

**University of West Georgia
Purchasing Card Plan**

April 1, 2017

University of West Georgia Purchasing Card Plan

I. STATEWIDE PROGRAM OVERVIEW

The State of Georgia Purchasing Card (P-Card) program streamlines payments for goods and services for State business use by eliminating the administrative burdens and costs associated with traditional methods of payment. The State Accounting Office (SAO) has established the [policy](#). The P-Card can be used as the method of payment for the following types of transactions:

- Planned, routine and non-urgent transactions that are within the cardholder's established transaction limits provided the following:
 - a. The transaction is not prohibited by:
 - i. State Law
 - ii. DOAS Purchasing Card Policy
 - iii. Board of Regents Policy
 - iv. The University's P-Card Plan
 - b. The transaction has received preapproval from the cardholder's supervisor and the Departmental Budget Manager through Bank of America's Works program (Works). This approval must be received prior to the transaction being processed.

A list of allowable purchases can be found in Section VIII.A and VIII.B. This list is not all inclusive of every allowable transaction.

- Unplanned, non-routine, or urgent point of sale purchases under \$1,000.
 - a. Preapproval is not required if one of the following conditions is true of the transaction:
 - i. **Unplanned:** Not anticipated or known in advance.
 - ii. **Non-routine:** Commonplace tasks or duties done irregularly or at sporadic intervals. Not monthly or standard recurring.
 - iii. **Urgent:** Compelling or requiring immediate action or attention; imperative; affecting life/safety; pressing.

Only one of the three criteria of unplanned, non-routine, or urgent must be met, for a transaction to not require preapproval. A lack of individual or departmental planning does not constitute an emergency purchase justification for the purposes of P-Card use. The P-card is not intended to be a tool for convenience purposes except for such items as noted in VIII.A and VIII.B. Allowable Purchases.

The State of Georgia P-Card Program is the only charge card program authorized to be used by the University of West Georgia (University).

The *Statewide Purchasing Card Policy* serves as the Policy for the P-Card Program of the University of West Georgia. The University has implemented a P-Card Plan and is responsible for ensuring compliance with the plan.

II. TYPES OF ACCOUNTS

All cards can be used for official University business only. Cards must be surrendered and accounts closed upon demand for any reason including termination of employment. Cardholders are limited to one active P-Card.

A. Who Qualifies to Apply for a P-Card

Before applying for a P-Card, the potential cardholder and their supervisor must present a completed and signed UWG P-Card Justification of Need Form (Justification). The Justification must include at a minimum:

- A description of the types of products and/or services for which the potential cardholder anticipates using the P-Card.
- The reason a different procurement channel (e.g. ePro purchase order, Check Request) would not be sufficient to obtain the needed products and/or services.
- A description of the hardship an existing cardholder would experience should they be tasked with completing the purchases the potential cardholder has described. This description should explain why the use of an existing P-Card would be unfeasible.

University Purchasing Services (Purchasing) personnel will review the Justification to determine if the following criteria are met:

- Supervisor listed on the Justification may have no more than 10 cardholders whose transactions the supervisor is responsible for approving.
- A minimum of one purchase that cannot be made through an existing procurement channel must be listed.
- P-Cards must be available to be issued for new Studies Abroad and UWG Team Travel when needed. Should the total number of cards in the University's Purchasing Card program not be sufficient to accommodate all new card requests, Study Abroad and Team Travel cards will take precedence to standard P-Cards.
- Purchasing will review expected use of the P-Card provided on the Justification to determine if there are Statewide Contacts, Agency Contracts, or other defined P.O. methods established for ordering.

Should Purchasing determine that an established procurement channel aside from a new P-Card is already in place based on this criteria, the Justification will be denied and the applicant will be informed of the correct tool to use in making the purchases.

In addition to a Justification Form approved by Purchasing, employees seeking to obtain a P-Card must:

- be a permanent, part-time or full-time, University employee in a position that requires the employee to purchase goods and services to accomplish their Department's mission. There will be no exceptions to the following:
 - Neither cards nor accounts will be issued to employees of foundations, temporary workers, or contractors.
 - Cards and other accounts will not be issued in the name of a Department or work unit to be shared by multiple employees.

- Only the employee whose name is shown on the face of the card is authorized to make purchases with the card, either in person, on-line, or by telephone. Use by any other person, even if for State business purposes, is considered a Major Violation and will result in the revocation of card privileges.
- have not previously had a P-Card terminated for non-compliance.
- have completed ePro Requester training in the Center for Business Excellence.
- pass a credit check.

B. How to Apply

Employees whose Justification Form has been approved and meet the above criteria may apply for a P-Card by filling out:

- The P-Card Application
- The Ethical Statement of Values
- Authorization Form for Consumer Reporting

All forms are posted on Purchasing's website. At a minimum, the employee's supervisor, the University's P-Card Administrator and the Vice President for Business and Finance (CFO) must approve a cardholder's initial application for a P-Card. Renewal of existing accounts will also require the same level approval.

