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P-Card Manual

LANDER UNIVERSITY POLICY AND STATUTORY REFERENCE

State P-Card Policy Effective Date: 9/9/2021

Lander P-Card Policy Last Revised Date: 4/30/2024

1 Program Overview

- 1.1 The State of South Carolina Purchasing Card (P-Card) is a charge card designed to enable authorized State of South Carolina employees to make small value purchases of supplies, materials, equipment, and services for state business use. The program streamlines payments by eliminating the administrative burdens and costs associated with traditional methods of payment.
- 1.2 The P-Card Program uses a VISA® purchasing card issued by Bank of America pursuant to a contract awarded to the bank by the Division of Procurement Services (DPS), with assistance from the Comptroller General’s Office (OCG). The P-Card may only be used for official state business and must be surrendered upon termination of employment or upon demand by the state or by the cardholder’s employer.
- 1.3 The P-Card is the only purchasing card authorized for use by employees of any state agencies and by authorized employees of state colleges and universities.
- 1.4 All entities are required to use the Works™ Payment Manager (Works™) system provided by the bank, or other system approved by DPS, for card administration and cardholder monthly bank statement reconciliation.

- 1.5 Under the terms of the contract with the bank, counties and local political subdivisions may also use the P-Card. DPS recommends that counties and local political subdivisions participating in the P-Card Program adopt and adhere to this statewide purchasing card policy. However, it is the responsibility of the appropriate governing body to put into place a P-Card policy and ensure that its local entity adheres to that policy.
- 1.6 Use of the P-Card is subject to the small purchase procedures established by the State Consolidated Procurement Code (Code), this policy, and agency purchasing policies and procedures.

2 Statewide Program Administration

2.1 Administration

- 2.1.1 The DPS P-Card coordinator serves as the statewide contract administrator for this program, including the provision of liaison services among the OCG, the bank, and the customer agencies. The P-Card coordinator is responsible for all contractual matters regarding the program, including the approval of new Group A & B Agencies and Group C entities. An individual may contact the P-Card coordinator by calling the DPS at 803-737-0600 or sending an email to pcard@mmo.sc.gov.
- 2.1.2 State institutions of higher education (Group “B” Agencies) have delegated authority that allows them to make payments from agency checking accounts. They are not on the state accounting or accounts payables systems.

2.2 State P-Card Policy

- 2.2.1 This state P-Card policy establishes minimum standards for use of the P-Card in order to ensure compliance with all applicable state laws pertaining to purchasing as contained in the state Code. The version of the policy posted on the DPS website is the official policy governing the P-Card Program. The effective date of the policy is on the cover page of this document. DPS maintains an archive of previous versions of the policy, which is available upon request. Additionally, this manual serves as Lander University’s official P-Card policy, which may be updated from time to time and is posted at:

<https://www.lander.edu/about/offices-departments/procurement-services/index.html>

- 2.2.2 Agencies may use the P-Card for purchases up to the Code’s small purchase, “no competition” limit set forth in Section 11-35-1550(2)(a). Although this

limit is currently \$10,000, this limit is also subject to Lander University's procurement policy found at:

<https://www.lander.edu/about/offices-departments/procurement-services/index.html>

Before authorizing P-Cards with a single transaction limit (STL) in excess of \$2,500, an agency must obtain the approval of the agency head. In no event may an agency issue a P-Card with a STL exceeding the "no competition" limit in Section 11-35- 1520(2)(a) unless approved as set forth in Section 2.4 Single Transaction Limits, below. (This section is referenced in subsection 5.2.2, below.)

- 2.2.3 Utilization of minority-owned business (MBE) and woman-owned business (WBE) enterprises. The Code and DPS encourage use of certified MBEs and WBEs in all state procurements. The P-Card is a convenient payment tool to encourage efficiencies for government and the business community in both the procurement and invoicing processes. In order to maximize the sharing of business opportunities with certified MBEs and WBEs, use of the P-Card is highly encouraged, where appropriate.

Additional information regarding the Division of Small and Minority Business Contracting and Certification, including a list of certified MBEs/WBEs, may be found at:

<http://smbcc.sc.gov/directory.html>.

- 2.2.4 "Green purchasing" is designed to promote environmentally responsible purchasing by the state. Currently, statutes assign duties to DPS and the Department of Health and Environmental Control (DHEC) to develop specifications for recycled products, encourage the purchase of recycled and recyclable products, and thereby reduce the waste stream in the state. An effort in research, training, and advocacy activities is ongoing to inform and train agency officials on what green purchasing really means and to assist them in that effort. DPS published a "State of South Carolina Environmentally Preferred Purchasing Policy" in 2009. The policy may be found at:

<https://procurement.sc.gov/osp/green>

In addition, the National Institute of Governmental Purchasing (NIGP) and the National Association of State Procurement Officials (NASPO) have green purchasing initiatives. These organizations provide help and information on green purchasing at their respective websites:

