



*Purchase Card
Manual*

Purchasing and Contracting Department

Updated January 2021

TABLE OF CONTENTS

OVERVIEW.....	1
GENERAL INFORMATION	2
Cardholder Application	2
Security of the P-Card	2
Activating the P-Card	2
P-Card Renewal.....	3
Employee Termination/Cancelling a P-Card	3
Sabbatical, FMLA, Extended Personal Leave	3
Lost or Stolen P-Cards	3
DUTIES AND RESPONSIBILITIES	3
Cardholder	3
Budget Manager	4
P-Card Program Administrator	4
Accounts Payable Department	4
JP Morgan Customer Service	4
P-CARD CONTROLS	4
Credit Limits	4
Transaction Limits	4
Current Credit and Transaction Limits	5
TRAINING	5
Purchase Card Manual:	5
Cardholder P-Card Agreement:.....	5
MAKING THE PURCHASE.....	5
Returns, Credits and Disputed Charges	6
Conflict of Interest (Yavapai College Policy 2.20)	7
DISALLOWED PURCHASES LIST.....	7
PURCHASES DISALLOWED WITHOUT PRIOR APPROVAL.....	8
INDEPENDENT CONTRACTORS	9
CERTIFICATE OF INSURANCE (COI)	9
RECORDKEEPING	10

Receipts.....	10
Transaction Detail Report.....	10
CARDHOLDER RECONCILIATION.....	10
DUE DATES.....	10
PURCHASE CARD SPLIT TRANSACTION FORM (PST).....	11
PURCHASE CARD MANUAL SIGNATURE FORM.....	12

OVERVIEW

The purpose of the Purchase Card Program at Yavapai College (YC) is to establish a more efficient, convenient, and cost-effective method of purchasing and paying for lower dollar transactions. The Purchase Card (P-Card) can be used with any supplier that accepts MasterCard as a form of payment for allowed purchases. Preference is given to contracted vendors as YC has already set negotiated pricing with them.

This manual provides procedures and guidelines for using the P-Card. The YC P-Card program is inclusive of the requirements specifically listed in the Yavapai College Purchasing and Contracting Procedures Manual. Please read it carefully. The signature on the Purchase Card Manual Signature Form shows that Cardholders understand the intent of the program and agree to follow the established guidelines. Included is information on the single transaction limit, daily transaction limits, and monthly purchase limits. It is important to understand the following points before using the P-Card:

- Each Department will have one or more designated Purchasing Liaison(s) who will be issued a P-Card. The P-Card is issued in the name of the individual designated as the Purchasing Liaison (Liaison). **The Cardholder is responsible for the security of the P-Card and the transactions made with it. Not following stated guidelines when using the P-Card may result in corrective action such as revocation of P-Card privileges.**
- The P-Card program carries YC, not individual, liability to the Cardholder. The program does not affect personal credit ratings in any way.
- The P-Card can be used to purchase allowed supplies and services less than the Single Transaction Limit established by YC (see page 5).
- Use must not exceed the established credit limit assigned to the P-Card within a given billing cycle (see page 5).
- Multiple transactions for a **single** purchase in order to circumvent an established single purchase limit is a split transaction. This is a **major violation** and compromises the integrity of the program and will require submittal of a Purchase Card Split Transaction Form (PST). The PST is available on page 12.
- Issuing a series of **multiple purchases** during a fiscal year to the same vendor to avoid the appropriate competitive solicitation or approval process is prohibited. Department representatives are required to contact the Purchasing and Contracting Department in the event an additional purchase increases annual spend to a specific vendor over a threshold amount.
- The Cardholder is responsible for reconciling all charges made on the account at the end of each billing cycle.

- **The P-Card is not for personal use.**
- The P-Card must be returned to the Purchasing and Contracting Department upon department transfer or termination.
- **Possible consequences for violations of the P-Card Manual include**
 - Mandatory retraining
 - Suspension or revocation of the P-Card
 - Termination of Employment
 - Criminal Prosecution

Any Cardholder who makes improper or fraudulent purchases with the P-Card may be subject to disciplinary action and/or personal liability. YC may deduct an amount equal to the total of the improper charges plus any administrative fees charged by the bank in connection with the misuse from the Cardholder's salary or other amounts payable to them.

