

Richmond Community College

Purchasing/Procurement Card Policy and Procedures Manual

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Overview of the Purchasing/Procurement Card System

Program Goals

The Purchasing/Procurement Card Program is designed to enable specific college personnel to make small purchases more quickly and efficiently by minimizing paperwork and processing time. Purchasing/Procurement cards can be processed by vendors just like personal charge cards. Users, accounts payable, and purchasing can all benefit from the Purchasing/Procurement card's streamlined process.

Purchasing/Procurement Card Process

- Purchasing/Procurement card user makes a purchase based on proper supporting documentation
- Charge initiated with vendor
- Charge goes to the bank
- Purchasing/Procurement card user sends vendor invoice with proper documentation to Accounts Payable
- End of month, the bank sends a Purchasing/Procurement card invoice to Accounts Payable
- Accounts Payable then reconciles Purchasing/Procurement card invoice to the vendor invoice with proper documentation.
- Accounts Payable sends check to bank

Use of the Card

The cards are for community college official use only. All purchases will be charged to specific accounts that are valid within the North Carolina Community College System Accounting Procedures Manual.

This policy and procedures manual provides the guidelines under which you may utilize your Purchasing/Procurement card. Please read it carefully. Your signature on the Employee Agreement Form indicates that you understand the intent of the program and agree to adhere to the guidelines.

The program is NOT intended to avoid or bypass appropriate procurement or payment procedures. Rather, the program complements the existing process.

Application Process

- The President or Executive Vice President submits a request to the Procurement Card Administrator to add a cardholder.
- The President or Executive Vice President signs the Cardholder's Enrollment Form giving them authorization to make purchases within these guidelines.
- The Procurement Card Administrator requests the card from the bank.
- The proposed cardholder is issued a copy of the policy and procedures manual and will be required to sign an Employee Agreement Form. The Employee Agreement Form, when signed, indicates the cardholder has read and understands the procedures and responsibilities of obtaining a Purchasing/Procurement card. The employee then receives the card.
- The Procurement Card Administrator shall maintain the original of all applications and employee agreement forms, maintenance changes including limits, card lost/stolen/destroyed information, etc.

Roles and Responsibilities

Cardholder Responsibilities

The Purchasing/Procurement Card received by the cardholder has his/her name embossed and shall only be used by the cardholder. No other person is authorized to use the card. The cardholder may make transactions on behalf of others at the college, but the cardholder is responsible for all use of his/her card.

The cardholder is required to:

- Adhere to the college Purchasing/Procurement Card Policy and Procedures for reconciliation.
- Keep a per transaction record of purchases.
- Review monthly statement to ensure that all charges represent bona fide purchases, services or received goods and that any credits or adjustments have been made.
- Send vendor invoice with proper documentation along with the monthly statement to Accounts Payable for payment.
- Coordinate returns with the vendors.
- Notify Bank of America and the Procurement Card Administrator promptly of a lost or stolen Purchasing/Procurement card.

Procurement Card Administrator

This individual is responsible for the overall Purchasing/Procurement Card Program for the college. The position will act as a liaison between the bank and the college. The Policies and Procedures are developed at this level. The Procurement Card Administrator handles the maintenance and initial set up of the account. Cards are sent directly to the Procurement Card Administrator and he distributes them to the cardholders. This individual maintains files of all cardholder information.

Purchasing

It is recommended the Purchasing Agent perform monthly audits on ten percent of the transactions to ensure the compliance with State Contract Items, Internal Purchasing Procedures, etc.

Richmond Community College

Purchasing/Procurement Card Procedures

1. *Purpose of Card*

This program is being established to allow Richmond Community College personnel to make small purchases of goods and services more easily while simultaneously reducing paperwork and handling costs associated with these purchases. A Purchasing Card will be issued to an employee when the President or Executive Vice President determines the college can benefit from the employee becoming a Cardholder. The Purchasing/Procurement Card gives the Cardholder the power to purchase goods on behalf of the college. Under no circumstances will the Card be used for personal purchases.

2. *Issuance of Card*

- a. A new Cardholder Enrollment Form is completed and approved by the President or Executive Vice President.
- b. The completed Cardholder Enrollment Form is forwarded to the Procurement Card Administrator.
- c. The Cardholder must sign an agreement stating the procedures and responsibilities associated with having a Purchasing/Procurement Card have been explained and understood.

