



**the evergreen
state college**

PROCUREMENT CARD HANDBOOK

Definitions

As used in this document, the following definitions shall apply:

Program Administrators

The Purchasing & Contracts Manager along with related staff serve as the Program Administrators, and are responsible for providing training, advise, direction, consultation and assistance to Card Managers, Cardholders, and Card Users. The Program Administrators will create guidance related to applicable limits and ensure that proper card usage, security, controls, timely bank statement reconciliation, retention of transaction documentation and other related responsibilities are followed as described herein. Program Administrators will designate which department employees are authorized to use a department p-card. An approving official must have signature authority for the account that will be charged for Procurement Card purchases.

Card Manager

Card Managers will designate an appropriate Card Custodian/Cardholder as well as designate which department employees are authorized to function as a Card User. Card Managers must have signature authority for the account that will be charged for Procurement Card purchases or have made related plans with someone who has said signature authority in writing to allow for charges to be reviewed and approved.

Card Custodian/Cardholder

Individuals that are assigned the responsibility of card security and tracking use within a department. Custodians may be issued a card upon approval of their department head or appropriate budget authority. Custodians will initiate new purchasing card requests, advise Card Users of applicable limits and ensure that proper card usage, security, controls, timely bank statement reconciliation, retention of transaction documentation and other related responsibilities are followed as described herein.

Card User

Individuals who are authorized to use a p-card shall maintain security of the purchasing card while in their custody. Card users must maintain charge receipts, sales tickets and any other documentation related to card purchases and submit them immediately upon receipt to the proper Card Custodian/Cardholder.

Transaction Limit

Single transaction purchase limit. Includes applicable tax and shipping and handling.

Departmental Log Sheet

Departmental log sheet to be maintained by Card Custodian/Cardholder that will constitute part of the official public record for purchasing card transactions and will be retained along with all receipts, detailed packing slips, and detailed invoices by each department and be available for audit. The retention schedule for these documents is six years.

The Evergreen State College Purchasing Card

Welcome	4
Key Contacts - Who To Call	4
Overview of the Purchasing Card Process	5
Differences Between The Purchasing Card And A Personal Credit Card	6
What The Cardholders and Approving Officials Actually Do In The Purchasing Card Process	7
Cardholders	7
Card Managers (Supervisor of the cardholder).....	9
Receipt Of Materials	10
Authorized And Restricted Purchases	11
Authorization To Make A Purchase.....	11
Allowable Transactions	11
Restricted Transactions	12
Violations And Consequences	13
Disputes	14
Fraud	15
Notes on Reconciliation and Departmental Logs	16
Notes on Special Transactions	17

Welcome To The Evergreen State College Purchasing Card Program!

This program has been designed to allow for the direct procurement of authorized purchases and the development of an alternative payment method through the use of a Purchasing Card. The intent is to eliminate the need for small dollar requisitions, petty cash and standing orders as well as leveraging discounts and efficiencies through credit card payments. Using the card may provide quicker turn-around time on orders and greater flexibility in ordering. The purchasing card concept is designed to delegate the authority and capability to purchase low risk items directly to the person to whom it most matters, the end user.

We hope the Purchasing Card is helpful in conducting business for the College. Please do not hesitate to ask questions regarding any aspect of the Purchasing Card Program. We welcome input and suggestions for improvement of this program.

Using This Handbook

This handbook will provide the basic steps for using the Purchasing Card Program. It covers usage compliance issues, documenting transactions, reviewing and approving statements, reviewing and reallocating transactions, and more. For further details on any topic, contact the College's Purchasing & Contracts Manager, the Program Administrator, at 867-6356.

Key Contacts – Who to Call

Card Administration (Program Administrators)

Brant Eddy (Purchasing & Contracts Manager) – (6358)

Ira Peterson (PSS3, Day to Day Program Coordinator) – (6359)

Lindsey Carr (PSS2, Card Activation and Support) – (6357)

Call the Purchasing & Contracts office for questions regarding:

- Activation of new accounts.
- Deactivation of cards for employees transferring departments or leaving the College.
- Policy and procedures for the Purchasing Card.
- To decrease or increase the limit on a card.
- Guidance on disputes or questionable transactions.
- Paymentnet access or technical issues.
- To report a lost or stolen card.