<https://www.nigp.org>

and

<https://www.naspo.org>

2.3 Merchant Category Code Authorizations

- 2.3.1 The banking industry assigns merchant category codes (MCCs) to each merchant or vendor based on the type of goods and services that each merchant or vendor typically provides. Allowing or blocking certain MCCs does not provide complete protection against unauthorized use of the P-Card. However, doing so provides a measure of protection against unauthorized or prohibited purchases.
- 2.3.2 MCCs govern where P-Cards may be used. The OCG establishes and manages the state-authorized MCC groups that are eligible for use by Group A Agencies. This is intended to help achieve the goal that only vendors appropriate to the needs of a public agency are allowed to accept P-Cards and to reduce the potential for prohibited or unauthorized purchases. Unless hereafter approved by the OCG, MCCs shown on the following list as “blocked” (designated by “x”) must be blocked by the bank and the agency on each cardholder’s card profile and may not be used by P-Card holders. See the list of the blocked MCCs by clicking on the tab entitled, “BLOCKED MCCs,” at the following link:
- <https://procurement.sc.gov/contracts/p-card>
- 2.3.3 Unless otherwise noted in this policy, MCC blocks do not apply to Group B Agencies and Group C Entities unless imposed by that entity’s own P-Card policy or applicable law. Lander University has established a blocked vendor list. Transactions will be blocked at the point-of-sale level. A list of blocked vendors is attached to these procedures. This is intended to help achieve the goal that only vendors appropriate to the needs of Lander University are allowed to accept P-Cards and to reduce the potential for prohibited or unauthorized purchases.
- 2.3.4 The Lander P-Card administrator can authorize the temporary unblocking of an MCC code on an as-needed basis. Upon receiving a request from a cardholder, the request will be reviewed to determine if the blocking can be changed for a particular purchase or series of purchases, ensuring that the purchase(s) will not violate other policies and regulations. Once such a change is deemed authorized, the administrator will work with the bank to have the MCC block changed temporarily for a particular purchase. Once the purchase has been completed, the MCC restriction will revert back to the original set-up.

2.4 Single Transaction Limits

Each P-Card is subject to cardholder spending (credit) limits as defined in Section V(B). Neither cardholders nor merchants may exceed the STL or split the purchase in order to accommodate for the STL. To raise the STL above the “no competition” limit set forth in Section 11-35-1550(2)(a), the P-Card administrator must first obtain the written approval of its governing board (or if there is no governing board, the agency head). The P-Card

administrator must then submit a written request for the change, along with the approval of its governing board or agency head, to the materials management officer for approval. This request may be sent by email to: pcard@mimo.sc.gov. Each request must identify the name of the cardholder, the new STL requested, the purpose of the request, and any additional controls. (This Section referenced in subsection 5.2.2, below.)

2.5 Emergency Procedures

- 2.5.1 The governing board of the agency or the agency head (or the designee of either) may authorize the agency to designate certain cards to be moved to emergency status in the event of a disaster affecting that agency or a declared emergency. This approval should designate the maximum STL that can be assigned to such cards.
- 2.5.2 When a state of emergency has been declared, or during a time of an emergency affecting the agency (e.g., a natural disaster [ice storm, forest fire, tornado]), the P-Card administrator may move cards to emergency status. When there is an emergency, approved Bank of America P-Cards will be activated and allowed to access this emergency profile. When moving a card to emergency status, agencies do not need advance approval of DPS to increase the STL when necessary to respond to the emergency. However, the agency shall notify DPS of those cards that have been assigned a STL in excess of \$10,000 for the purposes of responding to the emergency as soon as practical after doing so.
- 2.5.3 Cardholders shall document every approval and purchase made for emergency status. Once the emergency is over, cards moved to emergency status shall be returned to normal status.

3 State Agency Roles and Responsibilities

3.1 Agency Head Responsibilities

The agency head may delegate any or all of the following administrative responsibilities to any one or more P-Card administrators or department liaisons, depending on the size and complexity of the local program.

3.1.1 Program Administration

3.1.1.1 Develop the internal policy governing the use of the P-Card, to include the following minimum requirements:

3.1.1.1.1 Ensure compliance with the state P-Card policy;

3.1.1.1.2 Provide for unique needs based on agency mission;

- 3.1.1.1.3 Define responsibilities of agency P-Card program personnel and establish processes for changes in personnel;
 - 3.1.1.1.4 Define criteria for obtaining a P-Card;
 - 3.1.1.1.5 Define acceptable use of the P-Card that cannot be less restrictive than state P-Card policy;
 - 3.1.1.1.6 Provide a method for reporting suspected misuse or fraudulent use;
 - 3.1.1.1.7 List in detail the consequences of misuse or fraudulent use;
 - 3.1.1.1.8 Create a provision for review of the internal policy for adequacy at least annually; and
 - 3.1.1.1.9 Create a provision for audit or other independent review of all areas of program administration and transactions at least annually.
 - 3.1.1.1.10 Establish written internal procedures covering properly setting up the profile for each P-Card (including all blocked MCCs; see “C” above) and how to use the P-Card, including telephone, fax, and Internet orders in order to maintain security over P-Card account information.
 - 3.1.1.1.11 Monitor cardholder accounts for inactivity and promptly close accounts and cards that are no longer needed.
 - 3.1.1.1.12 Establish written internal procedures for compliance with state policy regarding documentation of transactions.
- 3.1.1.2 Work with management throughout the agency to determine the appropriate spending limits for the program as a whole and for individual cardholders based on budget constraints, cardholder job responsibilities, knowledge, skills and abilities, historical spending patterns, and overall procurement practices.
- 3.1.1.3 Designate the following program administrative positions as needed and ensure coordination among the positions:
- 3.1.1.3.1 P-Card Administrator: The central administrator located in the agency Purchasing Department who coordinates the P-Card program for the agency and acts as the agency liaison with the bank, OCG, and DPS.

3.1.1.3.2 Department Liaison: An employee in each department who is responsible for reviewing the transactions of individual cardholders to make sure that the transactions are legitimate public expenditures, are classified properly, and comply with this policy.

