



MONTGOMERY COMMUNITY COLLEGE

PROCUREMENT CARD MANUAL

Revised

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Table of Contents

PROCUREMENT CARD POLICY AND PROCEDURES	3
INTRODUCTION	3
DEFINITIONS	3
APPROVAL PROCESS	3
TRAINING	4
RECEIVING THE P-CARD	4
SECURITY	4
P-CARD PURCHASING GUIDELINES	5
GENERAL	5
STATE CONTRACT ITEMS	5
COMPETITION	5
PRINTING SERVICES	5
REPETITIVE MONTHLY CHARGES	6
EQUIPMENT	6
NON-ALLOWABLE TRANSACTIONS	6
P-CARD RESTRICTIONS	7
MAKING A P-CARD PURCHASE	7
RECEIVING AND RECORD KEEPING	8
RECONCILIATION OF MONTHLY STATEMENTS	8
P-CARD ADMINISTRATOR/ACCOUNTS PAYABLE SPECIALIST	8
ACCOUNTS PAYABLE SPECIALIST	8
P-CARD ADMINISTRATOR	9
P-CARD RETURNS AND DISPUTES	9
CARDHOLDER RESIGNATION FROM MCC	10
MISUSE OF A P-CARD	10
REVOCAION	10
DISMISSAL	11
HUB REPORTING	11
REQUEST FOR PROCUREMENT CARD/AUTHORIZATION FOR USE FORM	13

PROCUREMENT CARD POLICY AND PROCEDURES

INTRODUCTION

The procurement card program is designed to provide a quick turnaround on the purchase of small dollar items and travel to include conference registrations, hotel reservations, and airline reservations, but excluding meals and mileage rates reported on the *Travel Reimbursement Form*.

The use of a procurement card does **NOT**, in any way, eliminate the need to comply with all MCC and the State of North Carolina purchasing policies, procedures, and regulations.

The program will be coordinated through the Purchasing Officer, Accountant, and Accounts Payable Specialist.

DEFINITIONS

- Cardholder – MCC employee approved to make purchases using the procurement card.
- HUB – Historically Underutilized Business.
- Over-the-counter purchase – A purchase made in person at the selected vendor in order to expedite the purchase and receipt of the goods.
- MCC P-Card Administrator – the designated MCC employee(s) who will oversee and coordinate the program for the entire college. At the time of this publishing, the Purchasing Officer, Accountant, and Accounts Payable Specialist will oversee this program.
- Statement of Account – The monthly listing of all items purchased for a particular account/cardholder. These statements must be reconciled back to the cardholder's receipts for the month.
- Single Transaction Limit – The dollar amount allowed per transaction and per month for each cardholder. These may differ among departments and cardholders based on needs and not to exceed the allowance by the State.
- Vendor – A company used by the cardholder to order/purchase goods and services.

APPROVAL PROCESS

Anyone who is interested in getting approved to have a MCC procurement card must do the following:

1. Make the request through the Vice President of the Division. If he/she approves the employee as a cardholder, the employee will complete a Request For P-Card Authorization For Use/Employee Agreement Form, located on page 12. The form must be completed in its entirety and signed by the employee, his/her supervisor, Dean/Department Chair, and the Vice President of the Division. By signing the form, the employee acknowledges that he/she has sole responsibility for the P-Card and purchases made on it. The Employee Agreement section will be signed once the P-Card requestor has received training. By signing this section, he/she understands the policies and

procedures as related to the card, the policies and procedures for making purchases, and is responsible for the use of the card.

2. Forward the approved form to the Vice President of Administrative Services for final approval.
3. Once all approval levels have signed the form, forward the completed form to the MCC P-Card Administrator.
4. The MCC P-Card Administrator will schedule training for the requestor. Once training is complete, the requestor will sign the Employee Agreement section of the form.
5. The MCC P-Card Administrator will forward form to the Accountant to contact the bank to issue a card in the new cardholder's name.

