



## **Procurement Card Program Manual**

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## INTRODUCTION

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Welcome to the Procurement Card Program!

On behalf of your Finance and Accounting colleagues, we welcome you to our VSC Procurement Card (“P-Card”) Program. We believe your work time is valuable and that the P-Card Program contributes directly in enabling you to streamline your department’s purchasing needs.

This manual is designed to acquaint you with the P-Card Program’s policies and procedures. You should read, understand and comply with all provisions of the manual. It describes many of your responsibilities as a cardholder and outlines the processes and procedures to facilitate secure, timely and accurate purchase transactions. One of our objectives is to provide purchasing channels that empower our employees to meet our resource needs as we deliver quality products and services to our customers, while at the same time providing the necessary financial controls to safeguard the VSC assets.

No P-Card Manual can anticipate every circumstance or question. As the VSC continues to operate, we may revise, supplement, or rescind any policies or portion of the manual as the VSC deems appropriate.

Again, we welcome you to the P-Card Program!

Sincerely,

The P-Card Team

## CODE OF CONDUCT

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The Code of Conduct for the VSC P-Card Program is designed to provide the participant with a set of guidelines and philosophy to follow regarding the use of the card.

- **Purchases**  
P-Card purchases should be made so that the VSC gains the maximum value and quality for each purchase.
- **Supplier Gifts**  
Decline all personal supplier gifts offered.
- **P-Card Agreement/Training**  
The issuance of a P-Card is strictly prohibited prior to receipt of a signed acknowledgement form and the completion of the required training session by the employee.
- **Personal Use of P-Card**  
Only authorized business purchases may be completed with the P-Card and any personal purchases are strictly prohibited.
- **P-Card Security**  
The P-Card is the property of the VSC and as such should be retained in a secure location. An employee may use the P-Card when traveling on business on behalf of the VSC; otherwise, it should not be retained in the employee's purse or billfold. This practice reduces the possibility of the P-Card being lost or stolen.
- **Authorization**  
Only the employee to whom the card is issued is authorized to use it. Delegating the use of the P-Card to another employee is strictly prohibited.
- **Supplier Bids**  
Where required in accordance with VSC policy, all suppliers should be offered an equal opportunity to participate in the VSC procurement programs within federal and state statutory regulation.
- **Supplier Disagreements**  
If a disagreement occurs with a supplier, the employee should make every effort to reach a reasonable and equitable settlement to the dispute. If it is not possible to settle the disagreement under reasonable circumstances, then submit the dispute to the P-Card provider for resolution processing.
- **Negotiations**  
Each employee is required to conduct themselves in a good faith manner when negotiating with suppliers. Any intentional misrepresentation is strictly prohibited.
- **Company Policies**  
Adhere to [VSC Policy](#) and College procedures as it relates to the P-Card program.
- **Documentation**  
All purchases using the P-Card program must be properly documented for business purposes. Any altered or forged documentation is strictly prohibited.
- **Purchase Restrictions**  
The purchase of products, services or commodities on the restricted list in the P-Card Policy is strictly prohibited. Check with your department manager or the Accounts Payable department if you have any questions about whether a charge is valid under the P-Card program.
- **Purchase Limits**  
All established purchase limits will be adhered to under the program and any splitting of transactions to avoid authorized limits is strictly prohibited.
- **Business Practices**  
In all supplier relationships and purchasing activities, the cardholder will promote and encourage fair, ethical and legal business practices.
- **Conflict of Interest.**  
Cardholders may not make purchases that violate VSC policy restricting business transactions that may be perceived as a conflict of interest (purchases from a business in which you or a relative have a financial interest).

## P-CARD ACKNOWLEDGMENT FORM

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As a Cardholder, I agree to comply with the terms and conditions of this Agreement and the provisions of the VSC Policies & Procurement Card Program Manual available to me on the [VSC website](#). I confirm that I have read and understand all provisions including the Code of Conduct. I further understand that attendance at training is mandatory prior to a P-Card being released to me.

As a Cardholder, I agree to accept responsibility and accountability for the protection and proper use of the Card as outlined in this Agreement and the Manual. I understand that the P-Card is intended for the purchase of items for College related business. I further understand that the VSC will audit the use of the Card and it is my responsibility to verify the accuracy of the monthly transactions. I understand that I am accountable for all charges made to the Card. If the Card is lost, stolen or misplaced, I understand that it is my responsibility to **immediately** notify the Bank and the P-Card Administrator.

