POLICY: PROCUREMENT CARD POLICY AND PROCEDURES

Purpose

To establish the policies and procedures for the State of Georgia Purchasing Card Program at Georgia Southwestern State University. These policies and procedures follow current DOAS Procurement Card guidelines.

Discussion

Policy and Procedures for administering the Purchasing Card is needed in order to provide step-by-step instructions for proper use of the card and to document the Georgia Southwestern State University Purchasing Card Program activity while anticipating questions that may arise with use of the card. This Policy and Procedures provides Georgia Southwestern State University Cardholders and Approvers guidance on allowable purchases, as well as clear consequences for violation of policy.

Policies and Procedures

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SECTION 1. – Introduction

1.1 What is a Purchasing Card
The Purchasing Card is a Visa® credit card issued by Bank of America for the State of Georgia. The State of Georgia Purchasing Card is the property of the State of Georgia and is only to be used for State business purposes. Georgia Southwestern State University (GSW) is responsible for purchases made with the card, which will then be charged back to GSW’s budget. Although the card is issued in an individual's name, its use does not affect personal credit in any way. One should be aware that abuse of the Purchasing Card or failure to follow the procedures established in this Policy may result in revocation of card privileges or other disciplinary action.

The State of Georgia entered into an agreement with Bank of America and Visa®. Under this program, Bank of America will provide the State with purchasing card services through the use of the internationally accepted Visa® credit card and WORKS™ Payment Manager (WORKSTM) which is a web-based technology that connects payment management automation with the global Visa® payment network.

1.2 What is a Purchasing Card Program
The State of Georgia Purchasing Card Program has been designed to allow Cardholders to directly purchase small dollar items. It should be viewed as a supplemental tool to purchase approved items which are more efficiently bought by a Purchasing Card, or to buy from vendors who routinely only do business via credit card or cash. Using this system will reduce the time and paperwork normally associated with these types of purchases. In addition, GSW will recognize savings in administrative time and effort spent to process such transactions.

1.3 Overview

The State of Georgia Purchasing Card (P-Card) program streamlines payments for goods and services for State business use by eliminating the administration burdens and costs associated with traditional methods of payment. Per the State Accounting Office, the P-Card may be used as the method of payment for unplanned, non-routine, or urgent point of sale purchased under $1,000 and for purchases under $5,000 that are preapproved and go through the requisition process prior to completing the purchase. Point of sale transactions include purchases made at a physical store, in person, online, or over the phone. This policy can be found on the State Accounting Office website at www.sao.georgia.gov.

1.4 Parties Involved

The following parties are involved in the State of Georgia Purchasing Card Program:

A. Card Issuer: Bank of America was selected as the State of Georgia’s Purchasing Card Provider. Bank of America’s services include issuing Visa® Purchasing Cards to State of Georgia employees, providing electronic transaction authorizations, and billing GSW for all purchases made on the cards.
B. **State of Georgia State Purchasing Division:** The State of Georgia Purchasing Card Program Manager coordinates with the Card Issuer and GSW Purchasing Card Administrator to have Purchasing Cards issued to approve employees. They provide oversight to the Statewide Purchasing Card Program and provide in-depth training to ensure program understanding and compliance. Their mission is to enable GSW to adequately maintain oversight and control of their Purchasing Card purchases, while realizing a significant reduction in administrative costs.

C. **University President:** GSW’s President is responsible for reviewing and approving the Entity’s P-Card Plan and all amendments prior to submission to DOAS/OPB.

D. **Chief Financial Officer:** GSW’s Chief Financial Officer is responsible for the overseeing of the card program. Duties include:

1. Successful completion of the CFO Card Program Training module
2. Submission of the completed CFO Card Program Acknowledgement Form
3. The appointment of an Entity Card Program Administrator
4. Approval of qualified cardholders and approvers
5. Review and approval of the Annual Self Audit of the Entity’s Card Program
6. Review and approval of policies in conjunction with the College and University Procurement Office (CUPO) and Card Administrator annually.
7. Review and approval of the Entity P Card Plan and all amendments
8. Submission of the Plan to the Entity’s President

E. **Purchasing Card Administrator (P-Card Administrator):** The Card Program Administrator serves as the main point-of-contact for all card program personnel and serves as a liaison between State Entity management, State Entity CFO, the State Purchasing Division, and other card program personnel. In some cases, responsibilities may be shared and/or delegated to a Card Program Coordinator.

