

BLINN COLLEGE ADMINISTRATIVE REGULATIONS MANUAL

SUBJECT: *Procurement Card (P-Card)*

EFFECTIVE DATE: October 11, 2007; amended May 27, 2010, and September 27, 2011

BOARD POLICY REFERENCE: CFF

PURPOSE

The Procurement Card (P-Card) Program provides Blinn College with an efficient and cost effective purchasing and payment process of making small dollar purchases for goods and services. To make use of this process requires that existing guidelines for purchasing are followed and that purchases are made from vendors that accept Master Card.

TYPES OF CARDS

Blinn College utilizes two types of cards that are issued by JP Morgan Chase.

- Procurement Cards (P-Cards) are issued in the name of a full-time employee to be used for small dollar purchases. The P-Card allows cardholders to purchase goods and services on behalf of Blinn College. Procurement of goods or services less than \$1,500.00 per transaction are not required to follow the requisition/purchase order method for purchases. (*See Blinn College Purchasing Procedures*).
- Travel Cards are issued to individuals for travel related expenses that includes lodging, meals, car rentals and parking expenses. (*See Travel Card Procedures*).

PROCUREMENT CARD SECURITY

The cardholder is responsible for the security of the P-Card. Cards **must** be kept in a secure location. The cardholder **must** use only his/her assigned P-Card. P-Cards or P-Card account numbers **must** not be loaned to another employee for his/her use. Cardholders will be held responsible for the charges on their P-Card.

SALES TAX

Blinn College is exempt from Texas sales tax. A copy of the College's tax exempt certificate is available from the Purchasing Department. The Blinn College Tax Identification Number is also listed on all P-Cards.

PROCUREMENT CARD RESTRICTIONS

Most P-Cards have a \$1,500.00 single transaction limit unless the cardholder's supervisor has established another limit. Certain Merchant Category Code (MCC) Groups are prohibited from P-Card use. This restriction will be automatically invoked, if applicable, during the purchase authorization process. Restrictions include, but are not limited to the following:

- Liquor
- Cash Advances
- Independent Contractor Payments
- Personal Use (Financial Institutions, Securities, Timeshares, Gift Cards)
- 1099 Reportable Expenses (Examples include payment of services or repairs)
- Splitting purchases to avoid single transaction limit
- Capitalized Equipment/Fixed Assets
- Computers, computer hardware, computer software, projectors, printers and scanners
- Office supplies, fax machines, cameras
- Furniture
- Printing

NOTE: Any print job (new or repeat order) or any purchased item with a Blinn Logo (institutional, athletic or departmental) or “Blinn College” verbiage must have approval from the office of Marketing & Communications. The purchase requisition containing approval from Marketing & Communications **must** accompany the receipt(s) with the P-Card summary statement at the end of the month.

MISSING RECEIPTS

The cardholder **must** contact the vendor immediately regarding a missing receipt or invoice and request a duplicate. If the vendor takes no action, the cardholder should contact the P-Card Coordinator for assistance. In cases where the P-Card Coordinator cannot obtain a duplicate, a Procurement Card Missing Receipt Form shall be used. This form is to be used as documentation for missing receipts only if the vendor cannot produce a duplicate receipt. The form is to be completed by the cardholder and **must** be signed by the cardholder and the cardholder’s supervisor. The form is then submitted with the other receipts.

DISCIPLINARY ACTIONS

Failure to abide by the guidelines for authorized purchases may result in disciplinary action. Consequences for violation of these guidelines are based on a “three-strike” system:

- First occurrence - Cardholder is given a warning.
- Second occurrence - Cardholder is given a three-month suspension of P-Card privileges and required to attend refresher training.
- Third occurrence – P-Card cancellation.

The cardholder meets with their supervisor regarding the first violation and is given one (1) strike. Upon a second occurrence, the cardholder is given a second (2) strike resulting in a three-month suspension of P-Card use. After the second strike, the cardholder **must** attend a refresher training session before their P-Card will be reactivated. The cardholder is informed that a third occurrence will result in the cancellation of the P-Card. Upon a third (3) occurrence, strike three (3) is administered resulting in cancellation of the P-Card. The cardholder may apply for a P-Card again one (1) year after cancellation and is **required** to attend a training session before a P-Card will be issued. Strikes accumulate and are kept on record for a *rolling one-year period*, at which time the one-year period begins again.