The Cardholder must report to the P-Card Administrator any suspected improper or inappropriate use found during the reconciliation process through the review of transactions each month.

GENERAL INFORMATION

Cardholder Application

YC has authorized each primary department to receive a P-Card. Each Budget Manager selects an individual to act as the department's Liaison and Cardholder. It is important that the person selected as the Cardholder understands their responsibility. After the Budget Manager determines who in their department will receive the P-Card, the Budget Manager emails the P-Card Administrator and then a link to the online JP Morgan Card request website will be forwarded to the Liaison. Cardholder will be contacted to schedule required training

Security of the P-Card

The Cardholder is responsible for the security of the P-Card. This P-Card should be treated with the same level of care as the Cardholder uses with his/her own personal charge cards. The P-Card should be kept in a secure location.

The only person authorized to use the P-Card is the Cardholder, whose name appears on the P-Card. Upon approval of their Budget Manager, others within the department can be designated to use the P-Card. The Cardholder remains responsible for the purchase. The Cardholder is responsible for ensuring others using their P-Card have reviewed the P-Card Manual.

Activating the P-Card

The Cardholder must call the toll free number on the P-Card sticker to activate. The P-Card must be activated before purchases can be made. Upon receipt the Cardholder should sign the back of the P-Card.

P-Card Renewal

P-Cards will be automatically renewed before their expiration date. The Cardholders will be contacted by a P-Card Administrator to make arrangements for pickup or delivery.

Employee Termination/Cancelling a P-Card

The P-Card must be returned immediately to the Purchasing and Contracting Department upon a Cardholder's department transfer or termination. The P-Card may also be cancelled because of improper use.

Sabbatical, FMLA, Extended Personal Leave

The Cardholder and/or their department is responsible for letting the P-Card Administrator know if a Cardholder is going out on extended leave. The P-Card will be placed in "hibernation" status unless there is an approved business need for the P-Card to remain open. Failure to notify the P-Card Administrator may result in the suspension or revocation of the P-Card.

Lost or Stolen P-Cards

If a P-Card is lost or stolen, immediately contact the YC P-Card Program Administrator (**2190**); if the P-Card Program Administrator is not available, contact JP Morgan directly (**1-800-270-7760**). After contacting JP Morgan, notify the Program Administrator via e-mail with the date, time and reason for cancelling. Prompt action can reduce YC's liability for fraudulent activity. Cardholders may be held personally liable if the lost or stolen P-Card is not reported promptly. Do not order a replacement. ***The YC P-Card Program Administrator will order a replacement P-Card for those that are lost or stolen upon completion of a review of why the P-Card was cancelled; Members of the Purchasing and Contracting Department are the only personnel authorized to order P-Cards from JP Morgan.***

DUTIES AND RESPONSIBILITIES

Cardholder

- Safeguards P-Card.
- Reports lost or stolen P-Cards immediately.
- Complies with all YC policies and procedures regarding use of the P-Card.
- Ensures there is available budget prior to making a purchase.
- Makes in-person or on line purchases for their department.
- Assigns correct accounts onto the monthly statement - Transaction Detail Report (TDR) for each purchase. It is strongly recommended that purchases are coded to the correct account immediately after the purchase is made.
- Ensures that a receipt is received for each purchase.
- Forwards all reconciled documentation to the Budget Manager for signature.
- Resolves discrepancies directly with the vendor.
- Works with vendor for credit memos or returns.
- Reviews transactions on the JP Morgan website periodically but no less than weekly to ensure all charges appear proper.

Budget Manager

- Designates the Cardholder for his/her area.
- Reviews and approves transactions processed by the Cardholder.
- Ensures that correct account codes have been used.
- Reviews purchases to help ensure that all purchases are YC/department appropriate.
- Ensures that there is an adequate budget to cover the P-Card expenditures.