3.1.1.3.3 Internal Auditor: An employee responsible for auditing agency compliance with the state and agency P-Card policy and notifying the P-Card administrator of any discrepancies, including delinquent reconciliations and paperwork.

3.1.1.4 Provide written designation of P-Card program administrator to the DPS P-Card coordinator.

3.1.1.5 Work with management to identify job titles/positions within the organization that require a P-Card or that would be good candidates for use of the P-Card.

3.1.1.6 Develop written internal procedures for requesting P-Cards and approving cardholders. Agency head approval delegates transaction authority to the cardholder.

3.1.1.7 Ensure that a credit limit is assigned to each P-Cardholder account and record the dollar amount of this credit limit on the employee cardholder agreement to be acknowledged by the prospective cardholder upon receipt of a P-Card account.

3.1.1.8 Develop default accounting codes for purchases on the P-Card.

3.1.2 Program Compliance

3.1.2.1 Establish written procedures to ensure compliance with, or request exceptions to, the Code, the state P-Card policy, and the internal P-Card policy.

3.1.2.2 Coordinate any requests for exceptions to the State P-Card policy with the DPS P-Card coordinator or OCG, as appropriate. Document review of the status of all exceptions at least annually to determine if the exceptions should still be granted and notify the DPS P-Card coordinator or OCG, as appropriate, of any revocations.

3.1.2.3 Ensure that the agency has sufficiently documented internal controls and other measures (e.g., audits) to prevent and/or detect misuse or fraudulent use of the P-Card.

3.1.2.4 Establish written procedures to ensure security over P-Card account information to include:

- 3.1.2.4.1 Ordering and receiving new and replacement cards;
- 3.1.2.4.2 Reporting lost or stolen cards to the bank and to the P-Card administrator;
- 3.1.2.4.3 Collecting and destroying cards when cardholders transfer to jobs not requiring a P-Card, resign, or are terminated; and
- 3.1.2.4.4 Deactivating cards in the Works TM system immediately upon notification of the theft/loss of the card or upon termination of cardholder's employment for any reason.

3.1.2.5 Establish written procedures to ensure that intentional misuse, or persistent negligent misuse (collectively "misuse"), or fraudulent use of the P-Card is documented. Minimum requirements include:

- 3.1.2.5.1 Documentation of the transaction (e.g., copies of receipts, invoices);
- 3.1.2.5.2 Evidence of who conducted the transaction, who approved the transaction, and when and how the misuse or fraud was discovered;
- 3.1.2.5.3 Documentation of personnel actions taken (e.g., cardholder was terminated);
- 3.1.2.5.4 Notifying the bank immediately when fraud or card misuse occurs in order to properly meet the bank's guidelines regarding bank reimbursement of transactions related to fraud or card abuse or misuse; and
- 3.1.2.5.5 Notifying the S.C. Office of Inspector General immediately when fraud or card misuse occurs;
- 3.1.2.5.6 Immediately reporting split purchases made to avoid the STL to DPS at pcard@mmo.sc.gov.

3.1.3 Assign Cardholders to Supervisors/Liaisons

Establish appropriate limits on the number of cardholders assigned to a supervisor/approving official and liaison in order to ensure adequate review of business need and documentation (e.g., receipts/invoices, business purpose explanation for each transaction, cardholder monthly bank statements) for each purchase.

3.1.4 Training

Develop a documented, agency-specific training program that must be completed for all prospective cardholders, supervisors/approving officials, and liaisons prior to issuance of the P-Card.

3.1.4.1 Level I training is the initial training that all prospective cardholders must receive prior to issuance of a P-Card. This training permits purchases up to the “no compete” threshold. Level I training shall include:

3.1.4.1.1 A mandatory cardholder agreement specifying terms and conditions for use of the card and written acknowledgement of receipt and training on:

3.1.4.1.2 State P-Card policy;

3.1.4.1.3 Internal P-Card policy and/or user manual; and

3.1.4.1.4 Familiarity with relevant forms.

3.1.4.2 Level II training, also referred to as “procurement official” training, is in addition to Level I training. This training permits purchases requiring simple quotes for items/services without statements of work for requisitions exceeding the “no compete” threshold. Level II training shall include:

3.1.4.2.1 Prior completion of Level I training (or have the components of subsection 3.1.4.1.1, above, included in Level II training);

3.1.4.2.2 Review of the Code for authority/limitations for purchases above the “no compete” threshold;

3.1.4.2.3 Certification of understanding of Level II authority and agreement to abide by Code policies and procedures.

3.1.5 Accounting Requirements

3.1.5.1 Designate the storage location for all original transaction documentation.

3.1.5.2 Establish billing discrepancy procedures, including those for disputed transactions.

3.1.5.3 Establish reconciliation procedures among cardholders, supervisors/ approving officials, and the agency accounts payable unit to ensure timely payment of the monthly billing statement.

3.1.6 P-Card Administrator

The Lander University P-Card administrator serves as the contract administrator for this program, including the provision of liaison services among DPS, the bank, and Lander University. The P-Card administrator is responsible for all contractual matters regarding the program. Their responsibilities also include:

3.1.6.1 Serving as the Lander University liaison with Bank of America.

3.1.6.2 Utilizing the WORKS™ application from Bank of America.

3.1.6.3 Reviewing approved applications for completeness and submitting applications to Bank of America; receiving P-Cards from Bank of America.