The State Entity must provide a Designation of Card Program Administrator, Form SPD-CC001, and the Card Program Administrator Acknowledgement form to the State Purchasing Division within 30 days of any changes in Administrators or Coordinators if the coordinator serves as a point of contact with the State Purchasing Division. Information on all official Program forms and how they are to be used can be found on the SPD website:

http://doas.ga.gov/state-purchasing/statewide-card-programs/purchasing-cards

The Card Program Administrators/Coordinators fulfill responsibilities in the following areas:

1. **Card Management**
   a. Develops and maintains the State Entity’s internal P-Card policy to address policy areas unique to the State Entity or that are not covered by the *Statewide Purchasing Card Policy*.
   b. Cannot be a P-Card holder.
   c. Works with management, including the Entity’s CFO, to identify job titles or positions that require a P-Card or would be good candidates for use of the card and/or other accounts.
   d. Develops internal procedures for requesting new cards and/or changes to existing cards (e.g. change in spending limits).
e. Works with management and the Entity CFO to determine appropriate cardholder spending limits based on budget restrictions, job requirements, historical spending patterns, and overall procurement practices.

f. Evaluates cardholder spending limits against actual usage at least annually and terminates cards that show consistently low usage.

g. Identifies cards with little or no usage to determine if cards are needed.
2. **Reconciliation Procedures**
   The Card Program Administrator is responsible for developing the following internal procedures:
   a. Reconciliation process that ensures timely payment and/or allocation of transactions to the General Ledger at least monthly.
   b. Documentation, including use of Works® Payment Manager or Team Georgia Marketplace™, as appropriate, for reconciliation of transactions.
   c. Disputing a transaction with the Bank.

3. **Compliance with Laws and Policies**
   a. Establishes written internal procedures to ensure compliance with State procurement laws, the *Georgia Procurement Manual*, the *Statewide Purchasing Card Policy*, and the internal P-Card policy.
   b. Develops written internal procedures for requesting exceptions to either State or internal policy requirements using the Special Approval Request, Form SPD-PC003.
   c. Develops internal procedures for requesting exceptions to both State and internal policies, if allowed.
   d. Submits all P-Card Plan amendments and requests for exceptions to the *Statewide Purchasing Card Policy* to the Entity’s CFO for submission to cardprograms@doas.ga.gov for approval by DOAS and OPB.

4. **Internal Controls**
   a. Develops the State Entity’s internal P-Card procedures in compliance with the principles of sound internal controls.
   b. Ensures that the State Entity has sufficiently documented internal controls and other measures (e.g. audits) to prevent and/or detect misuse or abuse of the P-Card and other accounts.
   c. Develops written procedures for ordering cards and canceling cards when lost or stolen or when a cardholder leaves employment.
   d. Develops written procedures for reporting and documenting actual and/or potential cardholder abuse or misuse.
   e. Ensures that transactions are audited at least annually during the required self-audit process outlined in section VII Internal Controls.

5. **Card Program Training**
   a. Develops State Entity specific training for all cardholders, supervisors, and other approving officials.
   b. Develops appropriate refresher training to be delivered at least annually.
c. Ensures that all card program personnel receive notification of changes in State and internal policies, including Official Announcements from the State Purchasing Division.

F. Supervisors / Approving Officials

Supervisors or other persons responsible for reviewing transactions must have a thorough knowledge of the cardholders’ job responsibilities in order to determine if purchases are job-related or otherwise authorized. All approving officials are required to complete the Approver Card Program Acknowledgement form.

1. Monthly Reconciliation
   a. Before approving the P-Card transactions, either by signing a Pre-Approval Form or statement or signing off on transactions electronically, the supervisor or approving official must carefully review all documentation to ensure that all documentation meets the minimum requirements as explained in Section VII.A. of the Statewide Purchasing Card Policy.
   b. Ensure that passwords are not shared or delegated for others to use in order to review and approve transactions.
   c. Sign off on all transactions in Works® Payment Manager or Team Georgia Marketplace™, as appropriate, within the timeframe established by the Card Program Administrator.
   d. Ensure all documentation is submitted according to internal procedures and State requirements. See Section VII of the Statewide Purchasing Card Policy.

2. Other Responsibilities
   a. Maintain knowledge of State and internal procurement policies and procedures related to use of the P-Card.
   b. Coordinate the following with the Card Program Administrator:
      i. Ordering and canceling cards for employees
      ii. Establishing reasonable spending limits

G. Cardholders and Related Account Users

All cardholders are de facto purchasing agents for the State of Georgia and their individual State Entities. All card program personnel must have a minimum understanding of State procurement laws and the requirements of the Georgia Procurement Manual.

1. Card Usage
   a. Ensure that no other persons have access to any card information (i.e. card account number, expiration date, security code).
   b. Ensure that all purchases comply with State and internal policies.
2. **Monthly Reconciliation**  
   a. Ensure that all invoices and receipts meet minimum requirements for adequate documentation of transactions.  
   b. Sign off on all transactions in Works® Payment Manager or Team Georgia Marketplace™, as appropriate, within the timeframe established by the Entity’s Card Program Administrator.  
   c. Ensure all documentation is submitted according to internal procedures and State requirements. See Section VII.A. of the *Statewide Purchasing Card Policy.*

3. **Other Responsibilities**  
   a. Maintain knowledge of State and internal procurement policies and procedures related to use of the P-Card.