Once the P-Card Application has been approved on all levels listed above, Human Resources (HR) will request a credit check through an existing Statewide contract vendor and accept or deny the P-Card Application based on predefined criteria. Should an application be denied, the applicant will be informed by the P-Card Administrator and should contact HR to learn the details from the credit report that resulted in the denial.

III. LEGAL ISSUES

All procurement laws in the Official Code of Georgia, Annotated, and administrative rules found in the Georgia Procurement Manual apply to the use of the P-Card. Cardholders, program users, CFOs or supervisors/approving officials who knowingly, or through willful neglect, fail to comply with the following may be subject to suspension or termination of account privileges or other disciplinary action, up to and including termination of employment and criminal prosecution to the fullest extent of the law.

- Official Code of Georgia, Annotated (O.C.G.A.), sections related to governmental purchasing
- Applicable requirements of the Georgia Procurement Manual (GPM) Statewide Purchasing Card Policy
- University policies and procedures governing procurement and the Purchasing Card Program

A. Personal Purchases Prohibited

Cardholders and other program personnel are prohibited from using the P-Card for the purchase of any goods or services not directly or indirectly related to official University business. Intentional use of, or approval for, the use of the card for personal purchases will result in disciplinary action, up to and including termination of employment and criminal prosecution.

- The Official Code of Georgia, Annotated (O.C.G.A.), §50-5-80 states that any person who knowingly uses state funds for personal purchases under \$500 is guilty of a misdemeanor.
- A person who knowingly uses state funds for personal purchases of \$500 or more is guilty of a felony punishable by one to 20 years in prison.
- Supervisors or other 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.

B. Cardholder Background Checks

O.C.G.A. §50-5-83 requires criminal background checks on all employees hired for positions that are eligible for P-Cards.

C. Cardholder Credit Checks

In addition to background checks for all cardholders, O.C.G.A. §50-5-83 requires credit checks on all employees issued a purchasing card. Credit checks will be conducted through existing Statewide contract vendors and procedures including standardized reports that indicate acceptance or denial of the employee's request for a card based on predefined criteria. The University's escalation path for denials is as follows:

1. The University's P-Card Administrator will contact the cardholder to notify them of the denial and direct them to contact Human Resources for details regarding the denial.
2. When contacted, the University's Human Resource department will explain why the application was denied based on the predefined criteria and suggest methods for disputing inaccurate data on the credit report.

Additionally, credit checks will also be run at the time of account renewal.

D. Split Purchases Prohibited

DOAS 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 the preapproval 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.

1. 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 at <http://doas.ga.gov/state-purchasing/law-administrative-rules-and-policies/gpm> for complete information on bid requirements and procedures.
2. 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.

E. Payment of Sales and Use Tax

The University is exempt from State Sales and Use Tax by O.C.G.A. §48-8-3 when payment is made with State funds. Cardholders must present the Department of Revenue Sales and Use Tax Exemption, Form ST-5, available on Purchasing's website, to suppliers upon request. Purchases from out of state suppliers are exempt from sales tax as well when the University takes possession of the products in 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 suppliers do not charge tax or that they provide a credit for inadvertent charges.

1. If taxes are charged, the cardholder must contact the supplier 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.

The University of West Georgia 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. If the cardholder is unsuccessful in obtaining the sales tax credit, contact the P-Card administrator who will submit the correct documentation to DOR.

F. Records Retention Requirements

The University abides by the official Records Retention Schedule for the State of Georgia.

G. Internal Revenue Service 1099 Reporting

As noted in Section 6050W of the IRS Revenue Code, UWG's P-Card program is not required to report total P-Card transactions in excess of \$600 with certain suppliers. This change applies only to P-card transactions. Reporting for all other payment methods, including checks, ACH, and other means, will remain the responsibility of the University when making the payments.

H. E-Verify

The Georgia Security and Immigration and Compliance Act, O.C.G.A. §13-10-91, requires suppliers to file an affidavit that the supplier and its subcontractors have registered and participate in the federal work authorization program known as E-Verify. This program is intended to ensure that only lawful citizens or lawful immigrants are employed by the supplier or subcontractor. The University is required to obtain this signed and notarized affidavit from suppliers prior to entering into any service contract \$2,500 or greater involving the supplier's physical performance of services within the State of Georgia. The State of Georgia Attorney General's Office has interpreted this to include one-time P-Card transactions for services.

For P-Card transactions that meet this definition, the cardholder is responsible for ensuring receipt of this affidavit. A copy of this affidavit must be included with all transaction documentation.

IV. University of West Georgia Program Roles and Responsibilities

A. University President

The University's President is responsible for:

- Reviewing and approving the University's P-Card Plan
- Reviewing all amendments prior to submission to DOAS/OPB.

The President cannot be issued a P-Card.