Use of the P-Card for personal gain or willful unauthorized use will result in immediate termination of P-Card privileges and may result in disciplinary action, up to and including termination of employment at Blinn College, as well as, civil and criminal prosecution to the extent permitted by law.

PROCUREMENT CARD RENEWAL

The P-Card Administrator will insure that all P-Cards are re-issued prior to their scheduled expiration dates. Departments are encouraged to review the previous year’s P-Card usage prior to renewal to determine if the P-Card is providing the service for which it was intended.

SURRENDER OF PROCUREMENT CARD

The P-Card remains the property of JPMorgan Chase Bank. Upon the resignation or termination of cardholder, Human Resources will notify the P-Card Administrator. The P-Card Administrator will terminate the cardholder’s account on line. The P-Card **must** be returned to the P-Card Administrator for disposal.

CHANGING P-CARD LIMITS & UPDATING CARDHOLDER INFORMATION

P-Card limits and updating cardholder information may be changed by the supervisor or the responsible budget officer by forwarding a JPMorgan Chase Purchasing Card Account Application Form to the P-Card Administrator with the new information. Proof of name change must accompany a request for a name change (photocopy of marriage license or other court records showing birth name and present name).

Authorization for a *temporary* increase in the transaction limit to facilitate specific purchases may be requested by the cardholder's supervisor or appropriate departmentally authorized person by contacting the P-Card Administrator. The following information must be provided:

- Cardholder's name
- Last eight digits of the P-Card number
- Merchant name
- Amount of purchase
- Description of purchase

PROCUREMENT CARD SUPPORT

JPMorgan Chase - For customer service issues or to report a lost or stolen P-Card call 1-800-890-0669. The cardholder **must** call JPMorgan Chase Bank immediately upon discovering that the P-Card has been lost or stolen. Assistance is available 24 hours a day. After notifying JPMorgan Chase, the cardholder **must** notify the P-Card Coordinator and Administrator.

Blinn College Procurement Card Coordinator - Cardholders shall contact the P-Card Coordinator regarding most P-Card issues such as rejected or disputed transactions.

Blinn College Procurement Card Administrator - Provides assistance to cardholders, processes P-Card applications, updates cardholder information and conducts post-audit review of transactions for compliance with Purchasing Card Procedures and Purchasing Procedures.

OBTAINING A PROCUREMENT CARD

To obtain a Procurement Card (P-Card), the employee shall complete the JPMorgan Chase Purchasing Card Application Form (Section A) using the instructions to fill out the application (Section D), have it approved by their supervisor and submit it to the P-Card Coordinator. The P-Card Coordinator will forward the form to the P-Card Administrator in the Purchasing Department for approval. The P-Card Administrator shall send the form to JPMorgan Chase for processing. After the cardholder attends the mandatory training, a P-Card will be issued to the cardholder.

PROCUREMENT CARD USE

1. Purchases in Person:

- Check to see the total amount includes (shipping, handling, freight, etc.) and does not exceed the cardholder's single transaction limit or monthly P-Card limit.
- Advise the vendor that Blinn College is tax exempt. A tax exempt certificate is available in the Purchasing Department for use of the P-Card. Cardholders are responsible for making sure sales tax is not charged. If sales tax is charged in error, the cardholder shall contract the vendor and request a credit.
- Obtain an itemized receipt at the time of purchase identifying each item purchased.
- Follow internal departmental instructions for recording the purchase, and keep all receipts in a secure place.

2. Purchases by Telephone:

- Follow the applicable instructions for making purchases in person, including shipping, handling and freight.
- Indicate to the vendor the purchase shall be on a Master Card.
- Emphasize to the vendor that Blinn College is tax exempt. A tax exempt certificate is available in the Purchasing Department for use of the P-Card. Cardholders are responsible for making sure

sales tax is not charged. If sales tax is charged in error, the cardholder shall contract the vendor and request a credit.

- Check with the vendor regarding educational discounts or if they are members of a Purchasing Cooperative.
- Record the name of the person taking the order, place the order, give the vendor the P-Card number, P-Card expiration date and request a confirmation number.
- Give the vendor the cardholder's name, department name, phone number and complete delivery instructions. Goods are required to be shipped to Central Receiving.