The P-Card Administrator will establish additional responsibilities as needed for particular departments or environments.

**SECTION 2. – Assignment and Control of the Purchasing Card**

2.1 **Who is Eligible for a Card**  
If you have job responsibilities that require the purchase of certain types of supplies, materials or equipment under current small dollar purchase guidelines, you may be eligible for Purchasing Card privileges. A *GSW Purchasing Card Request & Change Form* must be approved by your supervisor and the P-Card Administrator. The University must approve your individual credit report prior to initial issuing of card and each time P Card is renewed.

Any full-time benefited employee of Georgia Southwestern State University may submit a *Purchasing Card Request and Change Form* to Purchasing with the approval of the employee’s immediate supervisor. The GSW’s Chief Financial Officer and P-Card Administrator will approve applications based on business need. The employee will be required to attend an initial Purchasing Card training prior to the card being issued and annual refresher training will be required by all employees as well. Before the card is issued, new Cardholders must sign the *Georgia Southwestern State University Cardholder Purchasing Card Agreement.*

Part-time GSW employees may apply for the Purchasing Card, but must show that securing the card is a matter of business necessity. A letter from the employee’s immediate supervisor detailing this need should accompany the *Purchasing Card Request and Change Form.*

2.2 **How to Obtain a Card**  
State Purchasing Cards shall be applied for by completing a *GSW Purchasing Card Request & Change Form* (See EXHIBIT A). The prospective Cardholder’s immediate supervisor and/or department head must approve requests for GSW Purchasing Cards. The *Purchasing Card Policies and Procedures* must be read before a card request is made. The Policy and Procedures provide information about the process, the types of purchases that can and cannot be made, and what types of merchants will accept the card, records that must be maintained and reconciled, and additional information about the program. There will only be one responsible individual assigned to each card, and only one card will be issued to each Cardholder.

When a prospective Cardholder’s supervisor and/or department head have authorized the application, are satisfied that the prospective Cardholder understands established GSW policies.
pertaining to Purchasing Card usage, and have identified how the department will use the card in their environment, the GSW Purchasing Card Request & Change Form may be submitted to the P-Card Administrator to process.

GSW Chief Financial Officer and P Card Administrator must approve the application and an approved credit card check must be obtained.

Prospective Cardholders must attend an initial training class that covers the GSW Purchasing Card Policies & Procedures as well as the use of WORKSTM. Once this training class has been attended and the Georgia Southwestern State University Cardholder Purchasing Card Agreement (See EXHIBIT B) is signed, a Purchasing Card can be ordered for the employee.

The card must be signed on the back as soon as it is received to prevent unauthorized use. Cards should be kept in a secure place at all times.

Upon receipt of the card, the Cardholder will need to call the toll-free Customer Service number on the face of the card to activate the account. The Cardholder will be required to acknowledge the assigned Single Transaction Limit, as well as the telephone number and the zip code listed for the account. Once the Cardholder acknowledges receipt of the card, the account will be activated for immediate use.

Purchasing Cards are issued in an individual's name, not in the name of Georgia Southwestern State University or a GSW department. The Cardholder is accountable for all purchases made with the assigned card. The card is the property of Georgia Southwestern State University and is to be used only for state business on behalf of GSW as defined in this guide.

Generally all supplies costing less than $4,999.99 may be purchased with the card. A monthly (30-day) credit limit is selected for each Cardholder by the P-Card Administrator, based on the needs of the Cardholder and the budgetary limitations of their area.

Supervisors of Cardholders and approvers will be required to attend an initial training class covering the Policies and Procedures as well as the use of WORKSTM.

Each Cardholder, Supervisor of a Cardholder/Approver, must attend annual training. Cardholders must attend refresher training within 30 days of the notification given by the P-Card Administrator and Supervisors/Approvers must attend training within 60 days of the notification given by the P-Card Administrator. Failure of the Cardholder to attend training within this time frame will result in the temporary suspension of the employee’s Purchasing Card until they have attended the refresher course. Failure of the Supervisor/Approver to attend the training within this time frame will result in the temporary suspension of the Purchasing Card of all Cardholders for whom the Supervisor/Approver is responsible.

If needed, special training sessions can be arranged for an individual or department by contacting the Administrator.

2.3 Changes

If the Cardholder changes departments or positions, or leaves employment, the Purchasing Card Administrator must be notified immediately and the card must be destroyed (cut in half) and returned to the Purchasing Card Administrator for cancellation.

Please notify the Purchasing Card Administrator immediately if a faculty or staff member is terminated for disciplinary reasons so that the card can be deactivated immediately.
Name changes and other changes to a Cardholder’s profile can be made by submitting a *Purchasing Card Request & Change Form* to the P-Card Administrator (See EXHIBIT A).