B. Chief Financial Officer

The University of West Georgia's Chief Financial Officer is responsible for overseeing the card program. Duties of the Chief Financial Officer include:

- Successful completion of the CFO Card Program Training module
- Submission of the completed CFO Card Program Acknowledgement form
- The appointment of an Entity Card Program Administrator
- Approval of qualified cardholders and approvers
- Review and approval of the Annual Self Audit of the Entity's Card Program
- Review and approve policies in conjunction with the APO, CUPO and Card Administrator annually
- Review and approval of the Entity P-Card Plan and all amendments
- Submission of the Plan to the Entity's Agency Head or College and University President

C. College/University Purchasing Official (CUPO)

The CUPO serves as the official liaison between the University and State Purchasing Division personnel for all matters related to the University's program. The University's CUPO has delegated the administration of the program to the University's P-Card Administrator.

D. Card Program Administrator

The Card Program Administrator serves as the main point-of-contact for all card program personnel and serves as a liaison between UWG management, UWG CFO, the State Purchasing Division, and other card program personnel.

The Card Program Administrator/Coordinator fulfills responsibilities in the following areas:

Card Management

- Develops and maintains the University's P-Card plan to address policy areas unique to the University or that are not covered by the *Statewide Purchasing Card Policy*.
- Cannot be a P-Card holder.
- Works with management, including the University'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.
- Develops internal procedures for requesting new cards and/or changes to existing cards.
- Works with management and the University CFO to determine appropriate cardholder spending limits based on budget restrictions, job requirements, historical spending patterns, and overall procurement practices.

- Evaluates cardholder-spending limits against actual usage at least annually and terminates cards that show consistently low usage.
- Identifies cards with little or no usage to determine if cards are needed.
- Adjusts spending limits as necessary when approved.

Reconciliation Procedures

The Card Program Administrator is responsible for developing the following internal procedures:

- Reconciliation process that ensures timely payment and allocation of transactions to the General Ledger at least monthly.
- Documentation, including use of Works™ Payment Manager for reconciliation of transactions.
- Disputing a transaction with the Bank.

Compliance with Laws and Policies

- 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 plan.
- Develops written internal procedures for requesting exceptions to either State policy or internal plan requirements using the Special Approval Request, Form SPD-PC003.
- Develops internal procedures for requesting exceptions to both State and internal policies, if allowed.
- Submits all P-Card Plan amendments and requests for exceptions to the Statewide Purchasing Card Policy to the Entity's CFO for submission cardprograms@doas.ga.gov for approval by DOAS and OPB.

Internal Controls

- Develops the University's internal P-Card procedures in compliance with the principles of sound internal controls.
- Ensures that the University 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 as detailed in Section VI.
- Develops written procedures for ordering cards, canceling cards when lost or stolen, and when a cardholder leaves employment.
- Develops written procedures for reporting and documenting actual and/or potential cardholder abuse or misuse.
- Ensures that transactions are audited at least annually during the required self-audit process outlined in section VII Internal Controls.

Card Program Training

- Develops University specific training for all cardholders, supervisors, and other approving officials.
- Develops appropriate refresher training to be delivered at least annually.

- Ensures that all card program personnel receive notification of changes in State and internal policies, including Official Announcements from the State Purchasing Division.

E. Supervisors / Approving Officials

Supervisors or other persons responsible for reviewing transactions must have a thorough knowledge of the cardholder's 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.

Monthly Reconciliation

- Before approving the P-Card transactions, 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.
- Ensure that passwords are not shared or delegated for others to use in order to review and approve transactions.
- Sign off on all transactions at least monthly.
- Ensure all documentation is submitted according to internal procedures and State requirements. See Section VII of the *Statewide Purchasing Card Policy*.

Other Responsibilities

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

F. Cardholders and Related Account Users

All cardholders are de facto purchasing agents for the State of Georgia and the University of West Georgia with limited scope of authority and must comply with State procurement policy. All card program personnel must have a working understanding of State procurement laws and the requirements of the Georgia Procurement Manual.

Card Usage

- Ensure that no other persons have access to any card information (i.e. card account number, expiration date, security code).
- Ensure that all purchases comply with State Policy, University Purchasing policies, and the University P-Card Plan.

Monthly Reconciliation

- Ensure that all invoices and receipts meet minimum requirements for adequate documentation of transactions.
- Sign off on all transactions in Works at least monthly.

- Ensure all documentation is submitted according to internal procedures and State requirements. See Section VII.A. of the *Statewide Purchasing Card Policy*.

Other Responsibilities

- Maintain knowledge of State and internal procurement policies and procedures related to use of the P-Card.

V. TRAINING

A. University Cardholder and Approver Training

Cardholders and approvers must complete mandatory P-Card training before the P-Card will be provided to the cardholder. The training will be scheduled and conducted by the P-Card administrator after the P-Card has been ordered and includes relevant portions of the following:

- Georgia Procurement Manual
- Statewide Purchasing Card Policy
- Internal procurement policies and P-Card plan

Refresher training will be conducted annually for all cardholders, supervisors, and approving officials.

All cardholders must sign a cardholder agreement that contains the terms and conditions for use of the P-Card.