As a Cardholder, I agree to surrender the P-Card to The P-Card Administrator upon termination of employment or transfer between departments.

I understand that I **may not** use the P-Card for personal purchases. I further understand that the Card cannot be used for purchasing items on the Prohibited Purchases List (Section 2.4). Further, where the VSC has approved Preferred Vendor Contracts, purchases must be made from those contracted suppliers. I further understand that the P-Card is to be used only by the named Cardholder and is not to be loaned to any person. Non-adherence to [VSC Policies](#) or the Procurement Card Program Manual will result in temporary revocation of the individual Cardholder's privileges and may result in permanent revocation of the procurement card. I understand that improper or fraudulent use of the online reallocation system is a violation of VSC Policy and will be handled in accordance with the rules and regulations dealing with disciplinary action.

Since the information, policies and procedures described in the manual are subject to change, I acknowledge that revisions to the P-Card Manual may occur. All policy changes require the appropriate authorized approvals before they are implemented. I understand that revised information may supersede, modify, or eliminate existing policies.

\_\_\_\_\_  
CARDHOLDER'S SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
CARDHOLDER'S NAME (TYPED OR PRINTED)

\_\_\_\_\_  
P-CARD ADMINISTRATOR

# 1

## Cardholder Setup & Activation

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### 1.1 Overview

The P-Card program is designed to assist the Vermont State Colleges (VSC) in reducing its reliance on small dollar purchase orders, petty cash funds, employee advances and special checks, and reduce the need to use personal funds for business purposes. The program should help increase your turn-around time in the fulfillment of orders, provide greater flexibility and reduce paperwork. The P-Card is a VISA credit card product issued by Bank of America (BOA). It is designed to complement the Ellucian Financial System. The Accounts Payable and Finance Departments are responsible for implementation, maintenance, program compliance, auditing, issuance of P-Cards, and assistance for the P-Card program. Only employees of the VSC are allowed to participate in the program. In some special situations student government/workers may be eligible for a purchasing card. Each cardholder has the responsibility to review, reconcile and submit their monthly expense log with the appropriate receipts and signatures for processing by the due date. The cardholder is also responsible for resolving any discrepancies or disputed transactions with the vendor, as well as maintaining the card in a secure location.

All policies outlined in this manual and the VSC financial and operational policies must be adhered to and any failure to comply may result in the suspension from the P-Card program and also include disciplinary actions that may include termination of employment. The P-Card issued to the cardholder is the property of the VSC and can be canceled at any time. Periodic audits will be performed to ensure the cardholder is in compliance with the policies and procedures.

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### 1.2 Cardholder Setup

P-Card supervisors must complete the P-Card application for new participants. The application must be submitted to the P-Card administrator at their institution. Once the application has been approved by the Dean of Administration or their designee, an account for the cardholder will be established. The VSC currently uses a VISA card provided by BOA.

The new participant must also sign the P-Card Acknowledgement Form that outlines the responsibilities of the cardholder while in possession and use of the P-Card. In addition, the participant is required to read the Code of Conduct for the program (included in this manual), adhere to the principles in the VSC policies, and attend appropriate training. Both of these documents must be completed and signed prior to the release of the P-Card to the cardholder from the P-Card administrator.

1.2.1 P-Card Application Form – Contact your P-Card Administrator.

1.2.2 P-Card Acknowledgement Form – See Page 5.

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### 1.3 Activation of Account

To activate your P-Card follow the instructions below.

1. Call the toll free card administrator phone number on the label affixed to the card.
2. When prompted enter your card number.
3. You will then be prompted for personal information which will identify you as the cardholder in possession of the P-Card. The activation code is four 9's followed by the 5 digit numerical section of your user id.

If you have problems activating your P-Card, please contact the P-Card administrator at your institution.

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## 1.4 Training

Prior to the activation of your P-Card you must attend a mandatory P-Card Program training seminar at which time you will sign the P-Card Acknowledgement Form noted in section 1.2. Each College holds its own training sessions, and you should contact the P-Card Administrator to schedule a session.

