \$500 or more is guilty of a felony punishable by one to 20 years in prison. Supervisors or other approving officials who knowingly, or through willful neglect, approve personal or fraudulent purchases are subject to the same disciplinary actions as cardholders.

If fraud or improper use is suspected by any cardholder, this should be reported immediately to your Entity's Purchasing Card Program Administrator. The Program Administrator will promptly research and investigate any such reports and act accordingly based on findings.

## **2.7 Records Retention:**

Each entity of the TCSG shall establish a procedure for retention of purchasing card documentation for a period of no less than seven (7) years. This documentation shall include the monthly billing summary, individual cardholder monthly billing statements, account summary sheet, transaction log, all receipts/invoices/packing slips and any additional documentation referencing activity or disputes for any transactions. In addition, documents related to the issuance of cards to employees should also be maintained for the same period. These records should be available upon request during reviews by the TCSG internal auditors, DOAS State Purchasing Office of Process Improvement and/or the State Auditors.

## **2.8 Lost, Stolen or Damaged Card:**

If your Purchasing Card is lost, stolen or damaged, it is the cardholder's responsibility to notify Bank of America immediately at 1-800-538-8788 (24 hours a day, 365 days a year). In addition, the Purchasing Card Program Administrator must also be notified at the first opportunity during normal business hours.

Likewise, if the integrity of the card has been compromised or suspicious charges appear on a billing statement that have not been made by the cardholder, contact your Purchasing Card Program Administrator immediately. The Administrator will cancel the account and notify the Bank of America.

In both instances above, a new card and account will be issued from Bank of America. The cardholder will need to re-sign a new *P-Card Cardholder Agreement (SPD-PC001)* and activate the new card. The P-Card Program Administrator must update the cardholder profile information as described in Section 2.1 of this policy.

## **SECTION 3 – AUTHORIZED AND UNAUTHORIZED PURCHASES**

### **3.1 Authorized Purchases:**

The following are considered as **AUTHORIZED** purchases with the Purchasing Card:

- ✓ Appliances for Break room or central area (i.e., refrigerators, toaster ovens, microwaves, etc., not for personal use) \*
- ✓ Automotive parts and supplies for Automotive Technology Programs **only**
- ✓ Books and other job related publications
- ✓ Business Cards
- ✓ Computer accessories and supplies
- ✓ Conference Registration Fees (may include meals when cost of meals is included in the total cost: i.e., Registration fee \$1,500 that includes three meals)

- ✓ Disaster Recovery **Emergency** Purchases\*\*
- ✓ **Emergency** vehicle repairs+
- ✓ Flowers and Plants for Environmental Horticulture Programs or Grounds Maintenance **only**
- ✓ Food for Conference Centers#
- ✓ Food for instructional use (i.e., Culinary Arts and Childcare Programs), official research or laboratory animals
- ✓ Food for officially sanctioned Student Activities##
- ✓ Food for resale (i.e., college bookstore operation)
- ✓ Maintenance Supplies
- ✓ Newspaper Ads (a detailed receipt and copy of ad must be provided with billing summary)
- ✓ Office Supplies
- ✓ Organizational/Membership Dues (must be job related)
- ✓ Photography/Film Processing
- ✓ Postage and Meter Replenishing
- ✓ Printing / Graphic Designing
- ✓ Rentals (one time equipment rental)
- ✓ Repairs ( one time equipment repair)
- ✓ Seminars and Training Classes (job related)
- ✓ Software Media (job related)
- ✓ Subscriptions (job related)
- ✓ Transportation (all types) and Parking – for State employees traveling on official State business as defined in the State Travel Regulations published by State Accounting Office and OPB (includes airfare and vehicle rental from statewide contract)
- ✓ Travel Expenses for officially sanctioned Student Activities (meals, transportation and lodging) ##

\*Individual equipment cost must be less than \$1,000

\*\* **As a part of a Disaster Recovery Plan**, the Purchasing Card may be used to procure required emergency items/services in a disaster situation. Documentation for transactions must follow the guidelines for Emergency Purchases as contained in the Georgia Procurement Manual. The entity Purchasing Card Program Administrator must increase card limits for one or more cardholders in order to accommodate higher limits for the emergency purchases. In addition, the entity Purchasing Card Program Administrator must send the ***Special Approval Request Form (SPD-PC003)*** within 72 hours of the occurrence to the DOAS State Purchasing Card Program Administrator documenting the card usage, nature of the disaster and listing the affected cardholder names with the last four digits of their account numbers. In addition, documentation for such transactions must follow guidelines for emergency purchases as contained in the Georgia Procurement Manual including submission of Form SPDNI005 Emergency Justification Form. This documentation must be maintained in the cardholder file. This may not be utilized on a regular basis and is reserved for a Disaster Recovery Plan only.