An employee must be in good standing with MCC in order to receive a P-Card. Any employee on new-hire probation will not be eligible for a P-Card. If a P-Card holder is placed on probation at any time for any reason, his/her P-Card privileges will be revoked immediately. The Director of Human Resources will notify the P-Card Administrator immediately of instances where the P-Card should be revoked or suspended. Reasons include: termination of employment or a status change to probation or suspension. The P-Card Administrator will forward a signed copy of the P-Card agreement to the Human Resources department for filing in the employee's files. A complete list of all P-Card holders will be provided to the Human Resources Department monthly by the P-Card Administrator.

TRAINING

All persons applying for a P-Card will be required to attend training sessions on the use of the card. Each cardholder must be knowledgeable of the MCC purchasing policy, the State purchasing policy and the use of State negotiated contracts. These training sessions will be held monthly during the initial implementation of the program. Refresher sessions will be available during the first year of implementation. Thereafter, training will be held periodically as the need arises. Reasons for additional training include, but are not limited to, audit findings, changes in MCC or State procedures and changes in the P-Card program.

RECEIVING THE P-CARD

The issuing bank will forward the P-Card to the MCC P-Card Administrator. Once received, the MCC P-Card Administrator will record the account number on the Request For P-Card Authorization/Employee Agreement Form. The new cardholder will be contacted once their P-Card has arrived. ALL P-Cards will be housed in the MCC Business Office and can be picked up in person by the cardholder for use as needed. A Purchase Order Number must be presented to the Accounts Payable Specialist when picking up the P-Card to make the purchase. ALL P-Cards must be picked up in person by the cardholder.

SECURITY

The cardholder is responsible for the security of the card at all times and should treat the card's security as if it were his/her own. The cardholder should be the ONLY person using the card. No purchase is allowed by another employee, a family member, a friend or any other individual.

If the card is lost or stolen, the cardholder must immediately notify Bank of America at 1-888-449-2273. Then the cardholder must notify the MCC P-Card Administrator.

The MCC P-Card Administrator can authorize a new card to replace the lost or stolen one after he/she has received confirmation that the old card has been reported as missing. In the event that the old card is found, the card must be cut in half and turned in to the MCC P-Card Administrator immediately. The MCC P-Card Administrator will destroy the old card.

P-CARD PURCHASING GUIDELINES

GENERAL

1. Each P-Card issued will have the cardholder's name embossed on the front of the card. The name on the card is the **ONLY** person who will be able to use the card. **No other person is authorized to use the card.**
2. In accordance with 01 NCAC 05B.1523 Procurement Cards, the Single Transaction Limit (STL) shall not exceed \$5,000.00 for all general purchases including any sales tax, shipping and handling, installation and any other charge that might be incurred and \$25,000.00 for all travel related purchases including airfare, hotel/lodging, and transportation/rental cars. Neither purchases nor payments may be split into multiple transactions to avoid the limits placed on the card or to avoid MCC and the state purchasing guidelines. All transactions exceeding this amount shall have prior approval from the State Purchasing Officer to increase the one time STL by the required amount.
3. Each P-Card will also have a limit on the number of transactions allowed per day and per month. These limits will be based on the type of work performed by the cardholder and the needs associated with that position.
4. Any and all P-Card orders must be shipped complete. When placing an order, check with the vendor to be sure all items are available. **No backorders are allowed.**
5. Tax will be applied to all taxable orders even if the item is sold as tax exempt from out-of-state vendors. We have to pay sales tax to the NC Department of Revenue

STATE CONTRACT ITEMS

It is MCC's policy to purchase items that are on state contract from a contract vendor. Remember that it is the item on contract, not the vendor. Items are not brand specific. For example, if you wanted to purchase a Nikon digital camera but state contract had only Minolta, you would be required to purchase the Minolta from the state contract. Items on state contract can be found at <https://ncadmin.nc.gov/statewide-term-contracts>

COMPETITION

Purchases up to \$5,000 do not need written quotes or bids. However, MCC's purchasing policy encourages competition at all levels and thus encourages the cardholder to seek competition wherever possible.

PRINTING SERVICES

Printing orders must be approved by the Public Information Officer before contacting an outside vendor other than the Department of Public Service (Correction Enterprise) on NC State Contract

001A.