P-Card Program Administrator

- Receives P-Card applications from departments and reviews for approval.
- Approves new and replacement P-Cards from JP Morgan.
- Receives P-Cards from bank; stores them securely until Cardholders are trained and signed off for receipt.
- Schedules training for Cardholders and their Budget Managers.
- Tracks termination or transfer of Cardholders.
- Cancels P-Cards with JP Morgan.
- Issues renewed P-Cards to existing Cardholders.
- Acts as primary contact person for JP Morgan and Cardholders.
- Reports problems with usage of P-Cards to JP Morgan.

Accounts Payable Department

- Ensures that TDR's from Cardholders are received on time, are accurate and have been reviewed and approved by the Budget Manager.
- Reviews each Cardholder's TDR and receipts to verify accuracy, compliance with purchasing procedures and post charges to the correct account for each purchase.
- Ensures that they receive monthly TDR's from all Cardholders by comparing with the comprehensive statement received from the bank.
- Makes payment for all purchases.

JP Morgan Customer Service

The P-Card program is serviced using a team approach with JP Morgan Customer Service Center. This center is available 24 hours a day, 7 days a week to assist *the Cardholder and P-Card Program Administrator* with general questions about the P-Card account.

P-CARD CONTROLS

Credit Limits

All P-Cards have monthly Cardholder spending limits. Limits are established within the YC Purchasing and Contracting Procedures Manual and identified below.

Transaction Limits

The P-Card has a single transaction limit. This is the amount authorized on the P-Card for a single purchase. A transaction includes the purchase price, plus tax and freight.

Cardholders should not attempt to make a purchase greater than their approved amount. Those amounts are identified below.

Current Credit and Transaction Limits

The following transaction and credit amounts have been established by YC for each P-Card*. JP Morgan will automatically verify and track each purchase to ensure that these amounts are not exceeded. If they are, the transaction will be disapproved at the time of purchase.

Single Transaction Limit	\$ 4,999.99*
Daily Transactions Limit	\$10,000.00**
Monthly (Cycle) Transaction Limit	\$20,000.00**

*Exceptions may be made when paying via P-card if financially beneficial to the college and is in compliance with the YC Procurement policy (i.e. a Purchase Order is in place or for large Travel purchases that do not require a Purchase Order). Payments will typically be made through the Business Office P-Cards which have higher Single Transaction Limits for this purpose.

**Exceptions may be made to these limits based on department needs.

TRAINING

P-Cards will be distributed through the P-Card Program Administrator. When new P-Cards are issued, JP Morgan will send them to the P-Card Program Administrator for distribution to the Cardholder. P-Cards will not be released to Cardholders until they have completed training, received copies of the Purchase Card Manual and returned the fully signed Purchase Card Manual Signature form (page 12).

The following materials will be reviewed during training:

Purchase Card Manual This guide outlines YC’s policies and procedures regarding the P-Card. It also identifies types of purchases that are allowed and disallowed.

Cardholder P-Card Agreement This is an agreement between the Cardholder and YC, which affirms that the Cardholder has read and understands the policies and procedures for the P-Card.

MAKING THE PURCHASE

Cardholders should promote and encourage positive interactions with suppliers. Honesty, ethics, and courtesy are essential ingredients in all aspects of a buyer/supplier relationship.

All Cardholders must follow these steps when using the P-Card:

1. Determine if another department handles either the buying and/or approving the specific need. Send the appropriate department an email requesting approval for the item(s) (include specs, perhaps a picture of the item, etc.) and then attach the approval to the receipt or invoice.
 - a. If it is for any item that will take up floor space, uses electricity, office furniture and vehicles - Facilities needs to approve the purchase. They also might have items in storage.
 - b. Advertising, media and promotional services and printing (except business cards, letterhead and envelopes); require prior approval from the Marketing Department.
 - c. Telephones, computer software or hardware require prior approval from ITS.
 - d. Photocopy equipment requires prior approval from Mail and Printing Services.
2. Determine if the transaction is an acceptable use of the P-Card, and if it is within the Cardholder's spending limit.
3. Check the appropriate budget to ensure there is an adequate "unencumbered balance" available.
4. Request that tax (if applicable) be included. YC is taxable for transaction privilege taxes (sales tax). If tax is not charged by the vendor at the time of the purchase, it will be added to the purchase price manually by the Business Office as required by the State of Arizona.
5. Confirm pricing, tax, and freight.
6. Ensure that an invoice or receipt is obtained for every purchase made. It should include a detailed description of everything purchased and include pricing, tax and freight costs if to be shipped at a later date.
7. Goods/Services that have contracts/agreements requiring signature must be forwarded to the Purchasing and Contracting Department for review and signature.
8. Services that present sufficient risk to the College will require a Certificate of Insurance. See page 9 for further clarification.