3. *Purchases by Internet or Fax:*

- Follow the applicable instructions for making purchases in person, including shipping and delivery.
- Cardholder needs to check for a secure site prior to submitting their P-Card information. Look for https in the URL - the "s" stands for secure. Another check is to look for a padlock symbol at the bottom of the screen. If the padlock is not present or it is not an https site, do not key in the account number. Cardholder must print a confirmation for their records (e-mail confirmation, print order page).
- If the cardholder makes a purchase via fax, retain a copy of the order as faxed and request a fax confirmation or paid receipt from the vendor.

RETURNS, DAMAGED GOODS, CREDITS

The cardholder shall work directly with the vendor regarding goods purchased that need to be returned.

Guidelines regarding returns include:

- Cardholder needs to contact the vendor immediately regarding a problem with goods received.
- Always retain boxes, containers or special packaging until it is certain that the goods are going to be kept. Some items such as software cannot be returned without the original packaging materials.
- Read all enclosed instructions and check the packing slip for accuracy.
- Many vendors require a "Return Authorization Number" before accepting a return.
- In some cases there may be a restocking fee (usually a percentage of the purchase price not to exceed 15%).
- If a return is not authorized or if it is not properly credited, the cardholder needs to refer to the Disputed Transactions Section of this manual for instructions on resolving the problem.

GENERAL RECONCILIATION

The monthly reconciliation of P-Card transactions shall be the responsibility of the cardholder. Responsibilities regarding the reconciliation of cardholder's monthly statement include:

- A copy of the charge slip, itemized sales receipt or any information related to the purchase **must** be kept by the cardholder and attached to the monthly statement that is sent to purchasing. If an itemized receipt is not available from the vendor, the cardholder is **required** to list the items that were purchased.
- The cardholder **must** provide a list of attendees when food/meals are purchased for any division and/or staff meetings, workshops or group presentations. This includes student organizations.
- The cardholder **must** contact the vendor immediately regarding a missing receipt or invoice and request a duplicate. In cases where the cardholder cannot obtain a duplicate, a [Procurement Card Missing Receipt Form](#) shall be used. The form is to be completed by the cardholder and **must** be signed by the cardholder and the cardholder's supervisor. This form is on the Blinn College home page.
- Cardholder **must** the appropriate budget account(s) and object code(s) in SDOL for transactions that appear on their monthly statement. A summary of the statement **must** be printed and forwarded to the cardholder's supervisor/budget manager for approval.
- The cardholder's supervisor/responsible budget officer **must** review the cardholder's transactions and verify the accurate coding of transactions. After reviewing transactions, the supervisor/responsible budget

officer **must** initial the cardholder's monthly statement and send it to purchasing. Transactions that are charged to budget accounts other than those assigned to cardholder's supervisor/budget officer are **required** to be approved by the budget officer assigned those accounts. The approval can be accomplished via e-mail or initialing the transaction on the statement.

- Monthly statements **must** be received in the Purchasing Department no later than the 20th of each month.

PROCUREMENT CARD STATEMENT

JPMorgan Chase Bank generates a monthly statement that is mailed to the cardholder. The cardholder submits their statement that has been reconciled to purchasing. A master statement containing all monthly transactions is sent to the P-Card Administrator containing all monthly transactions.

The Purchasing Department audits the cardholders' statement for accuracy and completeness. Upon completion, the master statement report and cardholder statement reports, along with all receipts, are submitted to the Accounting Department for posting to the general ledger no later than the 30th of the month.

REVIEW OF TRANSACTIONS

A three-step monthly review will be conducted for all transactions that include:

- Cardholders are responsible for reviewing all transactions to ensure appropriateness of purchases and completeness of documentation.
- The cardholder's supervisor/responsible budget officer **must** review and approve (by signature), the cardholder's transactions on a monthly basis.
- Periodic reviews of each cardholder's records will be performed by the P-Card Coordinator and/or the cardholder's supervisor.

DISPUTED TRANSACTIONS

Disputed transactions consist of two categories: the return of defective or incorrect goods and those related to discrepancies between the cardholder's records and the Master Card statement.

The most common reasons for disputed transactions are:

- Unauthorized charges
- Difference in amount authorized and amount charged
- Duplicate charges
- Failure to receive a credit
- Failure to receive the product
- Returned merchandise
- Defective merchandise
- Unrecognized charges

The cardholder shall make every effort to resolve a dispute with the vendor. If a cardholder has a problem resolving a dispute with a vendor (such as defective merchandise), contact the P-Card Coordinator for assistance.