REPETITIVE MONTHLY CHARGES

A cardholder may use the P-Card for repetitive monthly charges for items that would normally be purchased under a blanket purchase order that total between \$2,500 and \$4,999 for the year as long as written documentation of competition is received. These written quotes must be maintained in the cardholder's files and are subject to audit by the MCC P-Card Administrator.

Charges that will total \$5,000 or over for the year must be bid through the Purchasing Department **BEFORE** the cardholder executes a transaction with the vendor.

EQUIPMENT

MCC defines equipment as any item that has a total cost of \$5,000 or more including tax and shipping charges. **Equipment cannot be purchased with the P-Card.**

Items under \$5,000 that are considered "high theft", such as PC's or tablets, may **NOT** be purchased with the P-Card.

Other items, not considered "high theft," below \$5,000 are not tracked by MCC as inventory items. However, in the event of lost or stolen items, the cardholder will be responsible for assisting in locating the item or in the insurance process.

NON-ALLOWABLE TRANSACTIONS

Transactions listed below are examples of items that cannot be purchased with the P-Card. The list is intended as examples only and is not intended to be all-inclusive. If questions arise about a transaction, contact the MCC P-Card Administrator for guidance.

- Personal Purchases
- Maintenance of Service Agreements
- Meals and Mileage Associated with Travel
- Entertainment
- Fuel for Personal Vehicle (may use for College's vehicle)
- Flowers/Gifts
- Invoices for Items Not Originally Purchased with the P-Card
- Membership/Dues
- A Single Transaction that Exceeds the P-Card Limits
- Cash Advances/Reimbursements
- Alcoholic Beverages
- Telephone Calls/Monthly Telephone Service
- Equipment Items/Enhancements to Equipment

Note: A cardholder who makes an unauthorized purchase or otherwise uses the P-Card in a

careless manner will be liable for the total purchase amount of the non-allowable purchase plus any additional fees charged by the bank in connection with the misuse of the card. In addition, the cardholder is subject to disciplinary action according to the MCC Policies and Procedures Manual.

P-CARD RESTRICTIONS

Some departments may have a special need for a P-Card that is above and beyond normal, everyday purchases. In these instances, the P-Card(s) can be restricted to certain Merchant Category Codes. For any specific needs, contact the MCC P-Card Administrator.

For example, a card can be restricted to a Merchant Category Code that permits only the purchase of food products.

MAKING A P-CARD PURCHASE

The cardholder must be familiar with all state and MCC purchasing policies pertaining to the allowable dollar amounts, competition, HUB vendors, and state contracts. Go to <https://ncadmin.nc.gov/statewide-term-contracts> to determine the items that are on state contract PRIOR to making your purchase. Any questions regarding items on state contract should be directed to the Purchasing Officer.

The cardholder must seek as many competitive quotes as feasible for the item(s) being purchased.

Steps to Completing a Transaction:

1. Check to see if the item(s) to be purchased are on state contract. If so, complete a Purchase Requisition in Etrieve to the contract vendor instead of using the P-Card. Note the state contract number on the requisition.
2. Determine if there are any HUB vendors that meet your requirements. MCC and the State of North Carolina encourage the use of HUB vendors whenever possible. A list of vendors can be reviewed on the HUB website at <https://www.ips.state.nc.us/vendor/searchvendor.aspx?t=h>
3. Confirm that the selected vendor will accept the P-Card.
4. Be sure that ALL items ordered are in stock and will ship as one complete shipment. Remember that no backorders are allowed on P-Card purchases.
5. Complete a Purchase Requisition in Etrieve using Bank of America as the vendor. Upon receiving a Purchase Order Number, go to the Accounts Payable Specialist with Purchase Order Number and get P-Card to complete the purchase.
6. Provide the vendor with shipping instructions. These include:
 - a. Put the words "P-Card purchase" on the shipping label.
 - b. Provide the vendor with MCC's shipping address. **No order can be shipped to the cardholder's home address or to any other alternate address.** The correct shipping address is 1011 Page Street, Troy, NC 27371.
 - c. Shipping and receiving will deliver the package to the cardholder after accounting for the items shipped and verification of the purchase itself.

