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Overview
Procurement Cards (also known as Purchasing Cards or P-Cards) are intended for small dollar purchases within the established usage limits. It is designed to assist with small dollar purchases. P-Cards are similar to personal charge cards.

This manual will provide you with program details, information on obtaining cards (card issuance), purchasing guidelines, and documentation requirements.

ECSU Purchasing Card Program
The purpose of the ECSU Purchasing Card Program is to simplify the purchasing of selected low dollar commodities and services, while maintaining accountability. It offers an easy method of making emergency purchases. The card is issued by Bank of America and is accepted by vendors that support VISA card purchases. The cardholder is responsible for the card and compliance with the policies and procedures relating to the program.

Corporate Liability
The P-Card is a VISA credit card with corporate liability. Corporate liability is defined as follows:

- The university is liable for all charges made by university employees.
- The university is not held liable for charges made by a terminated employee once notice of termination is provided to Bank of America.
- The university is not liable for charges made with the purchasing card resulting from theft or other fraudulent use by third parties not employed by the university.

General Information
The purchasing card (p-card) is a corporate VISA credit card, issued to ECSU through Bank of America. The card is to be used for university business transactions only. Personal use of the P-Card by an employee is strictly prohibited.

A permanent employee with Vice Chancellor approval may acquire a p-card by completing the Enrollment Form, P-Card Agreement and attending purchasing card training. The p-card is issued in the employee’s name through Bank of America and ECSU P-Card Manager.
Personal Credit History: Although the p-card is issued in the employee’s name, your personal credit history is not considered during the application process, and use of the p-card will not affect your personal credit history in the future.

Payment of Charges: Monthly purchasing card charges are paid to Bank of America by the university. University funds and expense accounts assigned by the Cardholder or Coordinator during the reconciliation process are charged when the payment to the bank is reconciled.

Card Usage
Your p-card should be used in instances when using a p-card is the best method of purchase. Personal use of the p-card is not allowed and will be considered as terms for card revocation as well as employee disciplinary action. The P-Card is NOT to be used for travel and/or travel related purposes.

Charges to the card are limited by daily, weekly, and monthly transaction dollar amounts. Transaction dollar limits and allowable merchant categories are established for each card account. Some vendors may not be used depending on their Merchant Category Code (MCC).

Transaction Dollar Limits: Daily transaction limits are $2,500 and monthly transaction limits are set at $5,000. Regardless of the monthly limit set, individual transactions cannot exceed $2,500. The Cardholder should be aware that splitting transactions in order to remain within the transaction limit, daily limit, or monthly limit is prohibited.

Merchant Category Blocking: Merchant category blocking utilizes MCCs to limit purchases from specific vendors. If a particular merchant category is blocked and purchase is attempted, the purchase will be declined. All effort has been made to ensure that vendors used during the normal course of business are not restricted.

Card Security
As a Cardholder you assume personal responsibility for the protection and proper use of your card. Follow the points below to assure card security.

- Always keep the card in a secure place, just as you would a personal credit card.

- A p-card can only be used by the person to whom the card has been issued. Never lend your card to another person or use another employee’s p-card.

- Only give your card number to the vendor through a secure web site, telephone, or in person.
• Maintain receipts and invoices in a safe place until they are submitted as documentation. Make sure all receipts are itemized. All reconciliation packets are due in the Purchasing Office by the 10th of the following month.

• If your p-card is lost or stolen, promptly follow the instructions under “Lost or Stolen Card.”

• If you transfer to another department or terminate employment, notify the Purchasing Office.

**Roles and Responsibilities**

University employees and management play key roles to support the purchasing card program. A summary of roles and responsibilities follow.

**Cardholder**

• Ensures compliant use of the p-card according to university purchasing guidelines, the Purchasing Card Manual, and State Purchasing and Contract guidelines.

• Maintain the card in a secure location while not in use. Return the itemized receipts and invoices to the Coordinator as soon as possible after the transaction is made to ensure proper documentation trail exists for the purchase.