Overview of the Purchasing Card Process

- Authorized Cardholders use the Purchasing Card VISA (provided through a UW WIPHE contract with JP Morgan Chase) to purchase allowable goods and/or services for the College via telephone, internet, by mail or in person
- Purchases made with the Purchasing Card must be logged into a **Departmental Log Sheet** (See attached) if a card is used by multiple authorized people.
- Card Custodians review transactions on the Paymentnet web site, verify that amount being billed is correct, list the amount of Washington sales tax (or use tax when applicable) and shipping and handling that was charged, type in a short description of the item purchased and adjust the budget coding if necessary.
- Card Custodians match actual charges and receipts to those listed on the monthly electronic statement supplied by Paymentnet. Card Custodians note charges in the department log as being reconciled once they have appeared on the monthly statement.
- The Card Custodian is responsible for handling disputes; contacting a merchant first before notifying the College's Program Administrators.
- Disputed items are entered into the log (if not already entered) and remain pending until they are processed by the bank and appear on future statements.
- The Card Custodian prints an electronic statement, the reconciled charges from their log, attaches the Paymentnet report of transactions and receipts and obtains approval from their Card Manager. This information is then kept in the department file. This file will be subject to both internal audit by the College and state audit.
- The transactions made on the Purchasing Card are billed directly by JP Morgan to the College. The College pays the Bank, once data is downloaded by Accounts Payable into the Banner system, for all charges made by every Cardholder.
- Questioned transaction charges are credited through Paymentnet when the problem is resolved. Disputed charges must be completed like any other transaction. Once a dispute is reconciled the account will be credited.

Differences between the Purchasing Card and a Personal Credit Card

- The College is liable for **all charges** made on the card **before** the card is reported lost or stolen to JP Morgan Chase. At JP Morgan Chase's discretion, pending an active fraud investigation, transactions of dubious origin occurring before the reporting of the card's status may be refunded.
- Purchases made for personal use violate the terms of use of the Purchasing Card. Cardholder will be personally liable to pay the College for such transactions.
- The maximum per transaction limit is set by the Program Administrators in consultation with each Card Manager. The department may set a lower internal limit for any Cardholder. The Program Administrators may authorize temporary limit increases for specific cards on an as needed basis.
- Each card has limits that can be specified by the Department for each Cardholder. Possible limits include; dollar limits by day and/or cycle, and transaction number limits per day and/or cycle.
- The card belongs to the College, not the individual. When an employee terminates their employment with the College, or transfers to another department, the Purchasing Card must be returned to the Program Administrators (Purchasing & Contracts Office).
- Cardholders and Card Users **must** sign an agreement holding them responsible for their business transactions when using the college's purchasing card. **Failure to maintain adequate records or execution of college agreement may lead to temporary or permanent removal of purchasing card access/privileges.**
- Purchases are subject to review by any, or all of the following:
 - Card Manager Card
 - Custodian Business
 - Services Purchasing &
 - Contracts Internal Audit
 - External Audit

What Cardholders and Approving Officials Actually Do In the Purchasing Card Process

Program Administrator (Purchasing & Contracts Office)

Order and activate new accounts
Manage card distribution and transaction limits
Train New Cardholders
Train New Card Users (on request)
Provide support and assistance to all program participants.
Act as liaison between The Evergreen State College and JP Morgan Chase
Conduct internal audit of p-card with assistance from the College's internal auditor.
Aid state and external audits of p-card records.

Card Custodians/Cardholders/Card Users

Place the Order

- In person, by phone, by mail. Exercise caution if making purchases over the Internet or faxing card numbers.
- Inform merchant this is a purchase by The Evergreen State College and should be accorded any applicable discounts.
- Give accurate delivery information (see "Receipt of Materials for detailed instructions.)
- **Request a complete, detailed receipt to accompany the shipment. (It must include descriptions of each item purchased).**
- Do not allow COD deliveries.
- If your transaction is declined:
 - Phone orders: Have merchant re-enter the card number and expiration date. It may have been done incorrectly; transposition of numbers is common.
 - The transaction amount may be over the card's limit or some other error may have occurred. Check with Program Administrators.
 - The transaction link between the merchant and its bank may be down. Ask the vendor to try again later.
- **Log appropriate data into the Departmental Purchase Log.**
- Cardholders must check assigned account on the Paymentnet website to verify the transaction and budget coding associated with the purchase. Card Custodians must sign on to the Paymentnet website regularly to review transactions. This includes indicating the amount of Washington sales tax (or use tax) and/or shipping and handling charged, adding a short description of the items purchased, and updating the account coding.