RECEIVING AND RECORD KEEPING

It is the cardholder's responsibility to receive and maintain all necessary records of any and all transactions made on his/her card. The cardholder will submit all receipts, credit memos, invoices, shipping documents, and packing slips to the Purchasing Officer or Accounts Payable Specialist to verify the cardholder's monthly statement.

If the cardholder makes an over-the-counter purchase, he/she must get an itemized charge receipt from the vendor. Any sales tax, delivery or installation is to be included on the charge receipt. The cardholder will then submit the charge receipt slip to the Purchasing Officer or Accounts Payable Specialist.

There may be times that someone other than the cardholder actually receives the items ordered. The cardholder should notify that person in advance of the shipment arriving at MCC and explain the process to him/her. Regardless of who receives the shipment, the cardholder is ultimately responsible for submitting all documentation related to the purchase and verifying that the documentation complies with the requirements of this procedure.

RECONCILIATION OF MONTHLY STATEMENTS

P-CARD ADMINISTRATOR/ACCOUNTS PAYABLE SPECIALIST

At the end of each billing cycle, the Accounts Payable Specialist will receive a monthly memo statement that lists all charges against each P-Card. The Accounts Payable Specialist is responsible for verifying the statement to be sure that it is correct. He/she will use the receipts file that has been maintained during the month to verify each transaction listed. If the Accounts Payable Specialist does not have a receipt or packing slip for the transaction, he/she will contact the cardholder who must attach an explanation of that transaction that includes a description of the item(s), date of purchase, vendor's name, the amount of purchase and the reason that there is no supporting documentation on file. If the cardholder continuously does not obtain a receipt or packing slip, the cardholder will lose the use of the P-Card.

If the cardholder made purchases that are not listed on the current monthly statement, the Accounts Payable Specialist will retain all documentation in P-Card file until the next monthly statement arrives. All documentation related to credits will be maintained in the P-Card file until the credit has been listed as a transaction on the P-Card. If the purchase or credit does not appear on the monthly statement after sixty (60) days, the Accounts Payable Specialist will notify the issuing bank at 877-543-4453 and the MCC P-Card Administrator.

If the Accounts Payable Specialist does not receive a monthly statement by the end of the first week of the month, the Accounts Payable Specialist must contact MBNA at 877-543-4453 and request a faxed copy of the statement.

ACCOUNTS PAYABLE SPECIALIST – At the end of each billing cycle, MCC will receive a master P-

Card statement that will be used to pay all charges to MCC's account. The Accounts Payable Specialist will pay the statement in total. There will be no short pays or disputes handled through the AP area. The cardholder is responsible for assuring that credits are received from the vendors.

P-CARD ADMINISTRATOR – The Administrator will randomly audit charges on each cardholder's statement. He/she will be looking for the appropriateness of the items charges, adherence to State and MCC purchasing policies and procedures, the use of state contracts where applicable and the use of HUB vendors. If there is a question on any transaction, an email will be sent to the cardholder requesting information or explanation. The cardholder will respond to the email within 48 hours. All information or documentation received by the Administrator will be attached to the cardholder's statement.

The P-Card Administrator will advise cardholders of items that should have been purchased from state contract, that should have been bid, etc. These email notices will be attached to the appropriate monthly statement. The MCC P-Card Administrator will maintain a file with all correspondence related to the P-Card filed by cardholder's name. In the event that a general email or communication is sent to all cardholders, that information will be filed in a general file.

Once the audit is complete, monthly statements will be returned to the Accounts Payable Specialist for retention. These records are to be kept for five (5) years. These records are subject to audit by the State Purchasing Compliance Office and the State auditors.

Note: Any inappropriate use of the card discovered during the monthly audit performed by the P-Card Administrator, will be grounds for loss of P-Card privileges.

P-CARD RETURNS AND DISPUTES

It is the cardholder's responsibility to handle returns and disputes with the vendor.