### 2.4 What Can and Cannot be Purchased with the State Purchasing Card

The Purchasing Card may be used for general supplies costing less than $4,999.99 (including shipping) when not prohibited by Federal, State, and GSW Guidelines. All purchases must be made in accordance with established University policy and must be for expenses associated with official University business. NO equipment can be purchased on the P-Card. Equipment costing over $3,000 must be recorded in the PeopleSoft Asset Management Module. Use of the Purchasing Card for unauthorized, inappropriate, or personal items may result in penalties as indicated in this Policies and Procedures.

**Splitting of purchases with the University Purchasing Card is prohibited.** Transaction splitting is the practice of committing multiple Purchasing Card transactions to circumvent the Cardholder’s one-time transaction limit, bypass University competitive bidding requirements, or avoid the card’s monthly card limit.

Any expenditure with one vendor for products or supplies that you anticipate will exceed $4,999.99 within a fiscal year or expenditures with multiple vendors for the same product or supplies that you anticipate will exceed $4,999.99 within a fiscal year, require due diligence by GSW’s Office of Procurement.

State of Georgia Purchasing Cardholders are designated as state purchasing agents with strict adherence to O.C.G.A. § 45-10-1 State Employee Code of Ethics and O.C.G.A. § 50-5-78 Financial interest of department personnel in contracts; acceptance of benefits from contactors.

**Prohibited Purchases:**

<table>
<thead>
<tr>
<th>Purchase Category</th>
<th>Examples of Excluded Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Georgia Sales Tax</td>
<td>No Georgia Sales Tax</td>
</tr>
<tr>
<td>2 Employee Travel Expense</td>
<td>Airfare, hotels, meals, events, parking and other travel-related incidentals</td>
</tr>
<tr>
<td>3 Meals and Events separately priced in registration cost</td>
<td>Activities, meals and events that are listed in an option at a separate cost on a registration.</td>
</tr>
<tr>
<td>4 Expenses being reimbursed to GSW</td>
<td>Any expenditures that will be reimbursed by the GSW Foundation or any other outside agency, government or otherwise.</td>
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<tr>
<td>5 Food &amp; Catering</td>
<td>All Types (Exception for food for resale)</td>
</tr>
<tr>
<td>6 Cash Advances</td>
<td>All cash advances including those received through teller machines, bank or as “cash back” at the time of transaction.</td>
</tr>
<tr>
<td>7 Alcoholic Beverages</td>
<td>All types</td>
</tr>
<tr>
<td>8 Gifts, Gift Cards, and Calling</td>
<td>Any type or style of gift including gift cards, awards and jewelry; any type of telephone calling cards in the U.S. and abroad.</td>
</tr>
<tr>
<td>9 Leases</td>
<td>Equipment or property leases. Contact Procurement</td>
</tr>
<tr>
<td>10 Personal Purchases</td>
<td>Any item for use by an individual. Examples include but are not limited to: radios, coffee, bottled water or other snacks or beverages; tissues, hand sanitizer, academic stoles &amp; accessories; personal magazine or newspaper subscriptions.</td>
</tr>
<tr>
<td>11 Motor Vehicle Fuel</td>
<td>Motor vehicle fuel (for any use)</td>
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<td>12</td>
<td>Chamber of Commerce Memberships</td>
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<td>13</td>
<td>Entertainment Expense</td>
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<td>14</td>
<td>Live Animals</td>
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<td>15</td>
<td>Drugs</td>
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<td>16</td>
<td>Automatic Renewals</td>
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<td>17</td>
<td>Contracts &amp; Agreements</td>
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<td>18</td>
<td>Goods from an outside vendor</td>
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<td>that are available from an in-house department.</td>
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<td>19</td>
<td>Furniture</td>
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<td>20</td>
<td>Services</td>
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<td>21</td>
<td>Online Purchases requiring a</td>
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<td></td>
<td>Contract or Agreement</td>
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<tr>
<td>22</td>
<td>Blocked Merchant Category Code (MCC)</td>
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<td>24</td>
<td>Memberships &amp; Dues</td>
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<td>25</td>
<td>Computers &amp; Computer Equipment</td>
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<tr>
<td>26</td>
<td>Multimedia Equipment</td>
</tr>
<tr>
<td>27</td>
<td>Data plans, software or applications (apps) for non-GSW owned devices</td>
</tr>
</tbody>
</table>

**Allowable Computer Related Transactions Requiring Approval**

1. **Computer-related purchases (not specifically excluded above)** including flash drives, keyboards, and other misc. computer equipment costing less than $100 may be purchased without prior approval. Secure prior approval from Information & Instructional Technology (IIT) for-computer related purchases in excess of $100. Attach approval to your receipt and/or purchase request for those items.
2. **Multimedia equipment** and purchases such as digital cameras, VCR’s DVD players, camcorders, recording hardware. Secure prior approval from Information & Instructional Technology (IIT) for these purchases. Attach approval to your receipt and/or purchase request. Items costing less than $100 can be purchased your P-Card without prior approval. A complete description of documentation must be noted on the receipt.