3.1.6.4 Training departmental liaisons before releasing P-Cards.

3.1.6.5 Training each cardholder before releasing the P-Card.

3.1.6.6 Having the cardholder sign the cardholder agreement, signifying agreement with the terms of the P-Card Program. Informing the cardholder of updates in program policy and procedures.

3.1.6.7 Handling disputed charges/discrepancies not resolved by the cardholder or the departmental liaison.

3.1.6.8 Initiating change of the P-Card default index upon the request of the departmental liaison.

3.1.6.9 Securing revoked P-Cards and submitting information to Bank of America.

3.1.6.10 Daily reviewing usage of P-Card data for appropriateness.

3.1.6.11 Processing upload of bills to accounting for charging individual departments.

3.1.6.12 Reviewing Bank of America invoices and submitting them to accounting for payment.

3.1.6.13 Reconciling Lander University accounting statements as to payments to Bank of America and charges to individual departments.

3.1.6.14 P-Cards will be reviewed each year. Any card with no activity for the previous 12-month period will be reviewed for cancellation and the card holder/liaison will be notified that this action will occur.

3.1.6.15 Maintenance of documentation including, but not limited to, applications, cardholder agreements, agency billing statements, reconciliation of account statements, Bank of America program material, and copies of transmittals and correspondence with Bank of America.

The P-Card administrator may be contacted by calling Procurement Services at 864-388- 8276 or sending an email to procurement@lander.edu.

3.2 Supervisors / Approving Officials Responsibilities:

Supervisors or other persons assigned the responsibility of reviewing cardholder transactions (reviewer) must have a thorough knowledge of the job responsibilities of the cardholders under their supervision in order to determine if purchases are reasonable and proper. Before approving the cardholder monthly bank statements, the supervisor/reviewer must carefully review all documentation. The supervisor's/reviewer's responsibilities also include:

3.2.1 Attending Level I training.

3.2.2 Attending Level II training if supervising a cardholder with Level II authority.

3.2.3 Maintaining knowledge of state P-Card policy and internal policies and procedures on use of the P-Card.

3.2.4 Requesting P-Cards for employees under their supervision.

3.2.5 Notifying the P-Card administrator when a cardholder resigns, transfers, or is terminated from employment and confirming cancellation of the P-Card within three business days from the event date.

3.2.6 Monitoring transactions and card activity to ensure that all purchases are for legitimate state business use.

3.2.7 Reviewing all documentation to ensure that:

3.2.7.1 Invoices/receipts have the required information;

- 3.2.7.2 State sales or use tax is applied, if necessary;
- 3.2.7.3 Purchases were for legitimate state business use;
- 3.2.7.4 Cardholder monthly bank statements contain the cardholder's original signature;
- 3.2.8 Signing the cardholder monthly bank statements signifying review and approval for payment. This responsibility cannot be delegated to another person;
- 3.2.9 All signatures are original signatures. Signatures made with rubber stamps are prohibited;

3.3 Liaison Responsibilities

The liaison reviews the transactions for all cardholders assigned to them to determine that the cardholder and supervisor/approver are complying with state P-Card policy (i.e., no prohibited transactions, no split transactions, purchases are made from contract vendors when available, no deliveries to other than the business address(s), no blocked MCCs).

- 3.3.1 Attend Level I training.
- 3.3.2 Attend Level II training if reviewing transactions of a cardholder with Level II authority.
- 3.3.3 Perform documented monthly reviews of all transactions for assigned cardholders to verify that there have been no non-allowable transactions.
- 3.3.4 Notify the P-Card administrator of any non-allowable transactions identified in monthly transaction reviews.
- 3.3.5 Maintain documentation as assigned by the P-Card administrator.
- 3.3.6 Assist in resolving disputed transactions.

3.4 Cardholders

All cardholders are de facto purchasing agents for the state and their individual employers. Accordingly, all cardholders must have a minimum understanding of state purchasing laws and regulations as contained in the Code and internal purchasing rules.

- 3.4.1 Cardholder responsibilities and procedures include:

- 3.4.1.1 Ensuring that a prospective cardholder is a full-time employee of Lander University.
- 3.4.1.2 Ensuring that a prospective cardholder's request for a P-Card must have been approved by their department head, dean, and vice president/provost, as applicable.
- 3.4.1.3 Ensuring that prospective cardholders have been assigned a departmental liaison selected by their department head.
- 3.4.1.4 Ensuring that prospective cardholders have attended a Level I training course. This training must consist of both P-Card training and Procurement 101 training specific to Lander University. The cardholder and card-approving official (e.g., the cardholder's supervisor) will sign the terms and conditions for use of the P-Card confirming that they have been fully trained and understand and will abide by all policies and procedures regarding the card usage, as well as Lander University policies and procedures related to the expenditure of university funds prior to receiving a P-Card.
- 3.4.1.5 Ensuring that Level II training must be taken in order to make purchases above the "no compete" threshold. Cardholders must certify that they understand and will abide by the additional policies and procedures of the Level II training.
- 3.4.1.6 Maintaining security of the account number, expiration date, and security code at all times.
- 3.4.1.7 Maintaining knowledge of state P-Card policy and internal policies and procedures.
- 3.4.1.8 Ensuring that all purchases are allowable purchases according to state and internal P- Card policies.
- 3.4.1.9 Ensuring that all purchases comply with purchasing requirements of the Code.
- 3.4.1.10 Ensuring that, if (an) item(s) is available from state contract vendors, it should be purchased from those contracts. These may be found at

<https://procurement.sc.gov/contracts>
- 3.4.1.11 Ensuring that funds are available prior to making any purchase.

