2017 P-Card Updates

Effective
April 1, 2017
What:

• ...has changed?
  • Appropriate situations for P-Card use.
  • Initial application process.
  • Frequency of credit checks.
  • Preapproval process.
  • Reconciliation through Works.
  • Spending limit increases.
  • Training requirements – DOAS & UWG

• ...has stayed the same?
  • Compliance.
  • Approved and prohibited purchases (one exception).
  • Equal liability for cardholder and approvers.
  • Separation of duties.
  • Personal purchases prohibited.
  • Split purchases prohibited.
  • Violation policy.
Why:

- All updates to the University’s P-Card program are due to revisions in the *Statewide Purchasing Card Policy*.
- The *Statewide Purchasing Card Policy* serves as the policy for the P-Card Program at the University of West Georgia.
- The University’s plan cannot be more lenient than the state policy.
When:

• The changes to the *Statewide Purchasing Card Policy* go into effect on April 1\textsuperscript{st}, 2017.

• All P-Card purchases on or after April 1\textsuperscript{st} must be in compliance with the new policy.
1. The P-Card may be used for preapproved planned, routine or non-urgent transactions within the cardholders established credit limits provided the transaction:

- Is not prohibited by state law, DOAS policy, BOR policy or UWG’s P-Card Plan.
- Has been preapproved by two trained approvers.
Appropriate situations for P-Card use (cont):

2. Preapproval for a transaction under $1,000 is not required provided at least one of the following criteria is met:

- **Unplanned**: Not anticipated or known in advance.
- **Non-routine**: Commonplace tasks or duties done irregularly or at sporadic intervals. Not monthly or standard recurring.
- **Urgent**: Compelling or requiring immediate action or attention; imperative; affecting life/safety; pressing.

Comments explaining the nature of the situation that made the transaction exempt from preapproval must be included in the reconciliation.
Initial Application Process:

The process for a permanent, part-time or full-time, University employee in a position that requires the use of a p-card is:

• Complete UWG P-Card Justification Form and submit to Purchasing for approval.

• After Purchasing approves the Justification, complete and send the following forms to Purchasing:
  • P-Card Application
    • Must be approved at a minimum by:
      • Employee’s supervisor
      • University P-Card Administrator
      • Vice President for Business and Finance (Purchasing will request this approval)
  • Ethical Statement of Values
  • Authorization Form for Consumer Reporting

• Once the application has received the three levels of approval listed above, the application will route to Human Resources where a credit check will be completed and the application will be approved or denied based on predefined criteria.
Frequency of Credit Checks:

The *Statewide Purchasing Card Policy* has been revised to require credit checks to be completed:

- Upon initial application
- At account renewal before the cardholder picks up the new P-Card.
  - The University’s P-Card Administrator will notify the cardholder when the renewal credit check is required.
  - Human Resources will complete the credit check and approve or deny the renewal based on predefined criteria.
Preapproval Process:

• The *Statewide Purchasing Card Policy* requires that planned, routine or non-urgent transactions within the cardholders existing credit limits receive two levels of approval before purchase.

• The pre-approvals will be obtained through a Google Sheet to which each cardholder and approver will have access. Job Aids are provided on Purchasing’s website for the completion of both the request and approval process.

• Both approvers must approve the request before the payment can be made.
Reconciliation through Works:

- Each cardholder is required to sign off on transaction in Bank of America’s Works Payment Manager at least monthly. A job aid is provided on Purchasing’s website with step-by-step instructions for this process.

- Failure to sign off on transactions at least monthly will result in violations and possible revocation of card privileges.
Spending Limit Increases:

The process for obtaining either an increase in either the established Single Transaction Limit or Cycle Limit is as follows:

• Cardholder must complete the P-Card Change Request form located on Purchasing’s website.

• Supervisor must sign the Change Request and send to Purchasing.

• Purchasing must seek approval from OPB and DOAS before the increase will be granted.

• Provide as much detail as possible to increase the chance of OPB/DOAS approval.

• The P-Card Administrator will contact the cardholder and supervisor when OPB and DOAS respond to the increase request.

• Limits will revert to original limits after 5 days.
Training Requirements:

Every cardholder and approver must complete both UWG and DOAS training before the cardholder may make any purchase after April 1st. Training can be found:

- UWG training is available through CourseDen. This is a 20 question, multiple choice quiz.
- DOAS training is available through the Learning Management System at doas.exceedlms.com.
- Complete the Introduction to Purchasing Card Principles (6600W) and send a copy of your certificate of completion to Jeanna Lambert.
- DOAS will allow cardholders and approvers until May 15th, 2017 to complete the training. However, the p-card may not be used until both cardholder and approver have completed training.
- The P-Card Administrator will contact the Cardholder when all training has been completed and the card has been reactivated.
Some Things Never Change:

- **Compliance**: The University’s P-Card Plan is governed and in compliance with the following:
  - State Law
  - The Statewide Purchasing Card Policy
  - Board of Regents Policy
The University’s P-Card Plan can not be more lenient than any of the preceding.

- **Approved and prohibited purchases**: The only change to the list of approved and prohibited purchases is that Promotional items are now prohibited from being purchased by p-card. A list of allowable purchased can be found on Purchasing’s website. The list is not all inclusive and when in doubt, the P-Card Administrator should be contacted.

- **Equal liability for cardholder and approvers**: Both cardholders and approvers are responsible for understanding and adhering to the guidelines established in the University’s P-Card Plan and failure to do so may result in termination of card privileges, termination of employment and criminal prosecution.
Some Things Never Change (cont):

- **Separation of duties:** One of the fundamental internal controls for the P-Card Program is separation of duties. Neither the P-Card Administrator, Director, or Assistant Director may be a cardholder. Each cardholder is required to have a superior approve all P-Card transactions. Approvers may not be subordinates of the cardholder.

- **Personal purchases prohibited:** Any person who knowingly uses state funds for personal purchases under $500 is guilty of a misdemeanor and guilty of a felony punishable by up to 20 years in prison for personal purchases in excess of $500. Approving officials who knowingly, or through willful neglect, approve personal or fraudulent purchases are subject to the same disciplinary actions as those making the purchases.
Some Things Never Change (cont):

- **Split purchases prohibited**: Cardholders are prohibited from circumventing their single transaction limit by splitting a transaction between:
  - Two or more transactions on a single account.
  - Two or more transactions on multiple accounts.
  - Two or more transaction using the P-Card and a purchase order.

Intentionally split transactions will result in permanent revocation of card privileges.
• **Violation policy:** Violation of the rules governing the use of P-Cards can be classified as minor or major. Examples of minor violations include but are not limited to:
  • Delinquent submission of monthly reconciliations.
  • Purchases made without obtaining the proper pre-approvals.
  • Failure to sign off on transactions in Works.
  • Purchasing outside of state contract.
  • Undocumented sales tax.

Cardholder who receive three minor violations during a fiscal year will have their card suspended for a month. Additional violations will be handled on a case by case basis.

Major violations include but are not limited to:
  • Knowingly purchasing prohibited or unauthorized items.
  • Splitting orders to avoid the single transaction limit.
  • Allowing other to use the P-Card.
  • Sharing passwords.
  • Knowingly and intentionally making personal purchases.

Card privileges will be terminated permanently following the cardholder’s first major violation.
Questions, Comments, Concerns:

Please contact Purchasing Services with any questions, comments, and concerns.

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