### 2.5 Card Limits

The P-Card Administrator will establish appropriate card limits for each Cardholder with the approval by the Chief Financial Officer Controller based on the established GSW credit card limit, the needs of the Cardholder, and the budgetary limitations of their department. Departments and supervisors may establish lower limits, and in exceptional cases, may request a larger limit. If a larger limit is required, the department must request a credit line increase through the P-Card Administrator. Departmental participation in developing the credit line for each card is essential.

Any monthly card limits $25,000 or higher must have DOAS approval. Annually, Purchasing Card Administration will analyze Cardholder activity to determine that spending limits are consistent with usage. Inactive accounts (those with little or no activity of the past 12 months) may be deactivated to meet DOAS guidelines.

The maximum dollar limit per transaction shall not exceed the cardholders Single-Transaction Limit (STL). Do not attempt to split transactions to avoid this STL.

The overall goal of the credit card program is to provide operational efficiency without sacrificing cost or control. GSW encourages the use of the Purchasing Card with vendors for small dollar purchases. Prior to making a purchase, Cardholders should notify vendors that the purchase is being made on behalf of the State of Georgia to ensure the benefit of favorable pricing that may be afforded by current State contracts with that vendor.

If you have any questions about the State of Georgia Purchasing Card Program or use of the State Purchasing card, please contact Michelle Underwood, GSW Purchasing Card Administrator, at (229) 931-2627 (direct) or e-mail michelle.underwood@gsu.edu.

### 2.6 Lost, Stolen, or Misplaced Cards

In order to protect the University's interest, lost or stolen Purchasing Cards must be reported immediately to Bank of America (24 hours) by calling 1-888-449-2273, and then reported to the Cardholder's immediate supervisor and Purchasing Card Administrator. If you have misplaced your card, contact Purchasing Card Administrator immediately so that the card can be temporarily deactivated while an attempt is made to locate the card.
To report a fraudulent transaction on your Purchasing Card, contact Bank of America Customer Service at 1-888-449-2273. The bank will request pertinent information regarding the transaction, cancel your current card, and order a new card for the Cardholder. Once you have notified Bank of America, notify your immediate supervisor, and then contact the P-Card Administrator so that you card can be deactivated permanently in WORKSTM.

SECTION 3. – Cardholder Use of a Purchasing Card

3.1 Making a Purchase

To make a purchase using the card, do the following:

1. Be certain the transaction is consistent with the applicable rules for card usage.
2. Obtain two prior approvals for all planned, routine purchases.
3. To receive all applicable discounts, be sure to inform the supplier that your purchase is for the State of Georgia. Notify the supplier that the purchase is exempt from Georgia State sales tax and provide the supplier with a copy of the exemption certificate. A copy of this form can be found on the Business Forms page. This Sales and Use Tax Certificate of Exemption certifies that your purchase is for state business.
4. Verify the total amount to be charged with the supplier. Prior to signing a charge slip or authorizing a purchase by telephone, be sure to have the supplier identify and list all charges related to the transaction. All shipping & handling charges must be listed as a separate line item on the receipt and must be clearly identified.
5. The Cardholder will need to notify the campus Post Office or Materials Management via e-mail regarding their delivery. In an effort to minimize re-delivery of desk top delivery items to campus and to ensure the quickest response, it is important to utilize the following formats when placing orders:

If you are using the **US Postal Service**, the proper address format is:

Georgia Southwestern State University  
Your Name  
800 GSW State Univ. Drive  
Americus, GA 31709

If you are using **any other delivery service** (Fed-Ex, UPS, DHL), use this format:

Georgia Southwestern State University  
Department Name  
800 GSW State Univ. Drive
For freight carrier deliveries, use this address only:

Georgia Southwestern State University
Department Name
800 GSW State Univ. Drive
Americus, GA 31709

All receipts, proof of delivery, and other documentation supporting the purchase should be attached to the corresponding Purchasing Card Statement.

3.2 Approving Transactions in WORKSTM Payment Manager

WORKSTM is a web-based technology that connects payment management automation with the global Visa® payment network. Transactions can be approved on-line:

1. The Cardholder will receive an e-mail notification when a transaction is pending approval. The frequency of the e-mail notifications can be controlled by the Cardholder.
2. Each transaction needs to be opened and reviewed. The review should consist of verifying validity of transaction, check/modify the G/L coding (specifically account code, fund code, and project grant number). The Cardholder should notify the reviewing manager when changes to G/L coding is needed, including changes to the department or account code. Notify the reviewing manager of charges that need to be allocated to a project, grant, or agency account as well. See Exhibit E for list of Account Codes.
3. A comment should be entered in WORKSTM outlining pertinent transaction detail. For example, purchases made with some vendors would appear to be unallowable based on knowledge of the vendor. However, some purchases might be allowed if justified with a specific business purpose. The Cardholder should document the business purpose in the comment section to avoid further inquiry from the P-Card Administrator or auditors.
4. Each transaction must be verified, signed off and submitted in WORKSTM by the Cardholder, supervisors and/or Dean. The Cardholder and supervisor must both manually sign the Summary Sheet(s) (with all supporting documentation attached). The package should be forwarded to Purchasing Card Administrator by 3 PM on the 4th day of the month.