Returns, Credits and Disputed Charges

Should a problem arise with a purchased item or charges, every attempt should be made to first resolve the issue directly with the supplier. Review of future TDR's is vital to ensure the account is properly credited for returns, credits and disputed charges. The returned, credited, or disputed item should be noted on the P-Card Transaction Detail Report.

- **Returns:** If a Cardholder needs to return an item to a supplier, contact the supplier and obtain instructions for return. If returned in person, be sure to receive a credit memo or other documentation that verifies the return of merchandise.

If returning through the mail, contact the supplier and get detailed information as to where and how it should be returned. Oftentimes, you will be given a RMA# (Returned Merchant Authorization number). Prepare that package for mailing and contact Distribution Services (ext. 2192) to pick up the package and mail.

Note that some suppliers may charge a restocking or handling fee for returns.

- **Credits:** If the vendor accepts an item as a return, a credit for this item should appear on the following month's TDR.
- **Disputed Charges:** If a Cardholder finds a discrepancy on a monthly TDR, the Cardholder should contact the vendor and attempt to resolve the problem directly. If a Cardholder cannot resolve a disputed item directly with the vendor, the Cardholder should complete an online request to dispute through the JP Morgan website. JP Morgan will place the charge in a "State of Dispute" and the account may be given a provisional credit until receipt of adequate documentation from the vendor. If the documentation appears to be in order, the transaction will be reposted to the account and the dispute considered closed. If the charge is suspected to be fraudulent, the P-Card will be immediately blocked, continue to have a provisional credit (if given) and an investigation of the charge will continue. A new P-Card will then be re-issued (via the P-Card Administrator) to the Cardholder, if appropriate. If the charge appears legitimate, the transaction will then post to the new account.

Conflict of Interest (Yavapai College Policy 2.20)

YC as a general rule does not purchase goods or services, or enter into any type of contract with students, faculty, staff or members of their immediate families. An acquisition from a business in which an employee has an interest is prohibited unless full disclosures of the background facts are presented in writing to the Purchasing and Contracting Department and quotes are received from two other vendors. Interest is deemed present if the employee and/or his or her spouse or un-emancipated minor children own ten percent or more of the assets of a business. Direct purchase by YC staff or faculty from a company they have personal interest in is strictly prohibited.

DISALLOWED PURCHASES LIST

Below is a list of products that are not allowed to be purchased using the YC P-Card. In most cases, restrictions have been set up with the bank to disapprove these purchases. However, it is the Cardholder's responsibility not to purchase any of the products or services identified below.

1. **Alcoholic beverages**
2. **Payments to Individual Independent Contractors (see page 9). These purchases must be made via Independent Contractor Form and substitute W9 and may require additional forms prior to committing the work.**
3. **Non-generic office supplies**
4. **Capital equipment (Items costing \$5,000 or more)**
5. **Cash advances**
6. **Fines, late fees, or penalties**
7. **Firearms/weapons/ammunition/pyrotechnics/explosives**
8. **Gift certificates/gift cards/telephone cards**

- 9. Entertainment
- 10. Flowers
- 11. Foreign purchases of goods
- 12. Gasoline-See Yavapai College Travel Procedures Manual for Travel guidelines.
- 13. Gifts and contributions
- 14. Insurance
- 15. Narcotics and all drugs
- 16. Personal purchases
- 17. Purchases of \$5,000 or greater
- 18. Split Purchases to circumvent the \$5,000 limit. (See Purchase Card Split Transaction Form)
- 19. Per Diem travel expenses for employees. See Yavapai College Travel Procedures Manual for travel guidelines.