+The Purchasing Card may be used for one-time **Emergency** vehicle repairs. This would be a situation where a state vehicle breaks down on the road and there is no other alternative to getting repair or for a flat tire for example. Proper documentation of the nature of the repair must be detailed on the receipt and your entity Purchasing Card Program Administrator must be made aware of the emergency use for the repair on the next available business day. The Purchasing Card Program Administrator must further send a detailed email to the DOAS State Purchasing Card Program Administrator documenting the card usage and emergency situation on the next available business day and verifying that costs have been entered into VITAL, the State Fleet Management System. This documentation must be maintained in the monthly summary file where the expense occurred. This may not be utilized on a regular basis and is for emergencies only.

#Special Approval must be obtained for purchases of food for Conference Center operations. The **Special Approval Request Form (SPD-PC003)** must be submitted to the College Purchasing Card Program Coordinator. The Program Coordinator will approve the special approval form and forward to the DOAS State Purchasing Card Program Manager for approval. These approvals will be issued on a fiscal year basis as a blanket approval. A copy of the blanket approval must be maintained in the Purchasing Coordinator's file and documentation including receipts, meeting agenda and purpose should be maintained with billing statement of the transaction.

## Special Approval is NOT required for food and/or lodging for student activities. Documentation must follow the guidelines for "group meals" in the State Travel Regulations and include: a) Itemized receipt showing all meals purchased, b) Roster of participants showing the name and signature of each student (for activities not open to the entire campus) and c) Copy of the team schedule or other documentation showing that the meal was an authorized student activity. Note that the purchasing card cannot be used for the cost of travel for coaches, staff, faculty or other employees while attending officially sanctioned student activities (i.e., athletic recruitment).

### **3.2 UNAUTHORIZED PURCHASES:**

**The following are considered as UNAUTHORIZED purchases with the Purchasing Card:**

- X Alcohol
- X Cash Advances
- X Communications Equipment (Telephones, Scanners, Blackberries, Pagers, Fax Machines)
- X Entertainment
- X Electronic Equipment including computers and laptops
- X Equipment valued at \$1,000 or greater (these items require entry into PeopleSoft Financial System to properly interface with asset management and inventory)
- X Flowers, Gift Baskets or sympathy items for employees, board members, foundations, etc.



- X Flower Arrangements (even if paid out of Student Activity funds)
- X Food, except for appropriate Sanctioned Student Activities, Culinary Arts or Childcare Programs, Resale items and Conference Centers as detailed under Authorized purchases
- X Furnitures and Fixtures
- X Gambling/Lottery
- X Gift Cards
- X Greeting Cards/Invitations (except when used as marketing tools within the community)
- X Holiday decorations
- X Lodging, Transportation and Meals, except as noted above for sanctioned student activities
- X Mailing/Distribution Services (UPS, Fed-Ex, etc.)
- X Motor Vehicle Fuel, Repairs and Maintenance
- X Ongoing Annual Contracts (maintenance agreements)
- X Personal Use Items (fans, heaters, coffee pots, etc.)
- X Pornography
- X Professional Services (Doctors, Lawyers, etc.)
- X Temporary Employees
- X Utilities
- X Any items \$5,000 or above – this excludes Bookstore purchases which are Exempt per Georgia Code 50-5-58, but require special approval to utilize an increased single transaction limit

**NOTE: NO PERSONAL PURCHASES MAY BE MADE THROUGH THE USE OF THE PURCHASING CARD. UTILIZING THE PURCHASING CARD FOR PERSONAL USE MAY RESULT IN DISCIPLINARY ACTION, INCLUDING TERMINATION FROM STATE EMPLOYMENT WITH POSSIBLE CRIMINAL CHARGES FILED AGAINST VIOLATORS OF THIS POLICY.**

#### **SECTION 4 - HANDLING DISCREPANCIES:**

##### **4.1 Resolving Errors and Disputes:**

Problems with merchandise delivery or incorrect billing may occasionally arise. It is the cardholder's responsibility to initiate action to resolve all such issues.

Cardholders must contact the supplier directly when a billing problem or a problem with merchandise or services is first noted to attempt to resolve such problems.

Under no circumstances should there be a direct refund from suppliers to the cardholder or the entity for any credit card transactions. All corrections must be issued as credits on the account to be applied on the next billing cycle. If, however, a direct refund is received, documentation must be maintained as an explanation to support and offset the original purchasing card transaction.

If a cardholder is unable to resolve the problem directly with the supplier, the cardholder should notify the Purchasing Card Program Coordinator to assist in resolving the problem or in filing a *Bank of America Claims Statement of Disputed*

***Item (BOA Dispute Form).*** All BOA disputes must be filed within 60 days of the transaction date. Do not continue to order from vendors who are not resolving errors within a 30 day cycle date following the error or dispute.