Segregation of Duties: No Cardholder shall be his or her own reviewer / approver. Sufficient internal controls must be established and implemented to ensure that a knowledgeable individual such as a direct supervisor within the organization reviews the statement, receipts and reconciliation documents in a timely manner during regularly scheduled billing cycles for approval.

In the case where a department head or other manager is the Cardholder, the reconciliation must go to their immediate supervisor for approval. This approval is done electronically in WORKSTM, but both Cardholder and their manager must always manually sign the Summary Sheet.

3.3 Paying the Bill

Bank of America will make arrangements for a payment, which covers all card activity for all Cardholders during the billing cycle at the onset of each new program. Under no circumstances should a Cardholder or departmental representative send a payment to Bank of America; Accounts Payable will handle all payments.
3.4 **Record Keeping**

To facilitate reconciliation and approval of your monthly Cardholder statement of account, it is MANDATORY that the Cardholders obtain and retain supplier documentation for purchases. Proof of purchase and proof of receipt are required.

**Proof of Receipt:** The term most frequently applies to the printed record given to a Cardholder at “check-out” that identifies the vendor, the date of sale, lists the purchases made, the total amount of the transaction including any discounts, and other adjustments, the amount paid and the method of payment. Acceptable receipts include printed receipts and/or electronic receipts. Invoices and statements should include the following information in accordance with the Georgia Vendor Manual Ch. 8, Section 8.2:

- Contractor name, address, and I.D. number;
- Agency name, address, and zip code;
- Item description and line number;
- Quantity, unit, unit price, and extension for each item;
- The invoice number and invoice total;
- Discount, if applicable;
- Date of order and shipping date;
- Back order, if any, and shipping date.

If a receipt is missing, a missing receipt form may be prepared with the above information and signed by the Cardholder and Supervisor.

IMPORTANT: The business purpose of each transaction must be notated on the supplier documentation unless it is obvious or intuitive. Please remember that restricted expenditures include items for personal consumption or benefit such as meals, food, cash, motor vehicle fuel, professional services, gift cards, entertainment and travel (Reference: OCGA 50-79 & 80).

3.5 **Reconciling Monthly Statements (Manually or Electronically)**

A complete Purchasing Card statement must be submitted to Purchasing by 3 PM on the 4th day of the month. The statement consists of the following documents that can be printed from WORKSTM:

1. Summary Sheet
2. Payable Allocation with specified date range (second)

3. Supporting Documentation as defined in Section 3.4 Record Keeping. (Behind Payable Allocation) **Tape smaller receipts to an 8 ½ x 11 sheet of paper.**

4. Additional Purchase Authorization Documentation (as may be required by IIT or Procurement as defined in Section 2.4)

5. Staple your statement on the upper left hand corner. Please do not use paper clips. Use binder clips if needed for large statements.

6. Your signature on the front page.

7. Your immediate supervisor’s signature on front page.

8. Mail or deliver your statement to “Purchasing Card Administrator”, Purchasing Department. Make sure to give your statement plenty of time to arrive by the deadline.

You can sign off on transactions and allocate transactions at any time during the month, but do not print your statement prior to the end of the period. Keep in mind that if you change an allocation for a transaction, this change will not be reflected on printed reports for 24 hours (usually the next morning).

For additional guidance on how to prepare this statement, contact your Purchasing Card Administrator.

All Purchasing Card records must be retained by the Business Office for at least five (5) years

### 3.6 Resolving Errors and Disputes

Problems with merchandise delivery or incorrect billing may occasionally arise. It is the Cardholder's responsibility to initiate action to resolve all such issues.

Cardholders must contact the supplier directly when a billing problem or a problem with merchandise is first noted to attempt to resolve such problems directly with the supplier. When appropriate, one should ask the supplier to provide a credit to your Purchasing Card account. Under no circumstances should there be a direct cash refund from suppliers for credit card transactions. If, however, a direct cash refund is received, contact the P-Card Administrator for the proper course of action.

If a Cardholder is unable to resolve the problem directly with the supplier, the Cardholder should notify the P-Card Administrator to assist in resolving or filing a Bank of America dispute form (See EXHIBIT C).