Receive the Goods and Obtain a Receipt

- For goods ordered by phone, or mail, this will be done after receipt of goods in the form of a receipt, packing slip, or order form. **Receipts should be routed directly to the cardholder/card custodian; do not forward them to Accounts Payable. Itemized receipts are required for each purchase – failure to keep receipts may cause the card to be revoked. The cardholder is responsible for obtaining receipts.** All receipts must contain the following information:
 - Cardholder name/Number/Vendor identification
 - Date purchase was made
 - Description of each item purchased
 - Per item cost

It is recommended that whenever possible a separation of duty is used for audit purposes; one person should not order, receive and authorize payment. Card Managers are encouraged to be extra thorough in verifying transactions in area or circumstances where one staff member is responsible for all transaction elements.

Verify the Goods Received Agree With What Was Ordered

- Work with the vendor to correct any problems

Reconcile Transactions & Track Usage

- Transactions should be reviewed and coded within **3 business days** from the time they are posted to Paymentnet.
- Retrieve monthly electronic statement containing all cardholder's transactions over the previous month.
- Verify all transactions are correct by comparing to **the Departmental Purchase Log**.
- Promptly investigate discrepancies noting action taken on the Departmental Purchase Log. Work with merchandise vendor or Program Administrators to resolve problems.
- Attach original detailed sales receipts to the monthly statement.
- Take the monthly statement, departmental purchase log, and receipts to the departments Card Manager who must sign to approve the statement.
- File the approved monthly statement, departmental purchase log, and receipts. A new departmental purchase log should be created each month; however a running log may be used if purchases are minimal.
- Each program should maintain one current year and one preceding year worth of records. This should include authorized user agreements, logs/sign in-out sheets, statements and receipts organized by monthly and yearly cycles.

- At the end of each fiscal year (July 1 to June 30), the Card Custodian will have the monthly files for the oldest record year and delivered (**do not mail**) to the Purchasing & Contracts Office. The information in this file is considered to be the official public record for the College, and needs to be retained by the College for six years.

Track Purchasing Card delegations

- Keep a dated Sign-out/Sign-in log detailing who is in possession of the card and when it is returned.
- Maintain active records/agreements related to current authorized Card Users.
- Archive expired Card User agreements in respective year's records.

Card Managers (Account Manager)

Review the monthly statement, departmental purchase log **and receipts** for each Cardholder who has transactions during the cycle period.

Sign off on each monthly statement. No user may approve his/her own transactions. If the Card Manager does not have signature authority for all of the accounts on the departmental purchase log, an authorized signature must also be obtained (email authorization is acceptable). For those managers who have used their own cards in any statement window said statement must also be reviewed and signed by that Card Managers direct supervisor.

Card Managers are responsible for taking appropriate action for violations and/or supporting Cardholder's in training or discipline of Card Users found to be in violation.

Receipt of Materials

When ordering, state that the order is a College purchasing card purchase. Furthermore, **require the vendor to include a detailed sales receipt in the package with the filled order.** This is needed for proof of purchase documentation. Also, request the vendor to mark the outside packaging label with your name, the department name, Central Receiving's address, and **P-Card** or **VISA**. An example is given below:

**Jane Doe, Lab - VISA
The Evergreen State College
Central Receiving
2700 Evergreen Parkway NW
Olympia, WA 98505**

NOTE: It is important to instruct the vendor to ensure the Purchasing Card number is not displayed on the outside of the package. This will help ensure the confidentiality of the card number.

When receiving a shipment, it is the responsibility of the employee receiving the order to properly inspect the shipment.

If Central Receiving receives a package and it is inappropriately marked, they will not be able to determine the location on campus to make the delivery and the package will be returned to vendor.