PURCHASES DISALLOWED WITHOUT PRIOR APPROVAL

Below is a list of products that may be purchased using the P-Card only if pre-approved by the appropriate department. It is the Cardholder's responsibility not to purchase any of the products or services identified below without prior approval.

<u>Products</u>	<u>Required Department Pre-Approval</u>
1. Furniture to include: desks, chairs, bookcases, and other office and classroom furnishings.	Facilities
2. Appliances to include: refrigerators, microwave ovens, toasters, coffee pots and other appliances.	Facilities

<u>Products</u>	<u>Required Department Pre-Approval</u>
3. Electronics to include: Computers, printers, I-pads, tablets, projectors, TV/monitors, DVD Players, phones and other electronics. Includes any software programs associated with Electronics.	ITS
4. Food and beverages to include: Bottled water and coffee for employees or for community events require pre-approval via an Official Functions Form. Food and beverages used 100% for students, do not require pre-approval. The purchase documentation must <u>clearly</u> document that the food was purchased for a student activity.	Vice President

INDEPENDENT CONTRACTORS

An independent contractor is a person or business that provides services and/or goods to YC under terms specified in a contract or within a verbal agreement.

Individual Independent Contractors

Individual Independent Contractors cannot be paid with the P-Card. The **Yavapai College Individual Independent Contractor Form and Substitute W9 Form** must be completed and submitted to the Business Office for review and payment via check.

Business Independent Contractors

Corporations, Partnerships, LLC's etc. can be paid via P-card or can be paid via Check Request. There are times where use of their services may include performing services at YC campuses and/or have sufficient risk to YC and thus will require liability insurance to be obtained and may require a written contract.

CERTIFICATE OF INSURANCE (COI)

The following are examples of services with sufficient risk that may require a Certificate of Insurance.

- Architect/Engineers
- Asbestos Abatement
- Construction
- Equipment repair on-site
- Floor refinisher
- Food Services equipment repair on site
- HVAC
- Locksmiths
- Painters
- Plumbers
- Roofers/Scaffolding/Crane work
- Commercial cleaner
- Hazardous Waste/Transporter/HIPPA & PII
- Inflatable attraction/Amusement rental
- Pest control/Exterminator
- Security
- Snow removal services
- Tree Services
- Transportation/Charter

- Tournaments/Practices/Competitions/
- Athletic Demonstrations
- Food Catering services

This list may not be all inclusive of all services that may present sufficient risk to the college. Contact the Purchasing and Contracting Department with any questions.

It is the responsibility of the Department to obtain a Certificate of Insurance when necessary. The Certificate of Insurance needs to be sent to the Purchasing and Contracting Department. YC may require an **Independent Contractor Agreement** for some services.

RECORDKEEPING

Receipts

Always obtain a receipt when using the P-Card. It is every Cardholder's responsibility to ensure there is a receipt for each purchase.

Transaction Detail Report

At the end of each billing cycle, each Cardholder will be responsible for coding every purchase for that billing cycle in the online banking site (JP Morgan). A Newsflash will be sent by the Business Office prompting Cardholders to code their transactions. However, it is strongly recommended that transactions be coded throughout the billing cycle as the charges occur. After all Cardholders have coded their transactions, they will receive the (TDR) via email from the Business Office. The TDR lists purchases made to their account for that period.

CARDHOLDER RECONCILIATION

Once the TDR is received, Cardholders will need to compare all charges against receipts obtained throughout the billing cycle. Cardholders are responsible for ensuring that each charge has a receipt and that each charge is appropriate and in accordance with the P-Card Manual. After reconciliation is performed, the Cardholder must sign the TDR and forward the report along with all original detailed receipts to the Budget Manager for review and approval. After approvals have been obtained, the TDR and all original detailed receipts need to be forwarded to the Business Office for review.