B. Statewide Training

The Professional Development Unit of the State Purchasing Division provides additional training for cardholders, supervisors, approving officials, CFOs, and Card Program Administrators. Contact the P-Card Administrator for help registering for any of the following courses:

1. *Introduction to P-Card Principles*: Provides information necessary to understand the purpose of the P-Card, its benefits, and the procurement regulations that apply to using the P-Card. This course is required as either initial training or annual refresher training, or both, for Card Program Administrators, cardholders, and supervisors/approving officials for those State Entities that do not provide training.
2. *Evaluating P-Card Program Management*: Provides guidance to Agency/University Procurement Officers, Card Program Administrators, and auditors on evaluating P-Card policy and internal controls and auditing transactions.
3. *P-Card for the CFO*: Training module provides an overview of the card program and the CFO's roles and responsibilities related to the program.

VI. INTERNAL CONTROLS

A. University of West Georgia Internal Controls

A strong system of internal controls is essential for detection and deterrence of fraud, cardholder misuse, or cardholder abuse of the P-Card. Internal controls include purchasing policies, P-Card plan, procedures, and training in addition to spending limits and Merchant

Category Code restrictions. The University's internal control structure is in place to ensure compliance with State procurement laws, the *Georgia Procurement Manual*, the *Statewide Purchasing Card Policy*, sound accounting practices, and internal Purchasing policy. These controls include:

- Separation of duties:
 - Cards can only be ordered by the P-Card Administrator, CUPO, or Assistant Director Purchasing, none of which may be a cardholder.
 - Cardholders are allowed to make and reconcile transactions but are not allowed to approve their own transactions.
 - Approving officials must review and approve all of their subordinate's transactions.
- Two approvals are required before every transaction when the purchase is planned, routine or non-urgent. The approvals should be from:
 - The cardholder's supervisor
 - Department Director, Divisional Budget Manager, Budget Analyst or Vice President
- Reconcilers are limited to one per card and cannot be a subordinate of the cardholder. The reconciler role can be given to either the cardholder or assigned to a proxy to reconcile on the cardholder's behalf. Each card must have only one reconciler.
- The University President, AVP Business and Finance, Purchasing Director, Assistant Director purchasing and Card Program Administrator cannot be a cardholder.
- Approving official are limited to 10 cardholders for whom they are responsible to ensure adequate review of business need and documentation for each purchase.
- Cardholders cannot approve their own transactions but may reconcile their own transactions.
- Approvers cannot be subordinates of cardholders for whom they are responsible.
- Sharing of login information or passwords is strictly forbidden.
- **Delegation of the approver duties is not allowed.** If an approver is on leave or otherwise unavailable, the P-Card Administrator may assign another trained approver temporary access to approve purchases.
- In addition to the monthly audit of transactions, the P-Card Administrator performs an annual self-audit of the P-Card program which is submitted to DOAS by December 1st. Self-Audits include adequacy of:
 - internal policies and procedures
 - cardholder spending limits
 - monthly reconciliation procedures
 - documentation for transactions

B. University of West Georgia Internal Purchasing Card Policy

The *Statewide Purchasing Card Policy* serves as the Policy for the P-Card Program of the University of West Georgia.

C. Card Management and Reconciliation Systems

All transaction reconciliation is to be done electronically in Works. Transactions must be reconciled and allocated to the General Ledger within 30 days of the statement billing date.

- The University of West Georgia is required to use the Works system provided by the Bank for card administration and account maintenance.

D. Merchant Category Code Authorizations

Merchant Category Codes (MCCs) are codes assigned by a supplier's merchant bank based on the types of goods and/or services provided. By allowing or blocking certain codes, the State has some protection against unauthorized or prohibited purchases. The Bank creates MCC groups upon request by the State Cards Program Director.

- MCCs associated with suppliers that provide prohibited goods or services are excluded from these groups. Transactions that are associated with unauthorized MCCs should be blocked at the point-of-sale but occasionally are forced by the merchant. These transactions are subject to audit.

E. Cardholder Spending Limits and Utilization

Imposing spending limits enables management to provide cardholders with the purchasing power to accomplish the needs of the job without exposing the State or the University to unnecessary risk. Spending limits are based on job responsibilities. Cardholder spending limits are reviewed annually to determine if actual usage is consistent with spending limits and increases or decreases made as needed.

Cardholders are prohibited from splitting a single purchase between one or more cards or a card transaction and a purchase order in order to circumvent the card's Single Transaction Limit and/or bid requirements.