3. *Use of Card*

- a. The Cardholder is the only individual authorized to make purchases using the Card.
- b. The Card does not supersede any State Purchasing and Contract rules that are already in place. Items on State Term Contracts must still be purchased from the contract. The college's Purchasing Agent can assist, if needed, with State Contract Items.
- c. When a purchase is made, the Cardholder must obtain an itemized receipt. The Cardholder is responsible for ensuring the vendor lists, the quantity, and fully describes the item(s).
- d. Purchases that are phoned-in must have an itemized invoice included with the items that are being shipped. A Packing List will not suffice as an invoice.

4. *Cardholder Reconciliation Procedures*

- a. During the month, the cardholder must keep a copy of each itemized receipt/invoice, the approved requisition, and packing slip (if applicable) for the purchase. When the college receives the monthly statement from the Purchasing/Procurement card bank, the cardholder is responsible for reviewing the statement and attaching the itemized receipt/invoice, approved requisition and packing slip (if applicable) to the statement. The statement with the supporting documentation is forwarded to Accounts Payable within 3 business days of receipt.
- b. There shall be no undocumented transactions on the statement: all transactions must have itemized receipts.
- c. If a receipt is lost, the cardholder must work with the vendor to obtain a copy. If the receipt cannot be obtained from the vendor, then the cardholder must document (written) actions taken before submitting to Accounts Payable for payment.

5. *Reconciliation Procedures for Returns/Problems*

- a. If the item(s) purchased are unacceptable, damaged and/or defective, the cardholder should work with the vendor to correct the problem as soon as the cardholder is aware of the problem.
- b. If an item or items have been returned for credit, the cardholder shall obtain an itemized receipt and verify that the credit is reflected on the monthly Purchasing/Procurement card statement. When the cardholder receives a credit, the receipt should be attached to the monthly Purchasing/Procurement card.

6. *Card Security/Maintenance.*

- a. It is the cardholder's responsibility to safeguard the credit card and the account number. The cardholder must return the Purchasing/Procurement Card to their Supervisor when leaving employment with the college.
- b. If the card is lost or stolen the cardholder shall immediately notify the Procurement Card Administrator.
- c. A new card will be issued to the cardholder after the reported loss or theft. If a reported card is subsequently found by the cardholder, it shall be immediately given to the Procurement Card Administrator.

7. *Making a Purchase*

- a. Purchasing/Procurement procedures permit a purchase of products if their value is within the limits set for the cardholder and are made from “vendor of choice” (but must check State Term Contracts and Hub Vendor List). Please ask your purchasing agent if you have questions about the contracts.

Card Usage Do's and Don'ts

Do's

Essentially you should continue to make the same type of purchases with the Purchasing/Procurement card as you currently make. You should continue to follow all Purchasing rules and regulations.

The following are examples of potential purchases that can be made with the card:

- Office Supplies
- Cleaning Supplies
- Business travel expenses (hotels, airlines, car rentals). No food or beverages.
- Facilities maintenance repair operation supplies
- Auto fleet maintenance repair operation supplies (not motor fleet vehicles)
- Small equipment items
- Other miscellaneous repair parts
- State Term Contract items. The following website; <http://www.doa.state.nc.us/pandc/keyword.htm>; has been provided to perform keyword searches for State Term Contract items. It will provide information to awarded vendors with minimum contract ordering amounts, etc.

Remember: Term contracts constantly change. If you have any questions regarding your purchase or if you need guidance/assistance in identifying items on a contract, contact the college's Purchasing Agent.

Don'ts

The following purchases are NOT permitted with the Card:

- Purchases of items that have been restricted from purchase with the card
- Personal purchases
- Cash advances/reimbursements
- Telephone calls/monthly services
- Purchases over the Cardholder's transaction limit (controlled by the system)
- Meals and beverages
- Memberships requiring approval
- Contractual or consulting services
- Motor Fleet Vehicles – services, gas, etc.

Misuse or Abuse of the Card

If a cardholder is making unauthorized purchases for which the Card is not intended--such as meals and entertainment or any other item on the DON'T list--he/she may be liable for the total dollar amount of such unauthorized purchases plus administrative fees charged by the bank in connection with the misuse. The cardholder may be subject to one of the following actions depending on the severity and repetitiveness of the violation:

- Cardholder advised to stop using the Card outside of policy. Cardholder and the Executive Vice President will be notified of the infraction by the Procurement Card Administrator. The Cardholder will also be advised of possible Card cancellation if further violations occur.