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# 2 Purchasing Guidelines and Limits

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## 2.1 Overview

The VSC only allows certain purchases to be made using the P-Card. It is the preferred method for buying and for travel expenses. All purchases must be made in compliance with [VSC Policies](#) and the guidelines set forth in this manual. The P-Card may be used to purchase goods and services by phone, by mail, in person at the supplier site, or via the internet. Preferred vendor contracts should be the initial point of purchase, if available. Any violation will result in disciplinary action that can include termination of employment. Only the authorized cardholder may use the P-Card and no authority is permitted or conferred to the cardholder for the delegation of its use. Each cardholder has a designated monthly purchase and single purchase credit limit. Other restrictions may also be applied. Intentional circumvention of these limits is strictly prohibited. This includes splitting a transaction amount with the same vendor or multiple vendors for purchases that would otherwise exceed the cardholder's limits. The VSC performs periodic audits electronically and manually to verify adherence to this policy. Cardholders may not make purchases that violate VSC policy restricting business transactions that may be perceived as a conflict of interest (purchases from a business in which you or a relative have a financial interest). The cards should be used for business expenses only. Personal purchases are strictly prohibited.

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## 2.2 Allowable Purchases

The following is a list of allowable purchases; however this is not all-inclusive and is subject to change. Check with Accounts Payable if you have any questions.

- 2.2.1 Departmental Supplies.
- 2.2.2 Business Travel (Airline, Hotel, Meals, Car Rental). For policies related to Travel, please see [http://www.vsc.edu/about-vsc/VSC\\_Policies/Policy%20424%20Travel%20Policy.pdf](http://www.vsc.edu/about-vsc/VSC_Policies/Policy%20424%20Travel%20Policy.pdf)
- 2.2.3 Dues/Registrations for associations.
- 2.2.4 Subscriptions for business purposes only.
- 2.2.5 Postage, Mailings, Advertising.
- 2.2.6 Items for use in the normal course of business.
- 2.2.7 Small Equipment.

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## 2.3 Restricted Purchases

Some items can be purchased with the P-Card, but only through working with IT or the Department Supervisor.

- 2.3.1 Computer Hardware/Software.
- 2.3.3 Copiers.

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## **2.4 Prohibited Purchases with the P-Card**

The following is a list of prohibited purchases; however this is not all-inclusive and is subject to change. Check with your P-Card Administrator if you have any questions.

- 2.4.1 Cash advances, wire transfers or money orders. gift cards, gift certificates, visa cash cards
- 2.4.2 Drugs/narcotics/ firearms.
- 2.4.3 Personal purchases / traffic violations.
- 2.4.4 Alcoholic Beverages.
- 2.4.5 Donations.

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## **2.5 Sales & Use Tax Exemption**

The VSC is a tax-exempt organization. The tax exempt number must be presented to all vendors by the cardholder at the time of the transaction to exempt payment of state sales tax, if the taxable purchase is \$150 or more.

If \$10 or more of sales tax per transaction is charged to the cardholder's account, it is the responsibility of the cardholder to work with the vendor to receive a credit, or if needed, dispute the charge as outlined in the section on Disputing a Transaction.

If a vendor requires a tax exemption certificate, copies are available from Accounts Payable or online.

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## **2.6 Misuse/Abuse**

The P-Card represents the VSC's trust in you and your empowerment as a responsible employee of the VSC to safeguard and protect its assets. As a cardholder, you assume the responsibility for the protection and proper use of the P-Card.

The following situations are a few examples of "misuse" of the P-Card:

### **Personal misuse:**

- Purchases using the card for the personal benefit of the employee.
- Assignment or transfer of an individual card to an unauthorized person.
- Use of a procurement credit card by a suspended or terminated employee.
- Splitting transactions to circumvent credit limits.

### **Administrative misuse:**

- Lack of proper and timely reconciliation of individual cardholder account including improper receipt documentation.
- Card use in direct violation of acquisition goals (ex: failure to use the P-Card for commodities available through contract or preferred suppliers).

Misuse of the P-Card will be handled promptly and uniformly for all cardholders. Non-adherence may result in temporary revocation of the individual Cardholder's privileges and may result in permanent revocation of the procurement card. Improper or fraudulent use of the online reallocation system is a violation of VSC Purchasing Card Policy and will be handled in accordance with the rules and regulations dealing with disciplinary action. Any violation will result in disciplinary action that can include termination of employment.