• Never allow anyone else use of the p-card assigned to you.

• Ensure you have a P-Card Purchase Order before you place your order.

• Ensures spending limits and allotted operating budget are not exceeded on any transaction.

• Ensures transactions are not split to circumvent spending limits or university guidelines.

• Ensures NC Sales and Use Tax is not charged on purchases. The ECSU tax exempt number is located on your card.

• Obtains a valid receipt / invoice for each purchase which includes the vendor name, date of purchase, item description, and total amount of purchase. **Packing slips are not acceptable.**
• Ensures all receipts / invoices are signed legibly (if not legible – please print name on receipt / invoice).

• Assists the Coordinator with resolution of billing discrepancies, disputes, and credits.

• Contacts Bank of America and the Purchasing Card Manager immediately if your card has been lost or stolen.

Coordinator

The department can decide that a cardholder will also serve as the Coordinator for a specific purchasing card; however, a coordinator does not have to have a p-card assigned to them. The decision can be made for each individual card. This allows the program to best meet the department’s needs.

• Ensures compliant use of the P-Card by all cardholders assigned to your location by reviewing the purchases on a weekly/monthly basis during reconciliation.

• Receives original itemized receipts from the Cardholder.

• Compares receipts with the electronic transactions recorded in Works™, the purchasing card transaction management system.

• Reviews and approves each transaction and ensures that the:
  o Item purchased, amount charged, and the vendor name match the receipt
  o NC Sales and Use Tax is not included
  o Description of the expense is clear
  o Business purpose of the expense is provided for each expenditure
  o Correct organization, fund, and account code are used
  o Each Receipt / Invoice is signed legibly

• Resolves discrepancies with the Cardholder when necessary.

• Assembles the reconciliation packet for the Approver’s review
  o Attach a copy of your Bank of America statement to the signed “P-Card Monthly Sign-Off Sheet”
  o Arrange the original receipts, with copy of your purchase order, in the same order as the Bank of America statement for easy review by the Department Head / Fund Manager
- Signs the reconciliation packet
- Submits the report and corresponding receipts (reconciliation packet) to the Department Head / Manager for final departmental review
- Be sure packet is physically in the Purchasing Office by the 10th of the month.

- Ensures that the p-card is used in compliance with university purchasing guidelines, the Purchasing Card Manual, and State Purchasing and Contract guidelines.
- Ensures the Cardholder has not exceeded the spending limits or fund budget on any transaction.
- Reviews that the Cardholder has not split any transactions to circumvent spending limits or the university guidelines.
- If an employee transfers to another department or has terminated employment, notify the Purchasing Office.

**Department Head / Fund Manager**

- Provides fiscal oversight and management of business operations within his or her department.
- Selects department employees for participation in the ECSU Purchasing Card Program based upon needs and the ability to fulfill program requirements.
- Accounts for the use of the purchasing card in his or her department, taking appropriate action with departmental staff when required.

**Purchasing Card Manager**

- Provides program management and oversight.
- Develops and delivers effective training for users.
- Ensures program compliance and quality assurance.
- Promotes an accurate P-Card program by working with departments to minimize violations and infractions of card usage.
General Card Processes

How to Obtain a Card
Department heads and business managers will identify faculty and staff with a business need for p-cards. Upon his or her approval, a “P-Card Enrollment Form” will be emailed once you have attended training. Complete and forward the Enrollment Form with the appropriate signature approvals to the Purchasing Office. The Cardholder and Reconciler must attend one of the scheduled P-Card training sessions before the card is provided. It is recommended that Department Heads and Fund Managers responsible should attend.

The North Carolina State Purchase and Contract office suggests that the most likely candidates are the employees who have frequent need to make small purchases and who have demonstrated that they are responsible and will follow proper procedures. In exchange for a faster way of making purchases, cardholders must be willing and able to keep good records for accounting/reporting purposes. It is not necessary for every employee within a department to obtain a P-Card. Only employees who purchase on behalf of their departments need a P-Card.