In the case of defective or damaged goods requiring a return, coordinate with Central Receiving to coordinate appropriate carrier procedure. Cardholders/Card Users are responsible for securing the appropriate credit when the goods are returned. Keep the return documentation with the department log sheet.

Authorized and Unauthorized Purchases

The card is a privilege granted to you by the College and it is expected that you will use it responsibly. **The College will seek restitution for any inappropriate charges made to the card. Fraudulent or intentional misuse of the card may be referred to the Director of Business Services and The Evergreen State College Police Services department.**

Authorization to Make a Purchase

Card Managers and Card Custodians will inform Card Users what items/services are authorized to purchase and the limits that go with that authorization.

Allowable Transactions

The Purchasing Card concept is designed to delegate the authority and capability to purchase low risk items/services directly, *while maintaining compliance with other related College, State and Federal policies or laws.*

Update AUG 2018: With the merging of buying responsibilities previously handled within Computing and Communications into the Purchasing and Contracts group, many small dollar purchases that were previously restricted are now allowed on p-cards. Please note that certain restrictions are included and noted below in the Restricted Transactions list but cardholders and users may now purchase the following items directly:

Printer Toner and Ink Cartridges

Computer accessories and peripheral equipment - mice, keyboards, cables, gamepads, headphones, joystick, microphone, keyboards, speakers, stylus pens, non-computing drawing tablets, cases for laptops or other accessories, MIDI devices and non-wifi, non-networked digital projectors. - *If it's not listed, assume it's restricted and contact Purchasing.*

Restricted Transactions (Requiring Program Administrator Pre-Approval)

Note that some transaction types listed are further curtailed by applicable local, state and federal laws and/or restrictions.

- Client & Personal Services
- Contracts that include indemnity or liability language or otherwise requiring authorized signatures
- Grant related expenditures (also require Grant Accountant approval)
- Purchased services when certificate of insurance is required
- Purchases involving trade-ins
- Controlled substances
- Furniture
- Capital Equipment inventoried by the College. (In excess of \$5000)
- Freight charges for incoming shipments billed separately
- Hazardous chemical materials
- Insurance
- Leases, rentals (real estate or when a contract is required)
- Radioactive materials
- Weapons and ammunition
- Telephone calls, calling cards
- Airlines, Automobiles, Vehicle Rentals
- Transportation, lodging, parking, baggage fees, and meals
- Hotels and Motels
- Cash advances
- Gifts or donations
- Payments to individuals, employees, students
- Alcoholic beverages
- Gasoline
- Food (grocery items, restaurants and other assorted eating establishments)
- Personal items

- Purchases funded by The Evergreen State College Foundation
- Quick Payment Services, Financial Institutes, Cash Advances, Securities
- Computers including desktops, laptops, smart phones or other similar tablet like computing or microprocessor technologies
- Computer docking stations and devices that extend or connect computing devices to each other or create physical or virtual local access networks
- Data storage devices or media including thumb drives, hard drives or other similar forms of storage
- Any technology that creates, manipulates or interacts with campus internet, network services or telephony systems or any other type of technology that interferes with the operation of electronic equipment or signals generated by pre-approved technology on campus.
- Media equipment (including but not limited to Digital cameras, video cameras, optical equipment and other items that might be considered “small and attractive assets” as well as audio/video production equipment or other similar technologies) (see SAAM 30.50 and contact Purchasing for more information)
- Software
- Printers, faxes, scanners, multifunction printer devices or similar technology as well as kits or supplies to repair such items
- Web cameras or other similar optical devices that transmit visual data to any type of recording or computer device
- Handheld/Consumer specialty electronics – game systems, gps or other similar navigations tools, phones, or other specialty technology that has not been defined in policy
- Drones and robotic technology

Violations and Consequences

All transactions are subject to review by the following:

- Your departmental approving official/Card Manager
- Card Custodian
- Associate VP for Business Services
- Purchasing & Contracts
- Evergreen internal audit
- State of Washington audit

Violations

The following actions violate the terms of the Purchasing Card agreement, and are subject to the consequences below:

- Using the card to obtain items listed previously as ***Restricted*** without approval
- Failure to approve transaction on Paymentnet's website in a timely manner
- Failure to provide accurate description of purchase
- Failure to promptly reconcile and approve the departmental log
- Failure to have complete receipt documentation
- Failure to track delegation of the purchasing card

Consequences

Any or all of the following actions may result from violating the terms of the Purchasing Card Agreement:

- Written warning may be given by the Program Administrators to the appropriate parties
- Card may be suspended
- Program participants found in violation may be required to obtain additional training before determining if the card is to be reinstated
- Reporting the violation to the appropriate Vice President
- Card cancellation
- Termination and/or criminal prosecution - In the event of willful or neglectful default of obligation, the College shall take any recovery action deemed appropriate, which is permitted by law

Disputes

On all disputes, call the vendor first to correct the problem. If your dispute is not corrected or satisfied by the vendor, contact Program Administrators for instruction on how to proceed.

The following may be formally disputed with JP Morgan Chase:

- Unauthorized charges, including unauthorized phone or mail order charges.
- Difference in amount authorized and amount charged.
- Duplicate charges.
- Transaction which is yours but you are challenging for other reasons
- Your account has not yet been credited in the Purchasing Card system but you have received a credit voucher from the merchant or have been told by the merchant they will issue a credit.
- Failure to receive goods.
- Returned merchandise.
- Unrecognized charges.
- Altered charges.
- Defective merchandise.

Fraud

Credit card fraud is exceptionally commonplace in today's online world. Diligent investigation and record keeping as well frequent transaction review are our best tools to mitigate risks to the College and the State.

On all matters related to fraud contact Program Administrators for instruction on how to proceed.

You may be asked to verify previous transactions and transaction detail so please have all records available.

Program participants responsible for cards that have been found to have suspected fraudulent activity may need to be made available to JP Morgan fraud team members for questions and/or sign affidavits related to fraudulent activity.

If you see or suspect anything out of the ordinary with the p-card please tell Program Administrators AS SOON AS POSSIBLE.

Notes on Reconciliation and Departmental Logs

Departmental Logs

Each program that allows for multiple Card Users should maintain a log. At a minimum this log should show when the card is used, who the party responsible is and basic transaction data to match. It is important that the log clearly indicates which Card User is responsible for activity on the card on the day/time of use as Paymentnet may not update immediately. This timeline of transactions is an audit item and failure to maintain adequate records may be grounds for suspension or termination of a card account.

Reconciliation

Adequate transaction information in the form of account coding and transaction description are key to compliance, monitoring and reducing fraud or error. Cardholder's in conjunction with Card Users and Card Managers need to establish a regular review of JP Morgan's Paymentnet website and update transactions to include relevant information.

Detail on transactions should include brief descriptions of the items purchased beyond generalizations; "Pens, Paper, Pencils" instead of "Office Supplies", the name of a text or publication instead of "subscription" and so on. Failure to adequately describe transactions are an immediate cause for concern and will certainly trigger audits both internally and externally. A little effort in record maintenance as transactions occur will reduce future time and energy spent in finding information after the fact or being subjected to rigorous audit review.

Special Note: Effective in the fall of 2017 Evergreen will move to an active payment and reconciliation model where financial transaction data will be exported on a regular basis (weekly or bi-weekly based on volume) and uploaded to Banner and payments to JP Morgan will occur on a similarly timed basis. The goal is to ensure more timely budgetary information to programs as well as unhooking the credit card from other monthly/fiscal cycles tied to month end. While this should give Cardholders more flexibility in timing the upkeep of card records it is still required that transaction are handled in a timely manner and statements are reviewed each month. Contact the Program Administrators if there are questions or concerns.

Notes on Special Transaction Types

Employee Training/Expenses

It is the case the p-card program provides an excellent payment tool for many types of transactions, up to and including employee expenses and trainings. One subtle difference with these transaction comes in the form of “supervisor approval”. For these transactions it is important to have a chain of backup that shows that expenses or funds charged for an employee are approved by budget authorities but ALSO direct supervisors. It is the case in some areas of the college that these are not the same people. In those cases where a training or similar expense is being done on the part of an employee from funds that are not managed by their direct supervisor, please include the direct supervisor’s approval in the p-card file. Contact Purchasing for more information.