

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.

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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 (WORKS™) 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.
- 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:** 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:

https://doas.ga.gov/assets/State%20Purchasing/PCard%20Marketplace%20Documents/PCard_Policy.pdf

The P Card Program Administrator fulfills 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, 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.

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 WORKS™. 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.

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 WORKS™.

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 Allowable Use and Prohibited Use of P Card

2.4.1 Allowable Purchases

The P-Card can be used for official purchases of supplies, materials, equipment or services where not otherwise prohibited or restricted. All purchases must be within assigned spending limits per the institution's approved P-Card plan unless prior written approval from DOAS is received to exceed those limits. Allowable purchases include:

1. Goods and services used in the furtherance of a USG institution's mission.
2. Purchases of goods or services intended for official State of Georgia work-related use that are not otherwise excluded by Prohibited Uses of Purchasing Card of this manual.

2.4.2 Allowable Purchases – Restrictions Apply

1. Travel-Related Expenses – USG Employees
USG employees traveling on official State business as defined in the State Travel Regulations published by the State Accounting Office and the Office of Planning and Budget may use the Purchasing Card for:
 - a. Transportation - When the mode of transportation is a vehicle rental, the rental must be from one of the Mandatory Statewide Contracts unless approved using the Waiver from Statewide Contract process defined in Section 1.3.1.1 of the [Georgia Procurement Manual](#)
 - b. Parking
2. Travel-Related Expenses – Non-State Employees
Cardholders may use the Purchasing Card for students travelling on official school business, clients of USG Institution, and the general public when participating in an official State program or other activity for:
 - i. All types of transportation when this transportation is needed in the fulfillment of the USG Institution's mission.
 - ii. Lodging and meals for students.
3. Registration – Approval needed from Accounting Services Travel Division
4. Equipment-
Use of the P-Card for equipment is governed by the State Accounting Office policies on Capital Assets. USG Institutions are limited to single units with a cost under \$3,000 per unit, including freight, and the transaction must comply with single transaction spending limits as outlined by State Policy.
5. Technology Purchase – must have IT approval prior to purchase
6. Software, Data Plans, and “Apps ”
Software, unless prohibited by the Institution's internal policy, can be purchased for only State-issued computers, smart phones and tablets.
7. Food or Meals
 - a. Food provided for consumption at events or services provided to the general public, state benefit recipients and/or state program participants, or purchased for resale in gift shops, bookstores, or similar venues, and other non-employee meal related use.
 - b. Non-travel related meals for State employees that meet the State Accounting Office definition of group meals. See BPM Section 4 for additional Statewide Travel Policy guidance.
 - c. Meals only when the cost of the meal is included in the total cost (e.g. a conference fee of \$1,500 that includes three meals).
 - d. Food and lodging for student activities, but not for faculty, staff, coaches, or other institution employees, when on official institution business (e.g. athletic team travel). Documentation for the purchase must include:
 - i. Itemized receipt showing all meals purchased

- ii. Roster of participants showing student name and signature
- iii. Copy of team schedule or other documentation showing that the meal was for an authorized student activity
- e. Food for official research, laboratory animals, or instructional/classroom use.

2.4.3 Prohibited Uses of Purchasing Cards

The following types of purchases are strictly prohibited either by Official Code of Georgia, Annotated (O.C.G.A.), or to meet reporting requirements:

1. **Goods or services** not directly related to job responsibilities or other official State of Georgia business (i.e. personal purchases).
2. **Data plans, software, or applications (apps) for non-USG issued devices**, including, but not limited to, smart phones, laptop computers, and tablets.
3. **Memberships at wholesale warehouses and shopping clubs** (e.g. Sam's, Costco, Amazon Prime)
4. **Cash advances**
5. **Gift cards**, stored value cards, calling cards, and similar products.
6. **Employee travel expenses related to lodging and meals**, except as specifically covered under Allowable Purchases
7. **Entertainment** (e.g. in-room movies for State employees traveling on business). This restriction **does not** apply to student activities or to items purchased for resale at bookstores.
8. **Alcoholic beverages**
9. **Tobacco products**
10. **Fuel, mechanical repairs, and maintenance for State-owned or rental vehicles**. Exceptions may be granted upon verification of procedures to enter costs into VITAL, the State's fleet management system administered by the DOAS Office of Fleet Management.
 - a. This restriction does not apply to non-mechanical body shop repairs (e.g. dented bumper) not covered under the State's vehicle maintenance contract.
11. **Affiliated organization expenditures**.
12. **Agency fund expenditures** that have not gone through the requisition or pre-approval process.
13. **Purchases made from units of the institution**. Purchases made from units within the institution should be handled using a cost transfer or other payment method. Use of the P-Card subjects the selling unit to the merchant fees associated with credit card sales and is not a cost-effective means of making intra-institution purchases. For example, an institution should not permit use of the P-Card for purchases made from the institution-managed bookstore.
14. **Split purchases**. O.C.G.A. § 50-5-69 requires competitive bidding for all open-market purchases anticipated to be \$25,000 or more. However, §50-5-83 sets the legal Single Transaction Limit (STL) for P-Card transactions at less than \$5,000 (e.g. \$4,999.99 or less) unless the purchase is from a Statewide Contract and in compliance with State procurement policy. However, policy requires the Single Transaction Limit (STL) for unplanned, non-routine, or urgent point of sale P-Card transactions be set at \$1,000 and purchases that are preapproved and go through a requisition or pre-approval process prior to completing the purchase be set at under \$5,000 (i.e. \$4,999.99 or less). Point of sale transactions include purchases made at a physical store, in person, or over the phone.
 - a. Cardholders are prohibited from splitting a transaction between two or more transactions on a single account, two or more transactions on multiple accounts, or two or more transactions using the P-Card and a purchase order in order to circumvent competitive solicitation requirements. Refer to the [GPM](#) for complete information on bid requirements and procedures.
 - b. Cardholders are prohibited from splitting a transaction between two or more transactions on a single card number, two or more transactions on multiple card numbers, or two or more

transactions using the P-Card and a purchase order in order to circumvent the Single Transaction Limit imposed on the card regardless of the amount of the STL.

15. **Sales tax.** O.C.G.A. §48-8-3 exempts purchases made by USG Institutions from State Sales and Use Tax when payment is made with appropriated funds. Cardholders must present the Department of Revenue Sales and Use Tax Exemption, Form ST-5, to suppliers upon request. This form is available on the Department of Revenue website at <http://dor.ga.gov> by searching for ST-5.

The requirement for out-of-state suppliers to charge Sales and Use Tax on shipments to purchasers in the State of Georgia does not apply to tax-exempt State Entities. In order to avoid confusion, the cardholder must provide out-of-state suppliers with a copy of the ST-5 prior to placing an order to be shipped into the State of Georgia. If the supplier refuses to remove taxes, the cardholder must make the purchase from a different supplier whenever possible.

Cardholders are responsible for ensuring that merchants do not charge tax or provide a credit for inadvertent charges.

1. If taxes are charged, the cardholder must contact the merchant to obtain a credit to the account. Sales tax cannot be disputed with the Bank.
2. Credits cannot be obtained by any other method, including, but not limited to, cash, gift cards, or store credit.
3. Documentation of attempts to obtain credit for any State Sales and Use Tax charged in error must be maintained with the documentation for the transaction where the tax was charged.

State Entities may apply to the Georgia Department of Revenue for a refund of sales taxes paid in error or because a supplier/merchant refuses to remove taxes. The form to use for this request is the Department of Revenue's Claim for Sales and Use Tax Refund, Form ST-12. In addition to the ST-12, the State Entity must also submit either (1) a Waiver of Vendor's Rights, Form ST-12A, or (2) a Purchaser's Claim for Sales Tax Refund Affidavit, Form ST-12B. These forms contain instructions for their use and are located at <http://dor.ga.gov>.

2.5 Card Limits

The P-Card Administrator will establish appropriate card limits for each Cardholder with the approval by the Chief Financial Officer 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 USG and 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@gsw.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 your card can be deactivated permanently in WORKS™.

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.
2. 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.
3. 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.

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 WORKS™ Payment Manager

WORKS™ 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 WORKS™ 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 WORKS™ 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 WORKS™, 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.

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 WORKS™:

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 2.4.2)
5. Your signature on the front page.
6. Your immediate supervisor's signature on front page.
7. Submit Summary Sheet with back up to the Purchasing Card Administrator

You can sign off on transactions and allocate transactions at any time during the month, but do review after the P Card Cycle to ensure all transactions are included.

