

Lake Region State College Policy and Procedure Manual

SECTION 400.24 PURCHASING CARD

The purchasing card (p-card) is a credit card issued in the name of the Lake Region State College employee. Employees will be designated to make purchases for official business needs. Purchases made with the p-card must comply with SBHE policy 803.4 and NDUS procedure 803.4.

Individual credit limits, including card and cycle limits, vary as determined by the supervisor or p-card administrator. Each cardholder will use the *NDUS P-card Change Request* form to change MCC codes or increase credit limits on a temporary or permanent basis.

The use of the p-card results in a liability to LRSC, not a personal liability for the cardholder. The cardholder's credit rating will not be affected. However, it is important to remember that the cardholder signs an agreement prior to receiving the p-card and, as such, is responsible for any misuse of the p-card as outlined in this policy.

Only the LRSC employee whose name appears on the p-card may use the p-card. The employee is accountable for all charges made with that p-card. A cardholder will not lend the p-card to anyone. If another employee in the department needs a p-card, the director or supervisor of the department should request one for that individual.

LRSC cardholders are strongly encouraged to use their card wherever MasterCard is accepted.

Procurement policies must be followed when using a p-card. The p-card cannot be used to access cash or a line of credit. It is not to be used with interdepartmental or personal purchases and is not a right of employment.

Items that cannot be purchased on the p-card (unless specifically authorized by the President on the *Purchasing Card Exception* form) include:

1. Alcoholic beverages
2. Ammunition/weapons
3. Clothing
4. Cash Advances (ATM or other)
5. Meals while employee is in travel status (Employee will be reimbursed at per diem rates by submitting a travel voucher)
6. Entertainment/hospitality/food
7. Gasoline/Fuel (must use credit card located in the state vehicle)
8. Hazardous Materials
9. Insurance
10. Leases
11. Legal services
12. Maintenance Contracts
13. Motor Vehicles
14. Non-business/personal items (ex. Kleenex, coffee, snacks, etc.)

15. Radioactive Materials
16. Shipping - Outbound from Lake Region State College
17. This is not an all-inclusive list and can be changed at management's discretion

LRSC departments may request, from the p-card administrator, a waiver to remove the restriction on the purchase of the preceding items. The waiver or exception will be specific as to item(s) and as to cardholder.

Each cardholder is responsible for the following:

1. Safeguarding the p-card.
2. Signing the p-card immediately upon receipt.
3. Activating your p-card.
4. Keeping original itemized receipts from each purchase.
5. Recording each purchase on a *Purchasing Card Record* form.
6. Receiving the electronic statement.
7. Reconciling the cardholder statement with *Purchasing Card Record* form and receipts
8. Signing the *Purchasing Card Record* form to attest that all purchases are for LRSC business and in compliance with all applicable rules and regulations.
9. Obtain supervisors signature on the *Purchasing Card Record* form.
10. Forwarding signed completed *Purchasing Card Record* form, statement, and original receipts to p-card administrator by the 10th of the month.
11. Notifying the p-card administrator and the supervisor immediately in the event of a lost or stolen p-card.
12. Assuring the vendor issues credit for any item that has been approved for return. The credit should appear on a subsequent statement.
13. Resolving transaction disputes and credits in a timely manner. The p-card administrator should be notified of any unresolved disputed items.
14. Giving the p-card to the supervisor or p-card administrator when employment is terminated.

The cardholder's supervisor or designated employee (other than cardholder) is responsible for the following:

1. Reviewing the information submitted by the cardholder. The supervisor should, at a minimum, periodically compare receipts to the statement submitted by the cardholder.
2. Signing the *Purchasing Card Record* form to certify that purchases are for business purposes and are in compliance with appropriate rules and regulations to the best of the supervisor's knowledge.
3. Forwarding the signed *Purchasing Card Record* form, statement and all original itemized receipts to the Business Office by the 10th of each month.
4. Returning the p-card of a terminated employee to the p-card administrator.

Purchasing Card Security

1. The p-card is to be treated with the same level of care that is afforded personal credit cards.
2. Do not lend the p-card to anyone. The only person authorized to use the card is the person whose name appears on the front of the card and who has completed the *Purchasing Card User Agreement* form.
3. Do not post or write the p-card account number in any location that is accessible to others.

4. Take additional care when using the card to make Internet purchases. Only use internet sites that have an indication that they are a secure site, such as the padlock located on the lower right.

Failure to use the p-card in accordance with applicable policies and procedures may result in cancellation of the p-card and may involve appropriate disciplinary action, up to and including termination and possible criminal prosecution.

Policy and procedure violations include, but are not limited to:

1. Purchasing items with the card for personal use.
2. Failure to return the card when reassigned, terminated or upon request.
3. Failure to submit original itemized receipts/invoices to the p-card administrator by the 10th of each month.
4. Allowing someone else to use their p-card.
5. Repeatedly allowing sales tax to be charged when the purchases are tax exempt. Cardholders who take immediate action to request a sales tax refund and include the refund receipt with their p-card statement will not be considered to be in violation.
6. Making unallowable or unauthorized charges.
7. Intentionally splitting a purchase to circumvent purchasing policies or avoiding single transaction limit.

Depending on severity, a violation of this policy or failure to comply with the applicable policies may result in the following:

- 1st offense – written warning to cardholder
- 2nd offense – written warning to cardholder and cardholder's supervisor
- 3rd offense – written warning to cardholder, cardholder's supervisor, and the card will be suspended for 60 days.
- 4th offense – written notice to cardholder, cardholder's supervisor, and the card will be permanently cancelled. The cardholder must return the card to the p-card administrator.

Contact the p-card administrator for assistance on the following:

1. For questions concerning policies and procedures
2. To replace damaged cards
3. For assistance with vendors
4. For account inquiries
5. For billing information
6. To report a lost or stolen card

History

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