## **3 Recordkeeping & Reconciliation**

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### **3.1 Overview**

The P-Card will help eliminate the time and effort spent on generating purchase requisitions and processing (printing, signing, mailing and filing) purchase orders for many small dollar items. The cardholder is responsible for maintaining adequate receipts for goods and services purchased with the P-Card. The cardholder must contact the vendor directly to resolve any discrepancies or incomplete orders. The documentation retained should include sales receipts, packing lists (if applicable), and credit card transaction receipts. An expense log is available online to assist the cardholder in tracking purchases that must be reconciled. All transactions appear in the P-Card software system. Access to the system is available over the web to all cardholders, or designees. Dollar amounts charged are allocated to a default account number assigned to the P-Card, which is mapped to the General Ledger. Any transaction that should be split or modified into two or more accounts must be updated before the last business day of the month. Any incorrect charges, duplicate transactions, or missing credits must be addressed directly between the cardholder and the vendor. Upon completion of the reconciliation, the cardholder must sign the expense log documenting their agreement with the transactions and submit it for Budget Manager approval per their P-Card Administrator's procedures.

3.1.1 P-Card Expense Log - Contact your P-Card Administrator.

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### **3.2 Reconciling**

- 3.2.1 Cross reference each transaction documented in expense log to your receipts.
- 3.2.2 Verify amounts charged.
- 3.2.3 Allocate each transaction to an account number and verify the account numbers are appropriate.
- 3.2.4 Verify the transaction has three green checks. A red "X" indicates the account is not complete, not valid, or you are not authorized to charge to that account and must be corrected before you sign off.
- 3.2.5 Sign off on each transaction.
- 3.2.6 Submit expense log and receipts for Budget Manager approval per your P-Card Administrator's procedures.

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### **3.3 Missing Receipts**

The cardholder must make every effort to retain all original receipts from purchases with the P-Card. If the cardholder is missing a receipt, the cardholder must contact the vendor and request a copy. This copy should be submitted with all other documents. If a receipt cannot be obtained, a Missing Receipt Form must be submitted with the approval of the Budget Manager.

3.3.1 Missing Receipt Form - Contact your P-Card Administrator.

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### **3.4 Examples of Proper Receipt Documentation**

- 3.4.1 Itemized, detailed cash register receipt or sales slip, order confirmation emails, invoices.
- 3.4.2 Car rental original receipt showing date in and out.
- 3.4.3 Airline itinerary and sales receipt (if an electronic "e-ticket" attach the boarding pass document).
- 3.4.4 Itemized hotel bills, conference agendas.
- 3.4.5 Any additional documentation required by grant funded activities.

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### **3.5 Key Dates**

Accounts Payable must receive the cardholder's reconciled expense log with the appropriate documentation and approvals by the last business day the month.

Any expense logs deficient of the proper approvals and documentation will be returned to the cardholder to be resubmitted appropriately. If a cardholder is delinquent in submitting their reconciled expense log to Accounts Payable, the Dean of Administration or designee, will review their status as a participant in the program and may suspend their privileges until an adequate resolution is achieved.

- 3.5.1 Month end posting cycle by the bank is the 20th each month or the previous business day.
- 3.5.2 Cardholder allocates, signs off, and submits the reconciled expense log with appropriate documentation for approval by the last business day of the month.
- 3.5.3 VSC posts transactions for each cardholder account to the general ledger on the last business day of each month.
- 3.5.4 Payment is made by the VSC to the bank for the monthly transactions within 30 days of statement.

## **4 Disputed Transactions**

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### **4.1 Overview**

At times there might be disputed transactions appearing on a cardholder's account. The dispute may arise due to non-delivery of the goods or services, incorrect billing, duplicate billing, missing a valid credit not processed to the account for a return, altered charges or defective merchandise. When this occurs the cardholder is responsible for resolving the disputed item with the vendor.

The cardholder should notify the merchant of the problem within 10 days. Any disputes that cannot be resolved by the cardholder directly with the vendor may be submitted to BOA. Disputes can be submitted through the web software. Documentation of the dispute should be attached to the expense log. During the investigation, a credit will be issued to the cardholder's account for the amount in question. When BOA has completed the investigation, the cardholder will be notified of the resolution. If the dispute is not settled in favor of the cardholder, the account will be charged for the disputed transaction amount.

#### **Contact Information**

- 4.1.1 Cardholder Customer Service: 1-888-449-2273  
Collect Outside the U.S.: 509-353-6656
- 4.1.2 Local P-Card Administrator – Contact your Accounts Payable or Finance Department.

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### **4.2 Key Dates**

- 4.2.1 Cardholder has 60 days from the transaction date in which the transaction was posted to the account to notify the Bank of the dispute.