Card Changes – Employee Name Change, Organization and Fund Code Changes, and Approver Change
The Purchasing Card Manager maintains cardholder applications, agreements, and change documentation. Notify the Purchasing Office of any changes so the proper documentation can be completed. Employees changing departments may have to re-apply.

Card Renewal
P-cards are issued with a three (3) year expiration date and are subsequently renewed every two (2) years. Renewal cards will be mailed from the bank to the university and distributed by the Procurement Card Manager to the Cardholder. You should receive your new card approximately thirty (30) days before the expiration date.

Card Inactivity
In the event a card is inactive for six months, the card will be reviewed for possible cancellation by the Procurement Card Manager.

Lost or Stolen Card
If you believe you have lost your card or that it has been stolen, immediately report the problem to Bank of America at 1-888-449-2273. Customer assistance is available 24 hours a day. Immediately after reporting to Bank of America, notify your Procurement Card Manager of the event. It is extremely important to act promptly in the event of a lost or stolen card to avoid company liability for fraudulent transactions.

If it is a normal work day, and between the hours of 8 am and 5 pm, please contact the Purchasing Department and we will be able to assist you with getting the account closed and a new card issued.
You will no longer be able to use the account number after notifying the bank. Bank of America will automatically reissue a new card. The Procurement Card Manager will notify you as soon as the new card is received. A card that is subsequently found after being reported lost should be sent to the Procurement Card Manager.

**General Purchasing Guidelines**

The p-card represents ECSU’s trust in you as a responsible employee who will safeguard and protect university assets. As a cardholder, you assume the responsibility for proper use of your card. Card purchasing does not change or alter current purchasing policies and departmental approval processes. Your card serves only as an optional method of payment. **ALL PURCHASES MUST STILL BE SUBMITTED IN VIKING SHOPPES AND THE APPROVAL PROCESS COMPLETED PRIOR TO PURCHASE.**

**Allowable and Non-Allowable Card Purchases**

The ECSU purchasing card is intended for operating supplies and other low value purchases needed during the course of business.

Two charts are listed below as a guide for allowable/non-allowable expenses. If you have questions, please contact the Purchasing Office for assistance.

<table>
<thead>
<tr>
<th>ALLOWABLE EXPENSES FOR P-CARD</th>
<th>NON-ALLOWABLE EXPENSES FOR P-CARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ Conference Booth and Space Rental</td>
<td>➢ Alcohol or Tobacco Products</td>
</tr>
<tr>
<td>➢ Promotional Items (when PO not accepted)</td>
<td>➢ Cash or Cash Advances</td>
</tr>
<tr>
<td>➢ Food Products</td>
<td>➢ Contractual Services</td>
</tr>
<tr>
<td>➢ Supplies – when purchase order is not accepted</td>
<td>➢ Gift certificates and cards</td>
</tr>
<tr>
<td></td>
<td>➢ Hazardous Materials</td>
</tr>
<tr>
<td></td>
<td>➢ Travel Expenses (Must go through Travel Office)</td>
</tr>
<tr>
<td></td>
<td>➢ Insurance premiums, co-pays or deductibles</td>
</tr>
<tr>
<td></td>
<td>➢ Lease Agreements</td>
</tr>
<tr>
<td></td>
<td>➢ Rentals (equipment, vehicle, etc.)</td>
</tr>
<tr>
<td></td>
<td>➢ Purchases from Foundation Funds</td>
</tr>
</tbody>
</table>

**Split Transactions**

A split transaction occurs when you split a purchase to stay within the dollar limits of your card (per transaction, day, or month), or to avoid bid processes. Splitting transactions is strictly prohibited. Care should be taken by the Cardholder to avoid the appearance of such.