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

All Purchasing Card records must be retained by the Accounting Office in accordance with USG Records Retentions Policy.

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 WORKS™. 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.

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

3.10 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 WORKS™.

3.11 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,
4. Knowingly making personal purchases.
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, P Card Privileges will be permanently revoked.

Revised: June 2022

Reviewed: June 2022

**State of Georgia & Georgia Southwestern State University
Cardholder Purchasing Card Agreement**

The **State of Georgia & Georgia Southwestern State University** is pleased to present you with this Purchasing Card. It represents trust in you and your empowerment as a responsible agent to safeguard and protect State of Georgia assets.

I, _____, Card Number XXXX-XXXX-XXXX-XXXX, with Employee ID # _____, hereby acknowledge receipt of a Georgia Southwestern State University Purchasing Card, which is a VISA® card issued by Bank of America, that will only be used to acquire materials and supplies for Georgia Southwestern State University. I agree to comply with the following terms and conditions relating to my use of the Purchasing Card.

1. As an authorized Cardholder, I agree to comply with the terms and conditions of this Agreement and with the provisions of the Georgia Southwestern State University Purchasing Card Policies and Procedures. I have received a copy of the Policies and Procedures and confirm that I have read and understand its terms and conditions. In addition, I have completed the required Purchasing Card Training.
2. I understand that Georgia Southwestern State University is liable to Bank of America for all charges I make on the Purchasing Card.
3. I agree to use the Purchasing Card for authorized official business purchases only and agree not to charge personal purchases. I authorize Georgia Southwestern State University whatever steps are necessary to collect an amount equal to the total of improper purchases, including but not limited to declaring such purchases an advance on my wages to the extent allowed by law.
4. I agree to notify the Georgia Southwestern State University Purchasing Card Administrator at 229-931-2627 or michelle.underwood@gsu.edu if my name or contact information changes. I further acknowledge that name changes will require proof of change, i.e. copy of marriage license and/or decree of legal change.
5. If the Purchasing Card is lost or stolen, I will **immediately** notify Bank of America at 1-888-449-2273. I will also notify the Georgia Southwestern State University Purchasing Card Administrator in writing at the first opportunity during normal business hours.
6. I understand that improper or fraudulent use of the Purchasing Card may result in disciplinary action, up to and including termination of my employment. I further understand that Georgia Southwestern State University may terminate my right to use the Purchasing Card at any time for any reason.
7. I agree to surrender the Purchasing Card immediately upon request or upon termination of employment for any reason.

Agreed and accepted this _____ day of _____, 20__.

Cardholder:

Signature: _____ Date: _____

Print Name: _____ Phone: _____

Entity/Department: _____

Georgia Southwestern State University

PURCHASING CARD REQUEST & CHANGE FORM

GSW Department Name:

Check the appropriate box for the type of request:

New Cardholder Request

Cardholder Change Request

Card Applicant Name:	I have read and understand the P-Card Policies and Procedures - Applicant Signature:
Applicant Office Phone Number:	GSW E-Mail Address:
Current GSW Job Title:	GSW Employee ID#:
Department Head Name:	Department Head Signature:
Single Transaction Limit: (Provide Justification if over \$2,499)	Monthly Limit: (Provide justification if over \$5,000)
Reason for Change:	

IMPORTANT:

Form will not be considered complete until all required signatures are affixed. Send form to:
Purchasing Card Administrator, Purchasing Department

FOR OFFICIAL USE ONLY

Approved Disapproved

Reason:

By: _____ Title: GSW Purchasing Card Administrator

Date:

Definitions of Acct. Codes:

702100 -- Bookstore Expenses (Items for Resale)

712100 – Motor Vehicle Expenses

Used only by physical plant and public safety depts.

714100 – General Supplies & Materials

Most purchases will fall under this object code

715100 – Repairs & Maintenance

Minor repairs to equipment

719100 – Rentals

Rental of equipment. Does not include rental of real estate.

727103 - Advertising

727109 – Subscriptions

727110 – Testing

727116 – License Fees

733100 – Software (Approval needs to be given by OIIT)

742100 – Printing

Any printing of posters, flyers, booklets, etc. (No business cards, letterhead or envelopes)