Misuse or abuse of the Card will reduce the effectiveness of the program. Vital statistical and managerial reporting relies on the appropriate use of the Card as stipulated in this guide.

If FRAUD is detected, the following steps will be taken:

- Immediate cancellation of the Card
- Removal of Cardholder's buying authority
- Termination of employment

Application

Cardholder Enrollment Form

The attached form is used when adding new cardholders. The form collects information required to establish an individual's account within the system. The transaction limits, monthly limits, and type of purchases are listed.

Process

The President or Executive Vice President submits the request to the Procurement Card Administrator for processing.

The proposed cardholder is issued a copy of the Policy and Procedures Manual and is required to complete a Cardholder's Enrollment Form and the Employee Agreement Form which must be signed. The President's or Executive Vice President's signature on the Cardholder's Enrollment Form authorizes the cardholder to make purchases within the delegation amounts for the college.

The Procurement Card Administrator shall maintain all records of credit card requests, limits, lost/stolen/destroyed cards, etc.

**RICHMOND COMMUNITY COLLEGE
PURCHASING/PROCUREMENT CARDHOLDER ENROLLMENT
FORM**

CARDHOLDER INFORMATION

Cardholder Name: _____

Cardholder's Position: _____

Cardholder Home Address: _____

City: _____ State: NC Zip _____

Social Security #: _____ Office Telephone #: _____

PURCHASING

Transaction Limit \$ _____ Monthly Limit \$ _____

Type of Purchases _____

Approval Signature

_____ Title _____ Date _____

ATTACH A COPY OF THE SIGNED EMPLOYEE AGREEMENT FORM

Send This Form to Procurement Card Administrator: Debbie Cashwell

Maintenance Request Process

This form is required when requesting changes to an existing account, such as: address change, name change, transaction limit, closing an account, etc.

**RICHMOND COMMUNITY COLLEGE
MAINTENANCE REQUEST
PURCHASING/PROCUREMENT CARD**

Date of Request: _____

Account Number: _____ Name on Account: _____

Requested Maintenance to Account:

__ Address Change to: _____ (street address--26 characters)

city: _____ state: _____ zip code: _____

__ Close Account reason: _____

__ Name Change from: _____ to: _____

__ Credit Line Change from: \$ _____ to: \$ _____

__ Transaction Limit from: \$ _____ to: \$ _____

Additional Comments on Request: _____

AUTHORIZED SIGNATURE

_____ Title _____ Date: _____

Send This Form to Procurement Card Administrator: Debbie Cashwell

Employee Agreement Form Process

The Employee Agreement Form for Purchasing/Procurement Card, when signed and dated by the employee, includes the employee's agreement to abide by policies and procedures pertaining to the Purchasing/Procurement Card. Violation of the policy may result in disciplinary action up to or including dismissal.

RICHMOND COMMUNITY COLLEGE

Employee Agreement for Purchasing/Procurement Card

I, _____ (employee name), hereby acknowledge being issued a Purchasing/Procurement Card. As the holder of this Card, I agree to comply with the following terms and conditions regarding my use of the Card.

- I understand that I am being entrusted with property of Richmond Community College--a Purchasing/Procurement Card--with which I will be making financial commitments on behalf of Richmond Community College.
- I understand that Richmond Community College is liable to BANK OF AMERICA for all charges made on the Card.
- I agree to use this Card for approved college business purchases only and agree not to use it for personal purchases under any circumstances. I understand that there will be audits of the monthly statements regarding this Card and that appropriate action will be taken by management in the event of Card misuse.
- I will follow the established procedures for the use of the Card. Failure to do so or any misuse of the Card may result in revocation of my use privileges and/or disciplinary action(s) up to and including possible dismissal, in accordance with disciplinary policies of Richmond Community College.
- I understand that the Purchasing/Procurement Card Procedures Manual is available on the Richmond Community Colleges Sharepoint site.
- I agree to return the Purchasing/Procurement Card immediately upon request or separation from employment (including termination, transfer, resignation or retirement).
- If the Card is lost or stolen, I agree immediately to notify BANK OF AMERICA and the Procurement Card Administrator.
- I am aware of my responsibility for reporting any misuse of this Card.

EMPLOYEE SIGNATURE

DATE

Send This Form to Procurement Card Administrator: Debbie Cashwell