

HAYWOOD COMMUNITY COLLEGE	BUSINESS SERVICES Purchasing Card	Procedure 6.3.9.1
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This Purchasing Card (P-Card) program has been established in order to provide a more rapid turnaround for the purchase of small dollar items with a reduction of paperwork and time.

The use of a Purchasing Card does not, in any way, eliminate the need to comply with all HCC and the State of North Carolina purchasing policies, procedures and regulations.

The program will be coordinated through the Purchasing Office, the Vice President of Business Operations, and the Human Resources Dept.

Definitions

- Cardholder – HCC employee approved to make purchases using the P-Card and will review and reconcile their monthly statement.
- HCC P-Card Coordinator – The designated HCC employee who will oversee and coordinate the program for the entire college. At the time of this publishing, the Purchasing Technician will oversee the program.
- HUB – Historically Underutilized Business
- MWBE – A minority/woman-owned business.
- 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.
- Statement of Account – The monthly listing of all items purchased for a particular account/cardholder. These statements must be reconciled back to the cardholder’s receipts for the month.
- Vendor – A company used by the cardholder to order/purchase goods and services.

Approval Process

In order to be approved to receive a HCC P-Card, the following steps must be taken:

1. The employee makes the request through his/her immediate supervisor. If he/she approves the employee as a cardholder, the employee will complete a P-Card Employee Application form. The form must be completed in its entirety and signed by the employee, his/her immediate supervisor and the division supervisor. By

- signing the form, the employee acknowledges that he/she has sole responsibility for the P-Card and purchases made on it.
2. Forward the approved form to the Vice President of Business Operations for final approval.
 3. Once all approval levels have signed the form, forward the completed form to the HCC P-Card Coordinator.
 4. The HCC P-Card Coordinator will contact the bank to issue a card in the new cardholder's name.
 5. When the card is received by the HCC P-Card Coordinator, a time will be scheduled to review the procedures and the cardholder will sign the Employee Agreement.

An employee must be in good standing with HCC in order to receive 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 Human Resources Director will notify the Business Office Director immediately of instances where the P-Card should be revoked or suspended. Reasons include: termination of employment or a status change to probation, suspension, or part-time. The Business Office Director will contact Bank of America to close card accounts as required. A complete list of all P-Card holders will be provided to the Human Resources Director and the Business Office Director monthly by the P-Card Coordinator. The Business Office Director will inform the P-Card Coordinator when a cardholder's account has been closed.

Training

Prior to release of the P-Card, the cardholder will be required to review the P-Card procedures with the P-Card Coordinator. Each cardholder must be knowledgeable of the HCC purchasing procedures, the State purchasing procedures and the use of State Term Contracts. Reasons for additional training include, but are not limited to, audit findings, changes in HCC or State procedures and changes in the P-Card program.

Receiving the P-Card

The issuing bank will forward the P-Card to the HCC P-Card Coordinator. Once received, the HCC P-Card Coordinator will record the account number on the P-Card Employee Application 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, driver's license or HCC Employee ID Card, may be required at the time of pickup.

The HCC 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 the Employee Agreement stating 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 Bank of America at 888-449-2273 and

then notify the HCC P-Card Coordinator. If the lost or stolen card is found after it has been reported, the card must be cut in half and both pieces forwarded to the HCC P-Card Coordinator.

P-Card Purchasing Guidelines

General

1. Each P-Card issued will have the cardholders name embossed on the front of the card. The name on the card is the **ONLY** person who will be able to use the card.
No other person is authorized to use the card.
2. The P-Card single transaction limit is \$2,500.00 including sales tax, shipping, handling, installation and any other charge that might be incurred. The monthly transaction purchase limit is \$5,000.00, with a maximum limit of 10 transactions per day, and maximum limit of 30 transactions per month. **All transactions are subject to purchase approval of supervisor/designee.**
3. High Risk Equipment purchases include any equipment items that are between \$1,000 and \$4,999.99 and are deemed as “high risk”. These purchases will need to be tagged for inventory and therefore may not be purchased with a P-Card. Please contact the Purchasing Technician if you are unsure if an item falls into this category.
4. Technology accessories and may be purchased with a P-Card, but must be approved by the Information Technology staff prior to placing the order with a P-Card. Any item that requires IT installation (such as a scanner or monitor) cannot be ordered using a P-Card. The IT approval documentation will consist of a quote from IT and must be submitted with the monthly transactions. IT Equipment including laptops, computers, tablets, etc. may not be purchased with a P-Card. Failure to get IT approval prior to a technology purchase could result in the loss of P-Card privileges.
5. Vehicles, including trailers, cannot be purchased with P-Card.
6. The transaction limits and daily limits are based on the type of work performed by the cardholder and the needs associated with that position.
7. Any and all P-Card orders and purchases must be shipped and received complete. When placing an order, check with the supplier to be sure all items are available.
No backorders are allowed.
8. Tax will be applied to all orders even if the item is sold as tax exempt.
9. **The P-Card may not be used to make purchases after May 15.** This date is subject to change, based on the FY budget and/or directives from the NC Community College System Office or the Office of State Budget and Management. This cutoff date will allow for end of year purchases and budget issues to be completed and reconciled.
10. **REMINDER: A transaction may not be processed, which requires the use of Federal Funds or Grant Funds for payment.**

Security

The cardholder is responsible for the security 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 Bank of America at 888-449-2273 and then notify the HCC P-Card Coordinator.