3.4.1.12 Ensuring that purchases must have documented justification that outlines what the item is and what it is to be used for. While departments are encouraged to plan ahead, it is important that purchases reflect a current or definite upcoming need. Purchases should not be made for items with a “possible” future use or to build up storage reserves.

3.4.1.13 Obtaining “best value” for the state when making purchases with the P-Card.

3.4.1.14 Maintaining all documentation required by state and internal P-Card policies for a minimum of 12 months following each purchase. Minimum documentation requirements include:

3.4.1.14.1 A monthly acquisition file for audit and/or review;

3.4.1.14.2 An itemized receipt or invoice;

- If a receipt has been lost and a duplicate cannot be obtained, the P-Card administrator can determine if internal policy will allow use of a lost receipt affidavit. If allowed, a single cardholder can use the form no more than three times in one fiscal year.
- Use of the affidavit more than three times in one fiscal year will result in suspension of card privileges.

3.4.1.14.3 Ensuring that the supplies or services are described in sufficient detail so that the vendors and/or merchants have a clear understanding of what is being acquired. Some requirements, because of their complexity, may not be suitable for purchase using the P-Card and may necessitate the use of a written purchase order.

3.4.2 Spending Limits

The general spending parameters for each Bank of America P-Card issued is set at \$2,500 per transaction, with a standard maximum of \$5,000 per month per card. However, upon request, single transaction limits may be raised as high as \$5,000 with approval from the departmental budget manager. P-Card limits may be increased up to a single purchase limit of \$10,000 for key procurement personnel as authorized by the Lander University president and the president’s Council. The university, through the Procurement Department, will adjust monthly limits as determined by demonstrated need. P-Card purchases may be made without securing competitive quotations or any type of value analysis if the prices are considered reasonable. If a cardholder, through prior experience (e.g., comparison with prices paid previously for the same or similar items, familiarity with the supply/service based on frequent purchasing) knows that the proposed price is fair and reasonable, they do not have to do any further prior evaluation or

analysis. However, if the cardholder suspects or has information to indicate that the price may not be reasonable or is purchasing a supply or service for which no comparable pricing information is readily available, action should be taken to verify that the price is reasonable and supporting documentation should be maintained by the cardholder for twelve months following the date of purchase.

3.4.3 Placing an Order

Cardholders who are buyers within a governmental agency may use the P-Card as a payment mechanism. The documentation requirements will be the same as those required for any other type of acquisition or purchase, and Consolidated Procurement Code compliance is required for each acquisition. For proper allocation of funds, a purchase requisition may be prepared and/or a different reconciliation program may need to be utilized. However, requisitions need not be sent to Procurement Services for P-Card purchases.

To place the order and accept delivery the following procedures shall be followed:

- 3.4.3.1 Confirm that the vendor will accept the state P-Card.
- 3.4.3.2 Merchants may charge a “premium” for the use of the P-Card, but they must “disclose the surcharge as a merchant fee and clearly alert the consumer of the practice at the point of sale.” If the vendor charges a premium, ask the vendor to waive the premium. If the vendor will not waive the premium, do not use the P-Card for the transaction. Follow the purchasing requisition process.
- 3.4.3.3 Delivery instructions: Instruct the vendor to use the following format and list the following information on the shipping label and packing slip:
 - Lander University
 - Attn.: Department Name and Building
 - 204 W. Henrietta Ave
 - Greenwood, S.C. 29649
- 3.4.3.4 When a telephone order is placed for pick-up at a merchant's facility, the cardholder may designate a staff member to pick up the order. If an individual other than the cardholder picks up the order, they should sign as having received the item(s). Their signature is not an approval for the purchase on the P-Card, but for receipt of the product.
- 3.4.3.5 Receipt of merchandise should be documented on the paid invoice or receipt. The cardholder MUST verify that what they purchased actually arrived.
- 3.4.3.6 Justification of the purchase must be documented on or with the paid invoice or receipt. Justification includes a description of the item and what it will be used for.

3.4.3.7 Attach original receipts in statement order behind both the Bank of America statement and certification statements for the month and retained in a P-Card file for future review by the internal auditor. The cardholder/department must retain all statements and receipts for five (5) years.

NOTE: If making the purchase the cardholder is making their purchase in person, the cardholder should obtain an itemized receipt in addition to the credit card receipt and check both receipts to ensure their accuracy before signing.

3.4.4 Declines

Should the P-Card be declined by a vendor, the cardholder should immediately contact the university P-Card administrator for assistance. If the purchase is being made outside of normal university business hours, the cardholder must find an alternate payment method or terminate the purchase and contact the university P-Card administrator during normal university hours.

3.4.5 Returns/Credits

Vendors will issue all credits to the individual P-Card account for any item they have agreed to accept for return. This credit will appear on a subsequent statement. **Under no circumstances** should a cardholder accept cash in lieu of a credit to the P-Card account.

Tips for Returns:

- The cardholder should always retain boxes, containers, special packaging, packing slips, etc. until the cardholder is certain that they are going to keep the goods. Some items (e.g., software, fragile pieces) cannot be returned without the original packaging materials.
- Read all enclosed instructions carefully. Often a phone number and other instructions are included on the packing slip and/or receipt.
- Many suppliers require you to obtain a "return authorization number" before they will accept a return. If you neglect to get this number when it is required, the package may be refused and/or no credit issued to your account.
- If a purchased item something is being returned due to a supplier error or problem, the supplier should pay any fees involved in the return. In the event that a purchased item is being returned for any reason other than supplier error or product defect, there may be a restocking fee (usually a percentage of the purchase price). The cardholder may use the P-Card to pay this fee as long as it does not exceed any of the authorized limits.