For items that are defective, not received, received incorrectly, or a duplicate order, the cardholder will contact the vendor for resolution. The cardholder should discuss the problem with the vendor and determine the vendor's return policy. If the cardholder has not received an item that the vendor says has shipped, the cardholder should request a proof of delivery.

Corrective action must be taken immediately upon realization that there is a problem. Delays in problem resolution are unacceptable. If the problem remains unresolved at the time the cardholder receives his/her monthly statement, that purchase will be considered in dispute. The cardholder must call Bank of America at 1-888-449-2273 and follow the instructions provided to file a dispute.

If an item has been returned and a credit transaction is due, the cardholder will verify that the credit is reflected on his/her monthly statement. All applicable forms and documentation on this transaction should be submitted to the Accounts Payable Specialist.

If the cardholder tried repeatedly to resolve an issue with a vendor and cannot get resolution to

the problem, he/she should notify the MCC P-Card Administrator. The cardholder should make every effort possible by contacting the vendor a minimum of three (3) times before notifying the MCC P-Card Administrator.

CARDHOLDER RESIGNATION FROM MCC

A cardholder who has resigned from MCC employment or otherwise been separated from the college, must turn his/her card into his/her supervisor along with all current files prior to the last scheduled day of work. The P-Card Administrator will be required to sign off on the employee's exit sheet to acknowledge that the employee has turned in his/her P-Card.

The supervisor will review all transactions and forward to the Accounts Payable Specialist along with all documentation. The P-Card will be sent to the MCC P-Card Administrator who will destroy the card and advise Bank of America.

Note: A P-Card cannot be passed on to another employee. The employee's name is embossed on the card and can only be used by that one employee. If a P-Card is needed for another employee, that employee must submit the proper paperwork as noted in the Approval Process section of these procedures.

MISUSE OF A P-CARD

REVOCATION – Any misuse of a MCC P-Card is grounds for revocation of the card. Reasons for revocation include but are not limited to:

- ✓ Personal purchases made on the MCC P-Card.
- ✓ Proper purchasing procedures were not followed for any purchase transaction.
- ✓ Cardholder has had items shipped to an address other than 1011 Page Street, Troy, NC 27371 without prior permission.
- ✓ Cardholder exceeds his/her card limits.
- ✓ Cardholder makes single transaction purchases larger than the allowed dollar amount.
- ✓ Cardholder has not submitted proper documentation on time for more than two (2) months. These occurrences are not consecutive months. These occurrences are more than two since the card was issued to that cardholder.
- ✓ Cardholder is reminded more than two (2) times in any given month that he/she has not submitted all documentation. If all documentation is not received within the timeframe allotted, the Accounts Payable Specialist will send an email to the cardholder and copy the MCC P-Card Administrator to submit his/her documentation within one (1) day. If the cardholder does not respond, the Accounts Payable Specialist will send a reminder email to the cardholder and the cardholder's supervisor and copy the MCC P-Card Administrator that the documentation is past due and must be submitted within 24 hours. If the cardholder still fails to respond by submitting the documentation, his/her card will be revoked.
- ✓ Any other abuse of the card or failure to follow prescribed procedure will be cause for revocation.

In the event that a P-Card must be revoked, the MCC P-Card Administrator will notify Bank of America to cancel the card. The Accounts Payable Specialist will also be notified. The

Administrator will document the reason(s) that the card was revoked for that cardholder. The cardholder and/or his/her supervisor will be responsible for verifying the last monthly statement and submitting the proper documentation.

If a P-Card has been revoked, the cardholder must wait a minimum of one (1) year before re-applying. Re-authorization is not guaranteed. The P-Card is a privilege, not a right.

DISMISSAL – During the monthly audits performed by the MCC P-Card Administrator, cardholders will be notified of any transactions that did not meet proper purchasing procedures. This will include purchases that should have been from a state contract vendor, purchases that exceeded the limit, etc. If the cardholder does not adhere to these notifications and repeatedly misuses the P-Card, it will be grounds for discipline. The MCC P-Card Administrator will provide a written notification to the cardholder's supervisor and to Human Resources of the repeated abuse of the card. The supervisor will discipline the cardholder as appropriate. After two written warnings of abuse, the cardholder may be subject to dismissal.