The HCC P-Card Coordinator can authorize a new card to replace the lost or stolen card 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 and turned in to the HCC P-Card Coordinator immediately. The HCC P-Card Coordinator will destroy the old card.

State Contract Items – Website: <http://www.pandc.nc.gov/keyword.asp>

It is HCC's policy to purchase items that are on state contract from a contract supplier. Note that it is the item on contract, not the supplier.

Competition

Items which are state term contract do not require quotes. If more than one vendor is on the contract, quotes can be obtained in order to obtain the best value purchase. Purchases up to \$4,999.99 do not require written quotes or bids. However, HCC's purchasing policy encourages competition at all levels and thus encourages the cardholder to seek competition wherever possible. Quotes are to be attached to the P-Card Payment form.

Gasoline Purchases

Gasoline may be purchased with the P-Card for HCC owned vehicles, only in an emergency, when other HCC Gas Credit Cards are not available, and unable to obtain gasoline/diesel at a NCDOT facility. **P-Card should not be used locally for gasoline purchases.** Local gasoline purchases are to be made at the NCDOT facility.

Printing Services

Printing orders must be approved by both Print Shop and Public Information before contacting an outside supplier.

Equipment

HCC defines equipment as any non-expendable item that has a total cost of \$5,000.00 each or more including tax and shipping charges. Items such as handheld tablets, laptops, desktops, (under \$5,000.00) and other small higher value equipment are classified as "High Risk" equipment and cannot be ordered with the P-Card. **Equipment cannot be purchased on the P-Card.**

"High Risk" items under \$5,000.00 are tracked by HCC as inventory items. In the event of lost or stolen items, which are not tracked as inventory items, the cardholder will be responsible for providing information to assist in locating the item or for insurance purposes.

Non-Allowable Transactions

Transactions listed below are examples of items that cannot be purchased 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 HCC P-Card Coordinator for assistance.

- Personal purchases
- Vehicles, trailers
- Entertainment
- Flowers or other gifts
- Invoices for items that were not originally purchased with the P-Card
- 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 non-allowable purchase plus any additional fees charged by the bank in connection with the misuse of the card. In addition, the cardholder may be subject to disciplinary action and loss of P-Card privileges.

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 any specific needs, contact the HCC P-Card Coordinator. For example, a card can be restricted to a Merchant Category Code that permits only the purchase of food products.

Making a P-Card Purchase

The cardholder must be familiar with all state and HCC purchasing policies pertaining to the allowable dollar amounts, competition, HUB suppliers and state contracts. Go to the State of North Carolina Purchase & Contract website <http://www.pandc.nc.gov/index.htm> to determine the items that are on state contract PRIOR to making your purchase. Any questions regarding items on state contract should be directed to the Purchasing Technician.

Telephone quotes are optional for purchases with \$.01 and \$4,999.99. Quotes are to be attached to the P-Card Payment form.

Steps to Completing a Transaction:

1. Check to see if the item(s) to be purchased is available on state contract. If so, select your supplier from the contract.
2. HCC and the State of North Carolina encourage the use of HUB vendors whenever possible. You may search for available HUB vendors at: <http://www.doa.state.nc.us/hub/searchhub.htm>
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.
2. Confirm that the selected supplier will accept the P-Card.
3. Be sure that ALL items ordered are in stock and will ship as one complete shipment.
Remember NO BACKORDERS are allowed on P-Card purchases.
4. Provide the supplier with shipping instructions. These include:

- a. Put the words “P-Card Purchase” on the shipping label.
- b. Provide the supplier with HCC’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 185 Freedlander Drive, Clyde, NC 28721 or High Technology Center, 112 Industrial Park Drive, Waynesville, NC 28786
- c. The cardholder will open the package and verify the purchase.
- d. If the purchase is from a HUB vendor, send an email notice with the vendors name to the HCC P-Card Coordinator. HUB purchases are reported quarterly and the P-Card Coordinator needs the information to identify HUB purchases 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, 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 HCC 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 – The monthly billing cycle ends on the 15th of each month. An online statement may be obtained by going to: <https://payment2.works.com/works/>. You will need to use the login information given for your account. The online statement is available on the 16th of each month. Please print the statement, verify each charge transaction for the month, enter the transactions and budget codes, purpose of purchase and location of item, on the P-Card Payment form (this form is available on Haywired), and attach charge receipts, invoices, quotes. A separate form should be filled out for each fund source (State, County, and Institutional). The P-Card Payment form must be signed by the cardholder’s supervisor prior to forwarding to the P-Card Coordinator. The cardholder is responsible for verifying the statement to be sure that it is correct. The cardholder must complete the P-Card Payment Form and submit to the P-Card Coordinator for approval around the 20th of each month. A monthly reminder will be sent by the P-Card Coordinator with the due date information. If you will be away from the office around the due date please plan accordingly and submit the P-Card Payment Form and documentation prior to your expected time away. If the cardholder does not have a receipt or packing slip for the 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, they will lose the use of the P-Card.

Note: More than two reminders to the cardholder that his/her monthly statement is past due to the P-Card Coordinator will be grounds for loss 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 loss of P-Card privileges.

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 at 888-449-2273 and the HCC P-Card Coordinator at 828-627-4605.

The cardholder can also request a statement after the 15th of each month by contacting Bank of America at 888-449-2273 and request a faxed copy of the statement.

P-Card Returns and Disputes

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

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 vendor and determine the vendor's return policy. If the cardholder has not received an item that the vendor says has shipped, the cardholder should request a proof of delivery.

Corrective action must be taken immediately upon 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 Bank of America at 888-449-2273 and follow the instructions provided to file a dispute. This must be done to avoid finance charges and late fees.

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 the P-Card Payment Form.

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

Cardholder Resignation from HCC

A cardholder who has resigned from HCC employment or otherwise separated from the college must turn his/her P-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 Exit Sheet to acknowledge that the employee has turned in his/her P-Card.

The cardholder/supervisor will review all transactions, complete and approve the P-Card Payment Form and forward it to the P-Card Coordinator along with the month-end statement. The P-Card will be sent to the HCC P-Card Coordinator who will destroy the card and advise Bank of America.

Note: A P-Card cannot be passed on to another employee. The employee's 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 proper paperwork as noted in the Approval Process section of these procedures.

Misuse of a P-Card

Revocation – Any misuse of a HCC P-Card is grounds for revocation of the card. Reasons for revocation include but are not limited to:

- Personal purchases made on the HCC P-Card.
- Proper purchasing procedures were not followed for any purchase transaction, includes the Cardholder allowing someone else to use their P-Card.
- Cardholder has had items shipped to address other than those allowed.
- Cardholder exceeds his/her card limits.
- Cardholder makes single transaction purchases larger than the allowed dollar amount.
- Cardholder has not submitted the P-Card Payment Form 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 the P-Card Payment Form and all documentation. If the form is not received within the timeframe allotted, the P-Card Coordinator will send an email to the cardholder to submit his/her report within one (1) day. If the cardholder does not respond, the P-Card Coordinator will send a reminder email to the cardholder and the cardholder's supervisor 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 will be revoked.
- Any other abuse of the card or failure to follow procedure will be cause for revocation.

In the event that a P-Card must be revoked, the HCC P-Card Coordinator will notify Bank of America 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 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 HCC 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 HCC 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.

HCC Business Office P-Card Procedures

HCC P-Card Coordinator – The P-Card Coordinator will audit the P-Card transactions for each cardholder monthly. He/she will be looking for the appropriateness of the items charged, adherence to State and HCC purchasing policies and procedures, the use of state contracts where applicable and the use of HUB vendors. The P-Card Coordinator will then forward a copy of the P-Card Payment Forms to Accounts Payable. The P-Card Coordinator will maintain documentation of these records for five (5) years. These records are subject to an audit by State Purchasing Compliance Office and the Office of the State Auditor.

Accounts Payable – At the end of each billing cycle, Accounts Payable will pay the statements 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 vendors.

AP will enter all charges back to the individual departments based upon the GL Account Codes documented on the P-Card Payment Form.

The monthly billing cycle ends on the 15th each month and is subject to change. Cardholders will be notified.

HUB Reporting

Each month, the HCC P-Card Coordinator will run an electronic report from the website provided by Bank of America on all vendors that had transactions on the P-Card. The report will be reviewed for HUB vendors that should be included on the quarterly HUB report. It is understood that the HCC P-Card Coordinator may not know the status of all vendors 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 vendors are identified, they will be added to this list for future references.

HCC P-Card Coordinator's Monthly Audits

Each month, the HCC P-Card Coordinator will audit each cardholder's statement. 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, or that should have been bid, etc. These email notices will be attached to the appropriate monthly statement. The HCC 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 information will be filed in a general file.

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