#### **4.2 Lost or Misrouted Products:**

If a sufficient amount of time has elapsed without receiving the ordered product, the following steps should be taken:

1. Contact the supplier to determine when the product was shipped, by what carrier and to what location
2. If there is no record of the shipment by the carrier, call the supplier and request a proof of delivery
3. If the supplier cannot supply this documentation, the supplier should acknowledge that no product was actually delivered and credit the account or re-ship the product
4. If satisfactory resolution cannot be reached with the supplier within a 30 day period, contact your Purchasing Card Program Coordinator to file and process a ***BOA Claims Statement of Disputed Item***. Remember there are only 60 days from the date of the transaction to file a dispute.

#### **4.3 Incorrect Orders or Defective Products:**

The cardholder must always check any incoming order as soon as it is received to ensure the product/service matches what was ordered in terms of quantity, description and quality. If there are discrepancies, damages or defects, the following steps should be taken:

1. Contact the supplier to resolve the issue over the telephone (this should be sufficient to resolve most discrepancies)
2. If satisfactory resolution cannot be reached with the supplier, contact your Purchasing Card Program Coordinator to file and process a ***BOA Claims Statement of Disputed Item***. Remember there are only 60 days from the date of the transaction to file a dispute.

#### **4.4 Making Returns/Exchanges and Restocking Fees:**

Cardholders must usually prepare a shipping order for all returns/exchanges of merchandise purchased using a purchasing card. Be sure to indicate on the shipping order that this was a purchasing card purchase and state the credit due for the returned item. In some instances, a vendor may supply a return authorization (RA) which should be noted on the shipping order. If the supplier provides a material return authorization number, be sure to include that number on the shipping order.

A copy of the shipping order should be kept with the transaction log to verify return and show the credit amount to be provided by the supplier. All return credits must be applied to the purchasing card account and must not be taken in cash. Be sure to note the shipping arrangements on the documentation (i.e., if supplier or state aid for

the freight). It is the responsibility of the cardholder to follow up and obtain a credit for any recoverable amounts.

When goods are returned through no fault of the supplier, the supplier may charge a restocking fee. If this occurs, the restocking charge can be noted on the transaction log to reconcile the charge with the monthly cardholder statement.

#### **4.5 Cardholder Statement Discrepancies:**

If discrepancies are noted on the monthly cardholder billing statement (i.e., for quantity, price, duplicate billing, no credits from prior transaction, billing for item not received, etc.) take the following steps:

1. Contact the supplier and attempt to resolve the discrepancy. Make a note on the transaction log. Keep a record of all communications to the supplier.
2. If satisfactory resolution cannot be reached with the supplier, contact your Purchasing Card Program Coordinator to file and process a ***BOA Claims Statement of Disputed Item***. Remember there are only 60 days from the date of the transaction to file a dispute.

#### **4.6 Sales Tax Charges:**

State Government Entities are exempt from paying Sales and Use Tax on purchases of goods and services per O.C.G.A. 48-8-3(8). Accordingly, sales tax should not be billed by suppliers. In the event sales tax is charged by a supplier and appears on a cardholder statement, the following steps need to be taken by the cardholder:

1. Contact the supplier and request that a credit be processed on the next billing cycle for the amount of the sales tax charged; credits cannot be obtained by any other method, including, but not limited to, cash, gift card, gift certificate or store credit
2. Documentation of attempts to obtain credit for any State Sales and Use Tax charged in error must be maintained with the documentation for the transaction where the tax was charged
3. If the supplier refuses to issue a credit or does not issue a credit within the next billing cycle, notify your Purchasing Card Program Coordinator concerning your attempts to obtain a credit for the sales tax billed. **DO NOT** place any further orders with this supplier. Your Purchasing Card Program Coordinator shall notify all cardholders within the TCSG to refrain from doing business with the supplier.

#### **Special Note about Sales Tax:**

*Should you have a dispute with a vendor because Sales Tax was charged in error, Bank of America will not charge the Sales Tax back to the vendor and credit your account. **A Sales Tax dispute can only be resolved with the vendor by requesting that the vendor issue a credit on your account.***

## **SECTION 5 – DOCUMENTATION AND ACCOUNTING:**

### **5.1 Documentation:**

Cardholders must maintain documentation for all transactions, including an invoice or receipt, and a log of all purchases on the ***Purchasing Card Activity Log (SPD-PC004A)***. Once a month, BOA will send each cardholder a statement of account which details all charges billed during the previous 30 day billing cycle. Each entity's 30-day billing cycle ends on a designated date of each month and the cardholder statements are mailed within five (5) working days after the end of the billing cycle. This cardholder statement will contain the transaction date, supplier name and the total amount charged for each transaction made by the cardholder during that billing cycle. There will not be any item description or breakdown of individual items of cost which is why it is so crucial to maintain the ***Purchasing Card Activity Log*** and keep all receipts and documentation of transactions.