Any gross misuse of the P-Card may be grounds for immediate dismissal.

HUB REPORTING

Each month, the MCC P-Card Administrator will run an electronic report from the website provided by Bank of America on all vendors that had transactions on the P-Card. The report will be reviewed for HUB vendors that should be included on the quarterly HUB report. It is understood that the MCC P-Card Administrator may not know the status of all vendors used but will make every attempt to identify as many as possible. A file will be maintained in the Purchasing Department of all known HUB vendors. As new HUB vendors are identified, they will be added to this list for future references.



REQUEST FOR PROCUREMENT CARD/AUTHORIZATION FOR USE NC Contract 946A

New Change (Complete name & fields to be changed) Cardholder Account # (last four digits): _____

CARDHOLDER NAME: _____ **Date:** _____
(Enter name to be embossed on the card and appear on the billing statement. Max 24 letters)

Terms & Conditions of Procurement Card Use: Goods and services may be purchased, consistent with your organizational responsibilities, to satisfy legitimate college needs. All purchases shall be made in accordance with applicable state and college purchasing procedures and in particular MCC Procurement Card Procedures. Violations to this procedure may result in the loss of the use of the procurement card permanently, and the improper or undocumented charge, may result in disciplinary action, up to and including dismissal. This delegation shall automatically cease upon your separation from MCC.

DEPARTMENT NAME: _____ **WORK NO:** _____ **Work Email:** _____

JOB TITLE: _____

BUDGET ACCOUNT CODE: _____
(Enter account number most transactions will be charged to)

Card Controls
New accounts will default with the following limits: \$ _____ per single transaction and a monthly limit of \$ _____. Spending limits will be reviewed on an annual basis and adjusted accordingly.

Approval Signatures

Cardholder Printed Name: _____

Cardholder Signature: _____ **Date:** _____

Supervisor's Signature: _____ **Date:** _____

Department Dean: _____ **Date:** _____

President/Vice President: _____ **Date:** _____

Vice President Administrative Services: _____ **Date:** _____

P-Card Administrator's Signature (Procurement Office Only)

Procurement Card Program Administrator: _____ **Date:** _____

Last 4 digits of credit card: _____ **Date ordered:** _____

Date of P-Card Training: _____



EMPLOYEE AGREEMENT

I, _____ (printed employee name), hereby request a MCC P-Card. As a P-Card holder, I agree to become familiar with the overall state and MCC purchasing policies including the P-Card policy.

(Print Name)

(Signature)

(Date of Application)

Based on the training that I received on _____, I agree to comply with all policies referenced in the P-Card Policy Manual and the terms and conditions that follow:

- I understand that I will be making financial commitments on the behalf of MCC and obligating MCC to make such payments. I understand that MCC is liable for such transactions.
- I will adhere to MCC and the State of North Carolina’s guidelines and policies for competition.
- I will make decisions that are in the best interest of MCC and strive to seek the best source available to provide for the needs of my responsibilities for MCC.
- I agree to use the MCC P-Card only for approved purchases that are required at MCC and will not use the P-Card to make any personal purchases. I accept complete financial responsibility for reimbursement to MCC for any non-allowable purchases.
- I understand and agree that the MCC P-Card Administrator and my supervisor will audit the monthly statements associated with my P-Card and that he/she will take appropriate action on any discrepancies.
- I have read and understand the proper procedures for use of the P-Card and agree to be bound by those procedures.
- I understand that failure to comply with all applicable policies and procedures may lead to the revocation of my P-Card or some other disciplinary action up to and including dismissal from MCC’s employment.
- I agree to return the P-Card to my supervisor immediately upon request or upon termination of my employment.
- If the P-Card is lost or stolen, I agree to immediately report such loss to Bank of America at 1-800-822-5985, option 2 and to the MCC P-Card Administrator.

(Signature)

(Date)