Below are examples of split transactions. If you are uncertain as to if a transaction would be considered “split”, contact the PCard Manager.
• A cardholder purchases similar or complementing items that cost a total of $2,750 (such as a washer and dryer). The sale is divided into separate transactions of $1500 and $1250. This is considered a split transaction to avoid exceeding the transaction limit of $2500 and is not allowed.

• A cardholder purchases an item on Monday which costs $2625 and pays the vendor $2000. The remaining $625 is paid on Friday. The $2625 purchase has been divided into two transactions. This is considered a split transaction to avoid exceeding the transaction limit of $2500 and is not allowed. A purchase order must be completed for the full order.

• Two cardholders within the same department use their cards to purchase an item or complementing items that cost $3000. Two transactions occur (one on each card) for the purchase. This is considered a split transaction to avoid exceeding the transaction limit of $2500 and is not allowed. A purchase order must be completed for the full order.

Sales Tax Exemption
The university is a tax-exempt entity and is not required to pay North Carolina sales and use tax on goods.

When dealing with vendors, the cardholder should make them aware of the exemption by providing the tax exempt number printed on the p-card or a hard copy of the Tax Exemption Letter found online at ECSU page.

Verify that the invoice does not include a charge for NC Sales and Use Tax before you leave the store. If it does, provide the vendor with the tax exempt number again and ask for a credit to be issued before returning to ECSU.

How to Make a Card Purchase
This section addresses the application of the general purchasing guidelines to purchasing card transactions. This section will address purchases with the p-card: purchases by fax, purchases by internet, purchases by email, and return of goods.

Card Purchase Steps
To make a card purchase, follow the steps below. If in doubt about any part of the process, contact your Approver or P-Card Manager for clarification.

1. Check to see if the item is available from:
   a. Correction Enterprises
   b. State Contract, IT Contract, GA Contract
   c. A Viking Shoppes catalog
2. Determine if the price quoted is the best price you can obtain by knowing your merchandise and comparing different vendor pricing.

3. Tell the vendor you are making a purchase on behalf of ECSU and ECSU is exempt from Sales and Use Tax. Provide the NC Sales and Use Tax exemption number located on your p-card and ensure tax is not included on the invoice.

4. Enter your requisition in Viking Shoppes under the vendor name “P-Card Purchase” and allow it to complete the approval process. **PURCHASES MADE WITHOUT A PO NUMBER WILL BE CONSIDERED UNAUTHORIZED.**

5. Once your requisition has completed the approval process and a PO number has been created, make the purchase with your p-card.

6. Obtain an itemized receipt / invoice (must list item description, quantity, price, State Contract information, and total purchase from vendor). Packing slips are not acceptable.

7. If goods are to be delivered, provide the vendor your name, department, phone number, and complete delivery instructions. Items must be shipped to ECSU campus.

8. When goods are delivered, retain and match the packing slip to a copy of the original itemized receipt. (The original receipt should be turned in to the Coordinator after the transaction is made).

**Purchases by Fax**
Retain a copy of the fax, as well as the fax confirmation for your records. To avoid duplicating the order, it is recommended that you do not mail a copy of the faxed order to the vendor. If the vendor requires the original, be sure to clearly mark it “Confirmation of Fax Order, Do Not Duplicate.”

For security purposes, call the vendor with your p-card number instead of including it on your fax. Fax numbers can change and fax machines are often located in open areas within offices. Should your order be misdirected, your p-card number will be also.

**Purchases by Internet**
On-line purchases must be made with vendors who use a Secure Sockets Layer (SSL) browser session. To confirm that a secure area has been accessed, look for “https” (denoting a secure site) in the web address. A closed lock usually appears to the right of the web address or at the bottom right-hand side of the screen when you are asked to enter your card number.

If a secure browser site is not readily apparent to you, do not Utilize the internet to make the purchase as the security of your card could be jeopardized.
Website Receipts
Websites that present an on-line receipt, which reflects the items purchased and cost with a company logo or name, will serve as proper documentation. Simply print the on-screen document.