All cardholders shall perform the following manual reconciliation steps:

- 1) Review the billing statement for accuracy
- 2) Compare billing statement with ***activity log*** and check off those transactions that have been billed
- 3) Attach all receipts and any other supporting documents to an activity log
- 4) Cardholder must sign billing statement and activity log
- 5) Obtain signature of the Cardholder Supervisor on the billing statement and activity log. The supervisory approval indicates that the individual transactions have been reviewed and verified for compliance with the State and TCSG policies.
- 6) Submit reconciliation package to Entity Purchasing Card Program Administrator for review and approval. The Administrator approval indicates that the individual transactions have been reviewed and verified for compliance with the State and TCSG policies.

### **5.2 Monthly Reconciliation – Team Georgia Marketplace:**

Some Technical Colleges are set up with reconciliation to be done by individual cardholders and cardholder supervisors accessing Team Georgia Marketplace. Other colleges may utilize a manual paper process with designated assigned "Proxies" performing reconciliation in Team Georgia Marketplace.

If Proxy Reconcilers and Approvers are utilized, a copy of the individual cardholder statement showing both the cardholder and cardholder supervisor signatures must be uploaded to one transaction for that cardholder in TGM.

All purchase receipts must be uploaded to the corresponding transaction. If all documentation is uploaded to just one transaction for the cycle (i.e., lists of office supplies), then the comments for the other transactions need to explain the purpose and direct the reviewer to the transaction that has the receipt attached.

When attaching receipts, comments must also be documented for each transaction in the cycle. Meaningful comments should be utilized which help explain the purpose of the purchase (i.e., use ingredients for culinary arts class vs. instructional supplies).

In addition, the Purchasing Card Program Administrator must ensure that all comments and receipts are documented for the cardholder transactions and that transactions are approved and reconciled within Team Georgia Marketplace within thirty (30) days of each billing cycle statement date. Please reference Instructions for Reconciling Purchasing Card Transactions in Team Georgia Marketplace (10/15/13) for detailed, step by step instructions.

### **5.3 Allocation to the General Ledger:**

Timely allocation of charges to the General Ledger is essential to ensure compliance with State accounting and budgetary policies. **All Purchasing Card transactions must be allocated to the General Ledger through the Team Georgia Marketplace reconciliation process within thirty (30) days of their billing statement date.**

## **SECTION 6 – SURCHARGES AND FEES**

Many suppliers charge a “credit card processing fee” or “convenience fee” for accepting credit cards including the P-Card. These types of fees are strictly regulated by Visa and MasterCard. It should be noted that suppliers cannot charge both a surcharge and a convenience fee.

### **6.1 Surcharges:**

The maximum allowable surcharge is 4% and must be shown as a line item on the details invoice or receipt. For any transaction where a supplier has charged a surcharge, the cardholder must obtain a copy of the acknowledgement letter sent to the supplier by VISA authorizing supplier to impose a surcharge. This copy must be maintained with the invoice and all other documentation for the transaction, including uploading to Team Georgia Marketplace. In the event of a supplier utilized regularly, a copy on file with the Purchasing Card Program Administrator will be sufficient.

### **6.2 Convenience Fees:**

Convenience fees are allowed if they are charged in compliance with Visa rules. For merchants who offer an alternate payment channel (mail, telephone or e-commerce) for customers to pay for goods or services, a convenience fee may be added to the transaction amount. If the merchant chooses to assess a convenience fee, they must adhere to the following rules:

- The fee is being charged for a bona fide convenience of using an alternative payment channel outside the merchant’s normal business practice.
- The fee must be disclosed to customer as a charge for the alternative payment channel convenience.
- The fee is applied only to transactions that are not face-to-face.
- The fee must be a flat or fixed amount, regardless of amount of payment due.

- The fee is applied to all forms of payment products accepted in the alternative payment channel.
- The fee is included as a part of the total transaction amount.
- The fee cannot be added to a recurring transaction.
- The fee is assessed by merchant that provides the goods or services to the cardholder and not by a third party.
- The cardholder must be given the opportunity to cancel prior to the completion of the transaction.

Convenience fees charged in accordance with the Visa guidelines above are permitted on the P-Card. For clarifications, contact your Purchasing Card Program Administrator. Violations of the Visa guidelines should be reported by the Program Administrator to the State Cards Program Manager as merchants can be reported to Visa through Bank of America.

### **SECTION 7 – PURCHASING CARD PROGRAM FORMS:**

The latest versions of all forms previously referenced in this manual may be found on the State Purchasing – Statewide Card Programs website below:

<http://doas.ga.gov/state-purchasing/statewide-card-programs/purchasing-cards>