3.4.6 Allocation of Charges – Cardholders/liaisons will:

3.4.6.1 Receive system-generated messages of available transactions for allocation.

- 3.4.6.2 Allocate the charge to the correct index/account numbers.
- 3.4.6.3 Identify transactions requiring payment of use tax.
- 3.4.6.4 Process allocations in advance of the designated default cut-off date established by the university Purchasing Card administrator. Allocations and sign-offs must be completed within seven (7) business days of the transaction posting.
- 3.4.7 Sign Monthly Bank Statements

Sign the cardholder monthly bank statements attesting to the accuracy and completeness of the statement. All signatures must be original signatures. Signatures made with rubber stamps are prohibited.
- 3.4.8 Documentation

Submit all documentation to the supervisor or liaison by internally established deadlines in order to ensure timely payment of the cardholder's monthly bank statements. When a purchase is made over the counter, the cardholder must obtain a customer copy of the charge slip. The cardholder/liaison will maintain the vendor receipts/packing slips/charge slips and monthly statements. Cardholders/departmental liaisons will assemble and retain cardholders' statements, charge slips, and receipts for audit by internal and external auditors. Receipts for purchases must be maintained for five (5) years.
- 3.4.9 Emergency Transactions

Emergency transactions over \$2,500 may not be handled with the P-Card due to state procurement regulations, unless such a state of emergency has been declared by the Lander University administration. For any transaction that does not meet the spending controls assigned to the card, the cardholder must contact the Purchasing Office for assistance.
- 3.4.10 Unresolved Disputes and Billing Errors

The cardholder is responsible for contacting the vendor to resolve any disputed charges or billing errors. If the matter is not resolved with the vendor, the cardholder/departmental liaison should contact the P-Card administrator for assistance. Timely allocations will be very critical in the case of fraudulent or wrongful charges to the P-Card. (This section is referenced in subsection 3.4.14.4.5, below.)
- 3.4.11 Tax Exemption - The University is not tax-exempt

Purchases from vendors located in South Carolina: The vendor is responsible for collecting retail sales tax at the point of sale. The amount of sales tax should be indicated on the receipt provided by the vendor. Should no tax be charged or the

amount of tax charged be less than the amount required by the State of South Carolina, the cardholder/liaison must either indicate the appropriate tax amount in WORKS TM or submit a journal entry (if the deadline has passed for allocation) to the Controller's Office in order for the proper amount to be submitted to the SC Department of Revenue.

3.4.12 Purchases from Vendors Located Outside of South Carolina

If sales tax is paid to another state, a use tax credit is allowed for the university; therefore, no South Carolina tax is due. The individual receipt provided by the vendor should indicate whether any out-of-state sales tax has been collected at the point of sale.

3.4.13 Reserved

3.4.14 Reconciliation

3.4.14.1 The cardholder will receive the bank statement each month. As an alternative, the program's P-Card administrator may choose to have statements made available electronically through Bank of America's CenterSuite® .

3.4.14.2 The monthly transactions shall be processed and reconciled upon receipt in compliance with the agency's internal procedure(s) to ensure submission to the OCG for timely payment. The P-Card reconciliation program allows for daily reconciliation of transactions. The cardholder is notified via e-mail each time a transaction is posted from the bank and allows for immediate reconciliation in lieu of waiting for the monthly bank statements to reconcile the charge. Reconciliation must be completed within seven (7) business days from the date the statement is received.

3.4.14.3 Reconciliation in the Absence of the Cardholder

If the cardholder will be absent from their office for more than four days after the Statement of Account (SOA) is received, they should notify the agency P-Card administrator if no system delegation has been made to another employee in the program area to reconcile the account. The P-Card system is set up to enable daily reconciliation by the cardholder. The system allows delegation to another employee for reconciliation purposes, as well. If the absence is extensive and no delegation has been made, the cardholder's supervisor shall review the receipts/documentation and sign the SOA with an explanation as to the reason that the cardholder could not

process the SOA in a timely manner. The SOA with receipts/documentation will be forwarded to the agency P-Card administrator for processing of the reconciliation. The agency P-Card administrator shall provide training for an administrative alternate in the program area. Failure to review and/or process the SOA in a timely manner will be grounds to suspend and/or terminate the P-Card.

3.4.14.4 Review for reconciliation should include the following:

- 3.4.14.4.1 Ensure that all receipts and/or invoices are attached to the back of the Bank of America statement in the order listed on the statement.
- 3.4.14.4.2 If multiple receipts are issued for one transaction, ensure that all associated receipts are stapled together and filed with the statement. The original transaction total should equal the cumulative total contained on the receipts.
- 3.4.14.4.3 Ensure that any charges for sales tax are identified as a credit pending.
- 3.4.14.4.4 Verify that credits for any returned items appear on the Bank of America summary statement.
- 3.4.14.4.5 If a charge appears on the cardholder's Bank of America summary statement for an item ordered but not received, contact the supplier to resolve the matter. If the cardholder cannot resolve the matter with the supplier, follow the process for disputes outlined in Section 3.4.10 Unresolved Disputes and Billing Errors (above) of this policy.