Websites that reflect the billing amount only will serve as proper documentation by printing the email confirmation or order acknowledgement.

Purchases by Email
A purchase by email is not an approved purchasing method at ECSU. For security purposes, p-card numbers should never be sent via email to a vendor or anyone else.

Return of Goods Purchased
Items purchased with the p-card will periodically need to be returned. When this occurs, a vendor usually offers a Return Materials Authorization (RMA) number and issues a credit invoice upon receipt of the goods. Make certain to document the RMA number and keep the credit invoice to use in the reconciliation process at the end of the billing cycle.

When receiving goods that you may need to return, consider the items below.

- Always retain boxes, containers, special packaging, and packing slips, until certain that you are going to keep the items. Items that are fragile or computer-related generally cannot be returned without the original packing materials.

- Read all enclosed documents carefully. Often a critical phone number and other instructions about how to return items are included.

- Contact the vendor and obtain a Returned Materials Authorization (RMA) number for the return.

- To facilitate the return of goods, follow vendor shipping instructions, if applicable.

- In some cases you may encounter a restocking fee. The p-card may be used to pay this fee as long as it does not exceed any of the card limits.

Documentation and Reconciliation (Coordinator Responsibilities)

Overview
Once the period is over:

- P-Card transactions must be signed off on by following the Reconciliation Procedure
- The P-Card packet is due by the 10th of the following month; no later than 5:00 pm. The P-Card Excel spreadsheet should be emailed to srgriffin@ecsu.edu and rmhaines@ecsu.edu and a hard copy completed package delivered to the Purchasing Office.

**On-Line Transaction Review and Statement Reconciliation**
Transactions can be reviewed as soon as they are processed through Works™. Specific instructions to view and reconcile monthly statements can be found in the “Purchasing Card Coordinator User’s Guide”.

**Disputed or Fraudulent Charges**
If there is a discrepancy on your statement, it is imperative that the issue is addressed immediately with the vendor and/or the P-Card Manager. Depending on the type of discrepancy, you will need to contact either the vendor or the P-Card Manager to resolve the disputed transaction.

If you believe the vendor has charged you incorrectly or there are problems with your order, you must first contact the vendor and try to resolve the error or problem. If you are able to resolve the matter directly with the vendor, and the error involved an overcharge, a credit adjustment should be requested.

If the vendor disagrees that an adjustment is necessary, immediately contact your P-Card Manager who will work with you and Bank of America to resolve the dispute. Bank of America will request complete details of the dispute in writing in order to research the item in question.

Bank of America must receive any charge dispute within sixty (60) days of the transaction date. ECSU pays all charges as billed on each statement (regardless of a transaction being in dispute status). Once the dispute status has been declared by Bank of America, the bank will issue a credit until the dispute is resolved. Although Bank of America acts as the arbitrator in any dispute, you should never assume that a dispute would be resolved in your favor.

A fraudulent charge (e.g., a charge which was not initiated by you) must be reported immediately to your P-Card Manager. Prompt reporting of any such charge will help to prevent ECSU from being held responsible.

**Compliance Assurance**
In order to ensure compliance with the policies and procedures of the program, the actions listed will be taken when infractions occur. Infractions are classified as Minor Infractions, Major Infractions, and Criminal Activity. General descriptions and discipline measures are listed below.