## **5 Account Maintenance**

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### **5.1 Overview**

The cardholder information, may change periodically. The P-Card Administrator should be notified by the cardholder or Supervisor of any information updates. Updating the account information may take approximately 10 days. A change in credit limit requires appropriate documentation per the P-Card Administrator, including approval by supervisor and Dean of Administration, or designee.

### **5.2 Information Updates**

- 5.2.1 Credit Limit.
- 5.2.2 Cardholder campus address.
- 5.2.3 Cardholder legal name.
- 5.2.4 Cardholder employment status.
- 5.2.5 Cancellation of the cardholder's account, including cancellation due to fraud.
- 5.2.6 Suspension of the cardholder account.

### **5.3 Expiration and Reissue of Cards**

Purchasing cards expire every three years. New cards are automatically sent to CSC, who forwards them to the appropriate P-Card administrator. . The old card must be returned to the P-Card administrator to be destroyed.

## **6 Traveling using the P-Card**

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### **6.1 Overview**

The P-Card is the preferred method to pay for travel expenses. All travel must have the appropriate documentation attached to each expense log submitted to Accounts Payable. The cardholder must adhere to their College's Travel Policy guidelines and procedures. All travel must be for business purposes only and any personal use is strictly prohibited.

### **6.2 Travel Use/Misuse**

- 6.2.1 The P-Card should not be used for gasoline for your personal vehicle when it is used for business purposes. Business travel incurred when using your personal vehicle will be reimbursed by claiming

mileage on a travel reimbursement form. If you are traveling with a rental car, then gasoline may be purchased using the P-Card.

- 6.2.2 The P-Card may be used to pay itemized hotel bills. Personal hotel charges such as in-room movies, personal calls, and room service, etc. must be paid at checkout from personal funds.
- 6.2.3 The VSC does not provide ATM privileges with its P-Card program. Any cash needed while traveling must be either from cash advances, or personal funds that are reimbursed upon submitting a travel reimbursement form.
- 6.2.4 All entertainment must be for business purposes and documented as to the participants and location.

## **7** Audits

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### **7.1 Overview**

All cardholder accounts are subject to audits to ensure compliance with the VSC overall purchasing policies and the policies outlined in this manual. The P-Card administrator and Accounts Payable department at each college review monthly transaction activity reports as deemed necessary to ensure adherence to the P-Card policies. If an audit reveals a policy violation, the cardholder, their budget manager, and the Dean of Administration will be contacted and disciplinary action assessed based on the type of violation.

### **7.2 Violations**

Possible violations include, but are not limited to:

- 7.2.1 Intentional splitting of transactions to circumvent the credit limit including monthly and single transaction limits.
- 7.2.2 Consistently delinquent expense log submission.
- 7.2.3 Personal use of the P-Card.
- 7.2.4 Allowing an unauthorized user to use the P-Card.
- 7.2.5 Purchase of prohibited products, services or merchandise outlined in this manual.
- 7.2.6 Fraudulent transactions with a vendor.
- 7.2.7 Violation of [VSC Policy](#).

## **8** Lost or Stolen Cards

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### **8.1** Overview

If your card is lost or stolen, you must immediately contact the Bank and your College's P-Card Administrator. The cardholder should also complete a college incident report (if applicable) documenting the card was lost or stolen and the date that it was noticed missing. Upon notification, the card will be suspended immediately and any charges posted to the account after the "missing date" will be denied. A new card will be requested with the indication that the card is a replacement. After notification is received by the P-Card Administrator it will take approximately 10 days to reissue a replacement card.

### **8.2** Card Security Tips

The following are some basic security measures that cardholder should use to guard against fraud.

- 8.2.1 Sign your card as soon as it arrives.
- 8.2.2 Keep the card in a secure location.
- 8.2.3 Do not lend your card to anyone.
- 8.2.4 Be aware of what you are signing.
- 8.2.5 Save receipts and statements in a secure area.
- 8.2.6 Visit reputable, familiar merchants whenever possible.
- 8.2.7 A canceled card should be returned to the P-Card Administrator.
- 8.2.8 Do not provide your card account number to unsolicited marketing calls.

### **8.3** Contact List

- 8.3.1 Cardholder Customer Service: 1-888-449-2273  
Collect Outside the U.S.: 509-353-6656
- 8.3.2 Local P-Card Administrator – Contact your Accounts Payable or Finance Department.