DUE DATES

All communicated due dates for coding P-Card transactions as well as returning TDR to the Business Office must be adhered to. Failure to return TDR's to the Business Office within 30 days of receiving the TDR will result in the temporary closing of your P-Card. Repeated infractions will result in permanent closing of your P-Card. Continued failure to code transactions in the on line banking system as directed will also result in temporary or permanent closing of your card.



YAVAPAI COLLEGE
 Purchasing and Contracting Department
PURCHASE CARD SPLIT TRANSACTION (PST)

RETURN TO:
purchasing@yc.edu
 Revised 07/26/18

Violation

Purchase Card Split Transaction: Under YC Purchasing and Contracting Procedures, it is prohibited to split an order over multiple transactions to circumvent the Purchase Card (P-Card) limits. A split purchase is defined as the purchase of a single item costing \$5,000 (including shipping and tax) with the purchase being divided (split) into more than one transaction; or, the purchase of a group of items totaling over \$5,000 (including shipping and taxes) for a single purchase needs. A single purchase need identifies a group of items that are similar enough in nature to be purchased from a single source that are all known to be needed at the time of the first purchase transaction. Purchases cannot be deemed as separable based on multiple delivery locations, departments, nor FOAPs.

This violation was noted on your Purchase Card activity contrary to Purchasing and Contracting Procedures. Remember, your respective Dean/Director, Budget Manager, and you, the card holder, have the responsibility for ensuring all P-Card transactions are conducted in accordance with Purchasing and Contracting Procedures, serve the public purpose, further the goals of YC and shall withstand public scrutiny.

Multiple violations will initiate a review of your P-Card authority and may result in any or all of the following: revocation of your P-Card privileges, a complete audit of your account, or a report of all violations to your Vice President for further action. Individual causing the PST is to fill out and send completed form with other signatures to purchasing@yc.edu for final approval/signature.

P-Card Holder Information

Name:	Total Combined Dollar Amount:
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Vendor:	Date of violation:
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Violation Details

Description of goods/services procured:

Originator's corrective action for preventing future occurrences:

Approvals

P-Card Holder		Budget Manager (If not Dean/Director)	
Print Name:	Date:	Print Name:	Date:
Signature:		Signature:	
Dean/Director		Vice President	

Print Name:	Date:	Print Name:	Date:
Signature:		Signature:	
Purchasing and Contracting Director			
Signature:		Date:	

PURCHASE CARD MANUAL SIGNATURE FORM

Effective July 1, 2018, Procedure 4.2 of the Purchasing and Contracting Department Procedures Manual reads:

4.2 Purchase Card

Liaisons will be issued a Purchase Card (credit card) upon completion of Liaison Purchase Card training. The Purchase Card may be used to purchase items with a cost under \$5,000.

Purchases of \$5,000 or more may be paid with an Accounts Payable Purchase Card; however, these purchases will be reviewed on a case-by-case basis. If there is an item that needs to be paid by P-Card and the item is \$5,000 or more, a requisition/purchase order will need to be generated.

Misuse of P-Card. Utilizing the P-Card for unauthorized items/services, split transactions or for personal items/services is a violation of the current procedures and will be dealt with in accordance to established procedures set forth in the Purchase Card Manual including and up to termination. Please see the Purchase Card Manual for more details.

The Purchase Card Manual further states:

Any Cardholder who makes improper or fraudulent purchases with the P-Card may be subject to disciplinary action and/or personal liability. YC may deduct an amount equal to the total of the improper charges plus any administrative fees charged by the bank in connection with the misuse from the Cardholder’s salary or other amounts payable to them.

I, _____ (print name), as the Liaison for _____ (department) have read and understand the Purchasing Procedure 4.2 listed above and the Purchase Card Manual attached here.

Cardholder Signature

Date

I, _____ (print name), as the Budget Manager and supervisor of the above named Liaison have read and understand the Purchasing Procedure 4.2

listed above. I will assist my Liaison in upholding said procedures and will review and approve all purchases as needed.

Budget Manager Signature

Date