1. Available Spending Limits

- a. Cycle (Credit) Limit: Mandatory spending limit that restricts the total value of purchases a cardholder can make in one billing cycle.
 1. The University's standard cycle limit is \$5,000. If this limit needs to be increased, the Account Application and Change Request Form must be completed, signed by both the cardholder and approver, and submitted to Purchasing for processing.
 2. The cycle limit cannot be more than \$25,000 without prior, written approval from the State Cards Program Director and OPB.
- b. Single Transaction Limit (STL): Mandatory spending limit that restricts the amount of a single purchase regardless of the Cycle Limit on the card.
 1. The standard STL limit for the University is \$1,000 per transaction because State Policy establishes the maximum STL for unplanned, non-routine, or urgent point of sale P-Card transactions be set at \$1,000.
 2. The STL for allowable planned, routine or non-urgent P-Card purchases with two levels of approval may temporarily be increased with OPB and DOAS approval. The P-Card Account Application and Change Request Form must be completed, signed by both the cardholder and approver, and submitted to Purchasing for processing either via email, campus mail,

or delivered in person. The P-Card Administrator will adjust STLs up to \$4,999.99 upon receipt of OPB and DOAS approval of the Change Request. The STL will revert to the original limit of no more than \$1,000 within 5 business days of the temporary increase.

2. Annual Review of Spending Limits

The P-Card Administrator will perform a review of spending limits annually in order to determine if each cardholder's spending limits are both adequate and appropriate according to State Policy and the University's approved P-Card Plan. The review will include transactions from at least 12 complete, consecutive cycles.

3. Dormant Cards

The cycle limit for any card that has not been used within 6 complete cycles will be reduced to \$1 to limit risk to the University. At this time, the account will be reviewed to determine if the cardholder still needs the card.

VII. DOCUMENTATION AND ACCOUNTING

A. Documentation

1. Cardholders must maintain documentation for all transactions, including an invoice or receipt, and a log of all purchases. Invoices/receipts must meet the following minimum requirements:
 - a. Complete supplier/merchant information (name, location)
 - b. Line item details, including quantity, description, unit price, and total price
 - c. Line showing no sales tax
2. If a cardholder loses a receipt and a duplicate cannot be obtained, the cardholder may use the Lost Receipt Affidavit, Form SPD-PC005. Use of this form more than three times during a fiscal year will result in suspension of card privileges for one month.
3. Original documentation for each transaction must be submitted along with the Account Summary Form, Transaction Log, and Bank of America statement to the Purchasing Services office no later than the 20th of the month the cycle ends.

B. Monthly Reconciliation – Manual Logs

Monthly reconciliation documentation must meet the following additional requirements:

1. The cardholder and supervisor or second level approver must sign the transaction log. Signature stamps are not permitted.
2. All invoices/receipts must be attached to the Account Summary Form, Transaction Log, and Bank of America statement and submitted to Purchasing no later than the 20th of the month the cycle ends

C. Monthly Reconciliation – WorksTM Payment Manager

Cardholders, proxy reconcilers, supervisors, or other approving officials MUST enter comments and/or line descriptions for each transaction. This allows program administrators, auditors, and other third parties more oversight of transactions. Comments

should include the purpose of the purchase, for whom the purchase was made, and other relevant information to allow outside parties to determine that the expense was business-related.

D. Allocation to the General Ledger

Timely allocation of charges to the General Ledger is essential to ensure compliance with State accounting and budgetary policies. All transactions must be allocated to the General Ledger within 30 days of the statement billing date. Therefore, the timely submittal of reconciliations is of the utmost importance.

VIII. USE OF THE CARD

All purchases made through the program must be for official State business.

Only the employee whose name appears on the face of the card is authorized to initiate transactions with the card. Use of card by any other person, even if the purchase is for legitimate State business, is considered misuse of the card and will result in revocation of card privileges.

A. Allowable Purchases

The P-Card may be used for charges that are unplanned, non-routine, or urgent purchases and not otherwise prohibited without preapproval in Works.

As noted on page 1, **transactions that are planned, routine, or non-urgent and within the cardholder's established transaction limits may be purchased with the P-Card provided the transaction is not otherwise prohibited and is preapproved through the Google Sheets Pre-Approval workflow by the cardholder's supervisor and second level approver.**

B. Allowable Purchases – Restrictions Apply

- Registrations:
 - Registrations are allowed for employees and students only.
 - If there is a separate fee for food or excursions, these items should not be charged to the p-card.
- Student portion of Team Travel and Study Abroad expenses to include:
 - All types of transportation when this transportation is needed in the fulfillment of the University's mission.
 - Lodging and meals for students when needed in the fulfillment of the University's mission.
- Equipment:
 - Use of the P-Card for equipment is allowed for equipment less than \$1,000 only.
- Software or applications (apps) for State-issued computers, smart phones, and tablets only (e.g. iPhone, Android, iPad).
 - Purchases cannot be made for personal devices even if used for business purposes.
- Software can be purchased with the following restrictions:

- Mandatory Statewide Contract vendors must be contacted and utilized whenever available.
 - A p-card should not be used if a contract or End User Licensing Agreement must be agreed to before purchase.
- Food or Meals – University President has assigned a designee that must approve cardholders authorized to make food purchases. This approval will be part of the initial P-Card application and approval process.
 - Food for student activities and events when on official school business (e.g. athletic team travel). The purchase of food for student events and activities is for student consumption only. The food purchased by p-card is not intended for faculty, staff, coaches, or other school employees.
 - Food must be purchased from one of the following funding sources: Auxiliary funds, Grant funds, or Student Activity fees.
 - Documentation must include:
 - Itemized receipt showing all meals purchased
 - Roster of participants showing student name and signature.
 - Copy of team schedule or proof of event showing that the meal was for an authorized student activity.
 - Food purchased with Institutional Funds Form. The cardholder’s supervisor or second level approver must sign the form.
 - Food purchased for resale in the Bookstore.
 - Food for school-sponsored childcare (e.g. the University Pre-K).
- Repairs & Maintenance
 - Cardholder should not sign a maintenance agreement.
 - If service exceeds \$2,499.99, a purchase order should be issued.
- Advertising:
 - A copy of the ad or job posting should be attached to reconciliation.
- Books for research and/or departmental use.
- Subscriptions (including software licenses)
 - Should be for 1 year or less.
- Professional Dues & Memberships
 - Excludes Chamber of Commerce memberships
 - Employee memberships on behalf of the University are allowed
- Lab/Research supplies

C. Purchases Prohibited by the Official Code of Georgia:

- Goods or services not directly related to job responsibilities or other official State of Georgia business (i.e. personal purchases).
- Data plans, software, or applications (apps) for non-University issued devices, including, but not limited to, smart phones, laptop computers, and tablets.
- Memberships at wholesale warehouses and shopping clubs (e.g. Sam’s, Costco, Amazon Prime)
- Cash advances
- Gift cards, stored value cards, calling cards, and similar products.
- Employee travel expenses related to lodging and meals.
- Entertainment. This restriction *does not* apply to student activities or to items purchased for resale at the Bookstore.
- Alcoholic beverages or products

- Tobacco products
- 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.
 - This restriction does not apply to non-mechanical body shop repairs (e.g. dented bumper) not covered under the State's vehicle maintenance contract.
 - This restriction does not apply to auto parts for in-house use (e.g. Entity-operated repair shops).
- Airline tickets

D. Purchases Prohibited by the University System of Georgia:

- Lodging, Transportation, and Meals for employees. Registrations are allowed. See VIII.E.1 below for additional information.
- Professional services as listed in BPM Section 3.1.2 and O.C.G.A. 14-7-2.
- Agency or affiliated organization expenditures.
- Purchases made from units of the institution (e.g. the bookstore or Continuing Education courses)
- Split purchases
- Sales Tax

E. Purchases Prohibited by the University of West Georgia:

The following purchases are prohibited by UWG due to additional approval, documentation and tracking requirements.

- Prizes, awards and promotional items
- Prospective employee travel & entertainment expenses
- Foundation purchases
- Breakroom supplies for employee use
- Decorations, flowers, greeting cards and gifts
- AEDs and defibrillators
- Hazardous or radioactive materials
- Computers including iPads, tablets and laptops
- Rolling stock
- Inventory equipment
- Unmanned Aerial Systems (Drones)
- Employee Uniform Purchases

F. Declared Emergencies and Natural Disasters

The *Georgia Procurement Manual* grants authority to forego standard procurement requirements for needs arising from unforeseen causes. In cases involving the welfare of the general public, extreme weather conditions, or official declared emergencies, the Program Administrators are allowed to obtain after-the-fact approval for exceptions to this Policy.

1. The Program Administrator must submit the Form SPD-PC003, Special Approval Request, to notify the State Cards Program Director and OPB within 72 hours of any actions taken in response to these emergencies and the nature of the actions taken.
2. Documentation for transactions must follow guidelines for emergency purchases as contained in the *Georgia Procurement Manual*, including use of and retention of Form SPDNI005, Emergency Justification Form, available in the SPD Official Forms section of Agency Resources on the State Purchasing Division website.

Key personnel responsible for implementing the University's response to emergencies must know how to contact the University's APO/CUPO, the Card Program Administrator, and the back-up Card Program Administrator. University procurement personnel have access to State Purchasing Division and Bank contact information in order to address card-related issues, including, but not limited to, corporate credit limit, individual card credit limits, and Merchant Category Code groups.

IX. VIOLATIONS

Violations of rules governing the use of P-Cards can be classified as minor or major. The suspension or revocation of the card is dependent upon the nature and frequency of the violation. Cardholders and cardholder supervisors will be copied on all violations and supervisors will be consulted by the Purchasing Department before suspension or revocation occurs. Suspension or revocation actions cannot be overturned by the cardholder or cardholder supervisor if the decision by the P-Card Administrator has been made. Internal Audit, Office of the Controller and the VP of Business & Finance will be notified of all major violations.

If it is determined by the P-Card Administrator that additional action should be taken to resolve the violation, the Cardholder, Cardholder Supervisor and Internal Audit will be notified of P-Card non-compliance and each department will proceed accordingly.