3.4.15 Cardholder Liability

The P-Card is a corporate charge card and will not affect the cardholder's personal credit. However, it is the cardholder's responsibility to ensure that the card is used within stated guidelines of this manual as well as university policies and procedures relating to the expenditure of university funds. Ultimate responsibility for use/misuse of cards rests with the cardholder. Failure to comply with program guidelines may result in permanent revocation of the P-Card and notification of the situation to administration, and further disciplinary action may include termination.

3.4.16 Card Security

Cardholders should always treat the University Purchasing Card with at least the same level of care as one does their own personal credit cards. The card should be maintained in a secure location and the card account number should be

carefully guarded. Always ensure that the card is only used by approved cardholder.

3.4.17 Lost, Misplaced or Stolen P-Cards

Cardholder must immediately report any lost or stolen P-Card to Bank of America toll-free at **1-888-449-2273**. (24 hours a day, 365 days a year). Cardholder should notify their department liaison and/or the university P-Card administrator of a lost or stolen card at the first opportunity during normal business hours.

3.4.18 Requesting a Card

All contact with Bank of America for card set-up, maintenance, and closure (except for reporting lost or stolen cards) will be handled by the university P-Card administrator located in the Procurement Services Office (388-8276 or 388-8899).

To set up a card, the following steps are necessary:

1. The applicant must complete the P-Card training session and pass a short quiz.
2. Upon completion of the quiz, the cardholder signs the cardholder agreement form indicating agreement with the terms of the P-Card Program.
3. If a new cardholder, the applicant will receive a P-Card request form and submit it to the department head for completion and approval.
4. The department head completes the P-Card request form and provides the name of the department, default index number, cardholder, and departmental liaison to be assigned to the card.
5. The department head's approval delegates transaction authority to the cardholder.
6. The approved application with all signatures is to be sent to the P-Card administrator.
7. The P-Card administrator submits the application to Bank of America in the format approved by bank.
8. The university P-Card administrator will use the tools offered by Bank of America for the maintenance of cards.

3.4.19 Terminating a Card

- 3.4.19.1 When a cardholder moves to a new job in which a Purchasing Card is not required.

3.4.19.2 Terminates Lander University employment.

3.4.19.3 Any of the following reasons which will also subject cardholder to disciplinary action in accordance with Lander University policies and procedures relating to disciplinary action and termination for cause:

3.4.19.3.1 The P-Card is used for personal or unauthorized purposes.

3.4.19.3.2 The P-Card is used to purchase alcoholic beverages or any substance, material, or service that violates policy, law, or regulation pertaining to Lander University.

3.4.19.3.3 The cardholder allows the card to be used by another individual.

3.4.19.3.4 The cardholder splits a purchase to circumvent the limitations of the South Carolina Consolidated Procurement Code.

3.4.19.3.5 The cardholder uses another cardholder's card to circumvent the purchase limit assigned to either cardholder or the limitations of the South Carolina Consolidated Procurement Code.

3.4.19.3.6 The cardholder fails to keep a file with required receipts.

3.4.19.3.7 The cardholder fails to provide, when requested, information about any specific purchase.

3.4.19.3.8 The cardholder does not adhere to all of the P-Card policies and procedures.

3.4.20 Fiscal Year Restrictions

3.4.20.1 **Before placing any order, make sure funds are available in the account.** P-Card privileges can be suspended at the end of Lander University's fiscal year if a new year budget is not in place.

3.4.20.2 Cardholders are advised to use the P-Card judiciously as the end of the fiscal year approaches. **Funding will not be available to cover any charges appearing in a new fiscal year until a budget has been passed.** In accordance with the terms of the contract, in the event that an individual is unable to pay Bank of America promptly, the university will have to pay interest for those charges that appear on the account after card suspension has been enacted.

4 Use of the P-Card

4.1 The P-Card is FOR OFFICIAL USE ONLY

The P-Card has the cardholder's name embossed on it and, in accordance with Bank of America international regulations and state policy, it may only be used by that individual. Use of the P-Card by a cardholder for a personal purchase and/or a purchase of supplies or services that the cardholder had no authority to make, and/or use of the P-Card by a person other than the cardholder are unauthorized and strictly forbidden. Unauthorized use of the P-Card for personal purchases or use of the P-Card by a person other than the cardholder may result in disciplinary action, up to and including termination from state employment and criminal prosecution. Supervisors or other approving officials who knowingly, or through willful neglect, approve or allow personal or fraudulent purchases or misuse of the P-Card are subject to the same disciplinary actions as cardholders.

4.2 Cash Advances.

Use of the P-Card to obtain cash advances or withdrawals is strictly forbidden. Use of the P-Card to obtain such cash advances or withdrawals does not comply with the contract and may subject both the cardholder and the bank to sanctions.

4.3 Order Splitting.

Splitting transactions to avoid the single transaction limit is strictly prohibited and doing so may result in removal of P-Card privileges.

4.4 Allowable Purchases.

4.4.1 The P-Card can be used for small value purchases of supplies, materials, equipment, or services, in compliance with the SC Consolidated Procurement Code, and where not otherwise prohibited or restricted. All purchases must be within the cardholder's assigned spending limits unless prior, written approval is received to exceed these limits per the provisions of the manual. Such ordering methods as verbal, internet, or fax ordering can be used under simplified acquisition procedures to acquire any type of supplies or services WITH THE EXCEPTION OF purchases from vendors assigned an MCC on the list of blocked merchant category codes (MCCs).

4.4.2 The P-Card can be used for orders placed against statewide term contracts by the Materials Management Office (e.g., laboratory supplies, office supplies, and personal computers). Purchases from open market sources shall be distributed equitably among the qualified suppliers.