**Important Note:** All Bank of America disputes must be filed within 60-days of the transaction date. **Do not continue to use vendors who have not resolved errors within 30-days of the cycle date following the error or dispute.**

Additional procedures for special situations as described below should be followed by Cardholders:
3.7 Lost or Misrouted Products

If a sufficient amount of time has elapsed without receiving the ordered product, the following steps should be taken:

1. Contact the supplier to determine when the product was shipped, what carrier shipped it (i.e., UPS, FedEx, US Mail, etc.), and what location it was shipped to.
2. If there is no record of the shipment by the carrier, call the supplier and request a proof of delivery.
3. If the supplier cannot supply this documentation, the supplier should acknowledge that no product was actually delivered, and either the Purchasing Card account should receive a credit, or product reshipped.
4. If a satisfactory resolution cannot be reached with the supplier within a 30-day period, contact the P-Card Administrator to file and process a dispute. There are only 60 days from the date of the transaction for a dispute to be filed.

3.8 Incorrect Quantity or Defective Product

The Cardholder must always check any incoming order as soon as it is received to ensure the product received matches what was ordered in terms of quantity, description, and quality. If there is a discrepancy (e.g., damage or defects), do the following:

1. Contact the supplier to resolve the issue over the telephone. This should be sufficient to resolve most discrepancies.
2. If satisfactory resolution cannot be reached with the supplier, contact the P-Card Administrator to file and process a dispute.

3.9 Cardholder Statement Discrepancies

If discrepancies are noted on the monthly Cardholder Statement (for quantity, price, duplicate billing, no credits from prior transaction, billing for item not received, etc.) take the following steps:

1. Contact the supplier and attempt to resolve the discrepancy. Make a note in WORKSTM. Keep a record of all communications with the supplier.
2. If satisfactory resolution cannot be reached with the supplier, contact the P-Card Administrator to file and process a dispute.

3.10 Sales Tax Charged by a Supplier

As previously detailed in the Making a Purchase section of this Guide, GSW is exempt from paying sales tax on purchases. Accordingly, sales tax should not be billed by suppliers. In the event sales tax is charged by a supplier and appears on a Cardholder statement, the following steps need to be taken by the Cardholder:

1. Contact the supplier and request that a credit be processed for the amount of the sales tax charged.
2. Maintain written records of communications with suppliers regarding credits for sales tax.
3. If the supplier refuses to issue a credit or does not issue a credit within the next billing cycle, please notify the Purchasing Card Administrator concerning your attempts to obtain a credit for the sales tax billed. DO NOT place any further orders with the supplier. The Purchasing Card Administrator will notify all other Cardholders to refrain
from doing business with the supplier.

Recovering charged sales tax requires time and effort that is not very productive for anyone. It is, therefore, essential that GSW departments make vendors aware that GSW is exempt from sales tax.

3.11 Restocking Fees

When goods are returned through no fault of the supplier, the supplier may charge a restocking fee. If this occurs, reference the transaction number for the restocking fee to the transaction number of the original purchase in WORKSTM.

3.12 Making Returns/Exchanges

1. Cardholders must usually prepare a shipping order for all returns or exchanges of merchandise purchased using a Purchasing Card. On the shipping order be sure to indicate that this was a Purchasing Card purchase and state the amount of credit due for the returned item. In some instances, a vendor may supply a return authorization number (RA number), which should be noted on the shipping order. If the supplier provides a material return authorization number, be sure to include that number on the shipping order.
2. A copy of the shipping order should be attached to the monthly Cardholder Statement with details surrounding the return.
3. All return credits must be applied to the Purchasing Card account, and must not be taken in cash.
4. Be sure to note the shipping arrangements on the documentation (i.e., if the supplier or state paid for the freight).

It is the Cardholder's responsibility to follow up and obtain a credit for any recoverable amounts.

SECTION 4. – Process Review & Compliance

State Purchasing, Process Improvement/Audits, and the DOAS Program Manager, will review various reports provided by Bank of America on a monthly basis to ensure that purchasing card transactions appear within reasonable parameters. In addition, random reviews of card statements and appropriate processes will be conducted by the State Purchasing, Process Improvement/Audits.

The primary purpose of these reviews is to ensure the program policies and guidelines are being followed. Findings of failure on the part of a GSW’s Purchasing Card Administrator, Department, or Cardholder to properly implement stated procedures for use of the Purchasing Card may result in revocation of Purchasing Card Program privileges for GSW.