Personal misuse of the State's purchasing card, whether inadvertent or intentionally, will result in the cardholder's name being reported to the Office of Internal Audit at the Board of Regents. The University has no latitude in reporting misuse. In addition, purchasing items on such purchasing card that are not authorized for purchase by such employee is a reportable offense.

A. Minor Violations

Minor Violations are instances that are accidental and without willful intent. A Cardholder will receive two warnings for minor violations. A third violation within a fiscal year will result in the loss of P-Card privileges for a suspension period of one month. Additional minor violations will be reviewed on a case-by-case basis and action will be taken for additional suspension or a revocation of P-Card privileges. In the case of minor violations, P-Card privileges can be revoked for up to one year, after which time, the Department Head may request re-issuance of the P-Card for the affected individual. Examples of minor violations include but are not limited to:

- Delinquent Monthly Reconciliations and Statements
- Improper purchases made that are unauthorized or restricted
- Purchasing outside of state contract
- Defensive or untimely responses to P-Card Administrator
- Undocumented sales tax charge errors (action not taken to credit)
- Missing receipts – Missing receipt form can be used three times during one fiscal year before suspension of account.

B. Major Violations

Major Violations indicate a willful intent to disregard P-Card program and State Purchasing rules. One major violation will result in loss of card privileges. Furthermore, the circumstances of the violation will be reported to the Office of Internal Audit, Board of Regents, for any additional action, which could include termination of employment and/or prosecution. Individuals whose violation results in the termination of their card will not be permitted to obtain another P-Card. In addition to Prohibited Purchases, examples of major violations include but are not limited to:

- Repetitive purchasing of unauthorized or restricted items
- Splitting orders to avoid the single transaction limit
- Allowing others to use the P-Card
- Knowingly and intentionally making personal purchases

Upon a major violation or revocation of P-Card privileges, the following offices will be notified:

- Internal Audit
- Office of the Controller
- VP of Business & Finance
- Office of Internal Audit, Board of Regents

X. SURCHARGES & CONVENIENCE FEES

Many suppliers charge a credit card processing fee or convenience fee for accepting credit cards including the P-Card. These types of fees are strictly regulated by Visa and MasterCard (also called the Associations).

A. Surcharges

According to Visa's Card Acceptance and Chargeback Management Guidelines for Merchants (Merchants is synonymous with suppliers) available on Visa's website, credit card surcharges are allowed but cannot be more than the amount the supplier's bank charges them for processing the transaction. In addition, the supplier cannot charge both a surcharge and a convenience fee, explained below.

The maximum allowable surcharge is 4% and must be shown as a line item on the details invoice or receipt. Whenever a supplier charges a surcharge, the following rules apply:

1. The supplier must have provided Visa and their merchant bank at least 30 days' notification of the intent to impose surcharges.
2. The fact that the supplier imposes these charges must be clearly posted on the door and at point-of-sale for physical locations and on websites when sales are made via the internet and inform the customer:
 - a. Of the exact percent of the surcharge

- b. That it is being assessed by the supplier and is only applicable on credit transactions
- c. That it is not greater than what the supplier pays to Visa.

For any transaction where the supplier has charged a surcharge, the cardholder must obtain a copy of the acknowledgement letter sent to the supplier by VISA authorizing the supplier to impose a surcharge. This copy must be maintained with the invoice and all other documentation for the transaction. In the event of a regular supplier, a copy on file with the Card Program Administrator will be sufficient.

B. Convenience Fees

Convenience fees for certain transactions can be paid if they are charged in compliance with Visa rules. Visa regulations apply to the University's P-Card accounts.

Convenience fees are allowed if they are charged in compliance with Visa rules. For merchants who offer an alternate payment channel (i.e., mail, telephone, or e-commerce) for customers to pay for goods or services, a convenience fee may be added to the transaction amount. If the merchant chooses to assess a convenience fee to its customers, the merchant must adhere to the following rules.

- The fee is being charged for a bona fide convenience of using an alternative payment channel outside the merchant's normal business practice.
- The fee
 - must be disclosed to the customer as a charge for the alternative payment channel convenience.
 - is applied only to transactions that are not face-to-face.
 - must be a flat or fixed amount, regardless of the amount of the payment due.
 - is applied to all forms of payment products accepted in the alternative payment channel.
 - is included as part of the total transaction amount.
 - cannot be added to a recurring transaction.
 - is assessed by the merchant that provides the goods or services to the cardholder and not a third party.
- The customer must be given the opportunity to cancel prior to the completion of the transaction.

Visa is very clear about what a convenience fee is and how and when it can be charged. As a result, many suppliers that charge fees do so incorrectly and are therefore out of compliance with Visa regulations.

Examples of common violations of Visa's convenience fee policy include, but are not limited to, the following

- Charging a tiered or percentage based fee. Only a flat fee regardless of the transaction amount is allowed.
- Charging a fee for a transaction below or above a certain dollar amount. Convenience fees must be charged on all transaction regardless of amount.