The Purchasing Office and P-Card Manager reserve the right to revoke and cancel any P-Card(s) for failure to comply with policies and procedures of the program at any time. Compliance Assurance records are maintained on a yearly basis and do not carry over to the next fiscal year from previous years.
## Minor Infractions
- Late P-Card Reconciliation Packets
- Missing or Inadequate Receipt
- Missing Signature on Receipt or Invoice
- Paying Invoices after Goods / Services have been received
- NSF
- Using the P-Card without a PO Reference Number
- Inaccurate completion of P-Card Reconciliation Packet
- Other infractions deemed as minor by the Purchasing Director

<table>
<thead>
<tr>
<th>First Offense</th>
<th>P-Card Coordinator receives Violation Report via email. Cardholder, Coordinator and Department Head must sign this report and return it to the P-Card Manager. Failure to return signed report within three (3) days will result in card suspension.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second Offense</td>
<td>P-Card Coordinator receives Violation Report via email. Cardholder, Coordinator, Department Head and Vice Chancellor must sign this report and return it to the P-Card Manager. Reason of continued non-compliance must be submitted to P-Card Manager by Department Head. Failure to return signed report within three (3) days will result in card suspension.</td>
</tr>
<tr>
<td>Third Offense</td>
<td>Card revoked or loss of P-Card Coordinator responsibilities. Cardholder blocked from new card for twelve (12) months.</td>
</tr>
</tbody>
</table>

## Major Infractions
- Split Transactions (to circumvent single transaction limit)
- Non-allowable purchases
- Failure to comply with NC State Contract Terms or IT/GA Contracts (without acceptable explanation)
- Allowing another individual to use your P-Card number
- Personal purchase that is made in error
- Other infractions deemed as major by the Purchasing Director

<table>
<thead>
<tr>
<th>First Offense</th>
<th>P-Card Coordinator receives Violation Report via email. Cardholder, Coordinator and Department Head must sign this report and return it to the P-Card Manager. Card will be suspended until p-card holder attends another training.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second Offense</td>
<td>P-Card Coordinator receives Violation Report via email. Cardholder, Coordinator, Department Head and Vice Chancellor must sign this report and return it to the P-Card Manager. Reason of continued non-compliance must be submitted to P-Card Manager by Department Head. Report must be signed and returned and card will be suspended for a minimum of thirty (30) days.</td>
</tr>
<tr>
<td>Third Offense</td>
<td>Card revoked or loss of P-Card Coordinator responsibilities. Cardholder blocked from new card for twelve (12) months.</td>
</tr>
</tbody>
</table>
### Criminal Activity

- Personal Purchase that is intentional

| If you intentionally make a personal purchase, a theft of state property has occurred. Immediate card revocation will occur. Your Vice Chancellor, the Vice Chancellor of Business & Finance, and University Police will be notified. Appropriate disciplinary action will be taken. The cardholder will not be eligible for future p-card use. |
Appendix I: Internal Control Assessment for Department Heads/Fund Managers

1. Are card limits periodically evaluated to ensure limits are appropriate?

2. Upon initial setup of a card, are reviews done to ensure limits are correct?

3. Have p-cards for employees who are no longer employed in the department been closed?

4. Do procedures exist to ensure that cards are returned to Purchasing on the date of employee termination or transfer from the department?

5. How many cards are within your department?

Transactions

1. Is the NC Sales and Use Tax exemption number utilized when a purchase occurs?
   a. How many invoices included charges whereby NC Sales and Use Tax was paid to the vendor?
   b. Are statements reconciled by all coordinators in a timely manner?

2. Are invoices, cash register receipts, credit invoices, and packing slips available for each transaction with adequate documentation to denote the business purpose?

Segregation of Duties

1. Is the person making the purchases different than the person who is approving the purchases?

2. Is the person performing the reconciliation different than the person who is purchasing and approving the purchases?

3. Is the reconciliation packet reviewed, approved and submitted in a timely manner?
Appendix II: Purchasing Card Contact List

University Contacts:

Sharon Griffin
Phone: 252-335-3492
Fax: 252-335-3650
Email: srgriffin@ecsu.edu

Rachael Haines
Phone: 252-335-3787
Fax: 252-335-3650
Email: rmhaines@ecsu.edu

Bank of America

To contact Bank of America, call the number on the back of your card. Any time Bank of America is contacted, you should also contact the P-Card Manager.

Bank of America
1-888-449-2273