The P-Card Administrator will routinely analyze electronic transaction data to ensure that purchasing policies and procedures are being followed. Areas of interest include: split transactions, over-limit purchases, unusual transaction patterns, use of non-standard vendors for standard purchase, and even-dollar transactions. Examples of commonly used reports include the following:
a. Account Activity Reports—Such reports can provide details on each transaction such as
transaction date, merchant name, and dollar amount. These reports can be used to sort
transactions by dollar amount, merchant, date or type and can be useful for identifying
suspicious merchants, unusually high spending patterns, or untimely purchases.
b. Declined Authorizations Report—This report identifies Cardholders who have attempted
to use a card to make a purchase for which they are not authorized, that exceeds their
single-purchase limits, that exceeds their monthly purchase limits, or from a merchant
that has a blocked Merchant Category Code.
c. Disputes Report—This report identifies date, merchant, reason code, dollar amount and
status of each dispute filed by a Cardholder. Reviewing the report would identify
Cardholders with excessive disputes which could indicate that a Cardholder needs additional
training or that he/she may be trying to disguise misuse or fraudulent activity.
d. Unusual Spending Activity Report—Based on a variety of criteria, this report identifies
transactions, which may warrant further review.
e. Lost/Stolen Card Report—This report identifies cards that have been reported lost or
stolen. It may be reviewed to identify Cardholders who have repeatedly reported their
cards missing. This may be an indicator that the Cardholder needs to secure his card or
that the Cardholder is attempting to disguise misuse or fraudulent activity by denying
charges.

4.1 Purchasing Card Violations

The Department of Administrative Services, State Purchasing, expects every individual
Cardholder to strictly adhere to the policies and guidelines governing use of the State Purchasing
Card. Failure to do so may result in disciplinary action up to and including termination of
employment. Additionally, such failure could result in prosecution to the fullest extent of the
law, including financial restitution and criminal prosecution.

Violations of policies and procedures governing use of the Purchasing Card can be classified as
minor or major. The action taken is dependent upon the type of violation and the number of
previous Cardholder violations. The P-Card Administrator can suspend a Cardholder’s privileges
with or without input from the GSW department; however, the department will be notified of any
such action. All other actions are determined at the appropriate level. Any alleged violation
or questionable transaction could result in an immediate suspension of card privileges pending a
review to determine what, if any, action is appropriate.

Listed below are the disciplinary guidelines associated with Purchasing Card violations:

MINOR VIOLATIONS

Minor violations are instances that are “accidental” and without willful intent, or associated with
a delinquent reconciliation statement. Examples include but are not limited to:

1. Using the wrong credit card when doing personal shopping and usually includes
   immediate discovery and notification of the Purchasing Card Program Administrator/Coordinator as well as restitution,
2. Purchases with the card that should be made through the Entity requisition system
   or some other means, or
3. Failure to reconcile and return the statement (manually or electronically) in a
timely manner.
4. Purchasing items to be reimbursed from another entity such as the Foundation.
5. Failure to obtain credit for Sales tax on purchase.
6. Not obtaining prior approvals as described in Section 2.4

Cardholders will receive a minor violation in the form of a memo from the P-Card Administrator.

A copy of the violation letter will be sent to the Cardholder’s immediate Supervisor, Department Head, and Vice President for Business and Finance. Any action required by the violation letter should be handled on a priority basis.

An accumulation of three minor violations of the same type or 9 minor violations of any type in a 12-month period will result in a major violation being issued.

**MAJOR VIOLATIONS**

Major violations are instances that show “willful intent” to disregard established policy and procedures. Examples include but are not limited to:

1. Purchasing unauthorized or restricted items,
2. Splitting orders to avoid the single transaction limit,
3. Allowing others to use the card,
5. Accumulating minor violations as defined above.

Any major violation will result in immediate temporary suspension of the Cardholder’s privileges and notification to the department. If deemed appropriate, Bank of America, GSW Public Safety, GSW Human Resources, and GSW Vice President for Business and Finance will also be notified. If no fraud or theft is involved, reinstatement of the P-Card privileges can be made after 30 days at the request of the Cardholder’s Supervisor. If a second suspension is required, it will be permanent.

*Adoption and enforcement of any disciplinary actions is coordinated through Business Services and Purchasing Card Administration. If Purchasing Card misuse (intentional fraud by the Cardholder) is discovered, the P-Card Administrator MUST do the following according to DOAS Directive:*

1. Cancel the purchasing card.
2. **NOTIFY STATE PURCHASING CARD PROGRAM MANAGER, John Thomason (404) 656-5344 (desk), or John.Thomason@doas.ga.gov**
3. **NOTIFY APPROPRIATE GSW OFFICIALS –i.e., Public Safety, HR, & Vice President for Business and Finance, etc.**
4. Cardholders who violate the State Purchasing Card Program by committing fraudulent activity against the State must be immediately terminated. (Coordinated through appropriate levels with the minimum of director level involvement.)
5. Bank of America will coordinate the filing of appropriate liability waiver documents (insurance claim to recover losses). Notify Bank of America when employee is terminated.
Please be aware that Bank of America will provide corporate liability protection under Visa’s Liability Protection Coverage; however, certain conditions apply. The principal condition is that the employee has been terminated and Bank of America is notified of the termination within TWO DAYS of its occurrence. Bank of America will rely on and shall be protected in acting on issuance requests or other requests or instructions which the bank believes to be genuine and to have been signed by a State of Georgia Purchasing Card Administrator.

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