- Charging the fee in person for face-to-face or point of sale transactions. The fees can only be applied to transactions via the mail, telephone or internet.
- Charging only for Visa or credit card transactions. Convenience fees must be applied to all payment methods accepted via that channel.
- Calling the fee a processing fee, credit card fee, surcharge or anything other than a convenience fee. The fee is designed to offset the cost of the convenience, not the cost of accepting credit cards.
- Charging higher prices for credit card purchases versus checks or cash. Note: Suppliers may offer a cash discount to customers paying with cash in person.
- Charging a convenience fee via the internet when that is the supplier's only normal business practice. If the supplier sells only on the internet, there is no convenience versus coming in to a retail location; therefore, no convenience fee can be charged.

There are many ways a supplier's actions can fall outside Visa's guidelines. As such, only suppliers in compliance with the guidelines shall be allowed to receive convenience fees via the P-Card and/or other accounts.

One example of an allowable convenience fee is a utility that charges a convenience fee for paying a bill via the phone or internet versus having to come to an office and drop off a payment. As long as the convenience fee is a flat fee and is charged to all transactions accepted via the phone or internet (such as all card types, electronic checks, etc.), it is acceptable on a P-Card transaction.

Convenience fees charged in accordance with the Visa guidelines quoted above are permitted on the P-Card or other accounts. For clarifications, please consult the P-Card Administrator. Violations of the Visa guidelines should be reported to the State Cards Program Director as merchants can be reported to Visa through Bank of America.

DEFINITIONS

Approver	The Approver is normally the supervisor to whom a Cardholder reports for authorization to purchase required supplies and services. Two approvers are required before a purchase is made. Approvers also participate in the reconciliation of Cardholder accounts, ensuring proper procedures are followed when purchasing supplies or services and verifying the information is properly reconciled after the Reconciler has completed the reconciliation of transactions. Policy prohibits a subordinate from acting as an Approver in any phase of the transaction.
Card Abuse	Use of the card for non-State business use purchases (personal purchases). See definitions of card misuse and fraud.
Card Misuse	Use of the card for legitimate purchases but for goods or services that are prohibited by State or internal policy (e.g., purchase of fuel for a State vehicle). See definitions of card abuse and fraud.
Chief Financial Officer	The CFO is responsible for the fiscal functions of the University in accordance with General Accepted Accounting Principles (GAAP) and Governmental Accounting Standards. The CFO has primary responsibility for all financial-related activities including but not limited to accounting, finance, budget, etc.
Convenience Fee	A flat amount charged by a merchant when a credit card is not the normal method of accepting payment. See section on Surcharges & Convenience Fee.
Foundation	§50-5-83 of the Official Code of Georgia, Annotated, prohibits the issuance of cards to employees of foundations associated with any State Entity. The DOAS Legal Division has interpreted this to include a prohibition of use of the card by a State Entity employee when foundation funds will be used.
Fraud	Wrongful or criminal deception intended to result in financial or personal gain. See definitions of "card abuse" and "card misuse".
Merchant Category	A system of four-digit codes, maintained by the networks (e.g. VISA), used Code (MCC) to identify a merchant's principal trade, profession, or line of business based on the type of goods or services normally provided.
Personal Purchase	Non-work related goods or services purchased solely for the benefit of the cardholder, the cardholder's family, or other individual(s). This does not include goods or services purchased for communal use at a work site and available to all employees (e.g. paper towels, tissues). University policy does not allow for purchase of breakroom or personal space items for employee use (e.g. Styrofoam coffee cups, break

room appliances, desk fans, space heaters, dish soap, cleaning wipes, etc.).

Point of Sale Purchase

Purchases made at a physical store, in person, online, or over the phone.

Reconciler

A Reconciler is the person to whom the Cardholder has delegated all the functions associated with post-purchase processing including verifying that the amount of the purchase matches the monthly statement, providing a business purpose for the transaction in associated systems, verifying supporting documentation including approvals is provided in Works. The Reconciler role can be given to either the cardholder or assigned to a proxy to reconcile on the cardholder's behalf. Each card must have only one reconciler; however, one reconciler can be the sole reconciler on multiple cards.

Split Purchase

A practice whereby one or more cardholders or suppliers split a purchase into two or more transactions and/or purchase orders to circumvent either Single Transaction Limits or bid requirements. This is prohibited by the *Statewide Purchasing Card Policy*

Surcharge

A percentage of the transaction amount charged by the merchant to cover the costs of processing credit card transactions. See section on Surcharges & Convenience Fees.

Unplanned, non-routine purchases

Expenses that are not expected in advance or are irregular in the standard course of the Entity's normal operation. These instances could include but are not limited to a part due to a plumbing emergency, services needed for a repair, fans needed during an HVAC outage, a tool needed for an immediate repair, and repair/replacement of a lock.

WorksTM Payment Manager

On-line card management and reconciliation system provided by Bank of America. Card Program Administrators use this tool to order and cancel cards, set spending limits, and assign allowable Merchant Category Codes. The University uses this on-line tool to reconcile transactions.