4.5 Prohibited Purchases.

The following types of purchases are strictly prohibited by state policy. No exceptions will be granted unless obtained in writing as set forth in this policy. This list must be included in lists of prohibited purchases in policies at the local agency and program levels:

- 4.5.1 Personal purchases of any kind. (Personal purchases are defined as purchases of goods or services intended for non-work-related use or use other than official state business.)
- 4.5.2 Cash advances in any form, including use of the card or card number at automated teller machines (ATMs), inside bank branches, or at cash advance and quasi-cash and money transfer locations (e.g., Western Union, Telecheck).
- 4.5.3 Gift cards, stored value cards, calling cards, pre-paid cards, or similar products.
- 4.5.4 Reserved
- 4.5.5 Entertainment, including in-room movies.
- 4.5.6 Alcoholic beverages.
- 4.5.7 Tobacco products,
- 4.5.8 Fuel for state-owned vehicles - Many of these purchases may be made with the State Fuel Credit Card, an alternate program.
- 4.5.9 Professional services.
- 4.5.10 Food for consumption by state employees.
- 4.5.11 Purchases using a P-Card from a vendor with a blocked MCC.
- 4.5.12 To make payment on "open" accounts maintained with vendors. The P-Card shall only be used to pay one transaction at a time and cannot be used to pay the accumulated balance of an account.
- 4.5.13 Payment of state and local taxes to the SC Department of Revenue.
- 4.5.14 Allowable/Non-Allowable Charges

4.5.14.1 Although a P-Cardholder may need to purchase goods and services that have a legitimate business purpose, these may not be allowable purchases under the P-Card Program. The following list presents some potential scenarios that may be encountered by a P-Cardholder:

Allowable	Non-Allowable
Airline tickets & train tickets plus baggage fees if purchased with ticket (which may exceed \$2500 – will have to contact Procurement Services for assistance)	Employee travel with the exception of airline and train tickets and baggage fees when purchased with ticket. <u>**All other employee travel expenditures must be paid by the traveler from personal funds and reimbursed on a Travel Reimbursement Form upon return.</u>
Registration fees	Travel packages that include airline tickets, hotel and rental cars
Fed-Ex/UPS Express Shipping	Registration fees that include hotels
Membership dues	Employee functions
Books	Gift cards, gift certificates,
Printing	Cash advances
Postage and office supplies	Telephone calling cards or additional minutes for calling cards
Utilities	Holiday or birthday cards
Repairs	Holiday ornaments
Hardware	Sporting events
Lab supplies	Foundation charges

Other non-allowable charges include:

- **Apparel of any kind** (employee or student): There are regular procurement methods to secure such items, if needed.
- **Food purchases** (Employee or student): Aramark catering can be processed on a requisition for payment. No Lander University needs to be taking students or employees to local eateries. Athletics, while in travel status with teams, is an exception, but also must be within reason. Recruitment efforts should utilize the Lander University dining hall while it is open.
- **Software and software subscriptions:** All potential software purchases must be reviewed by Information Technology Services (ITS) to avoid occurrences of the same software being purchased directly. ITS P-Cards will be an exception as long as the vetted software is identified as a campus solution and supported with a current budget.

- **Music subscription:** Some exceptions exist for campus-wide service and support, but area or office Pandora or Spotify accounts, as an example, will not be supported.
- **Donations or sponsorships of any kind:** Such efforts must be in concert with a larger institutional expectation and in consultation with University Relations.
- **Marketing or advertising:** Such efforts must be in concert with a larger institutional expectation and in consultation with University Relations and Enrollment Management.
- **Furniture:** Department budgets were not intended to support furniture purchases. A centralized process for furniture requests will be developed in the future. Currently, emergency furniture needs can be brought forward in a request to the Finance Office for consideration. This will allow university staff to first exhaust options with furniture around campus.
- **IT equipment:** ITS will coordinate any purchases for computers, printers, etc. ITS will also determine if additional software is needed and acceptable for maintenance and support through ITS services.
- **Recurring charges of any kind:** Automatically renewing monthly or annual charges are not allowed.
- **Plants, flowers, or floral arrangements:** These types of items must be coordinated through the Physical Plant Grounds Department.
- **Entertainment**
- **Gifts**
- **Gasoline**
- **Personal charges**
- **Blocked vendors**
- **Interdepartmental purchases, including the Bearcat Shop**

Never save or store your card information on websites or webpages, which increases the likelihood of credit card fraud in the event of a security breach.

NOTE: Gift cards received as promotional items are to be used to the benefit of the state. If an employee receives a gift card, the card must be turned in to the agency P-Card administrator.

4.6 When PRIOR AUTHORIZATION is required

P-Card holders may not use the P-Card for any of the following reasons absent express PRIOR authorization from the agency P-Card administrator:

- 4.6.1 Requirements that necessitate other than routine terms and conditions
- 4.6.2 Requirements that are too complex to be conveyed verbally

4.7 Standards of Conduct

State employees expending public monies hold a public trust; their conduct must meet the highest ethical standards. All state government employees must use the P-Card only to purchase supplies and services within the guidelines of this policy. Cardholders and the cardholder's supervisor who make false statements on P-Card records may be terminated from their position and may be fined, imprisoned, or both, as stated in the S.C. Code Ann. § 16-13-210.

4.8 IMPROPER USE OF THE P-C

Improper use of the P-Card by the cardholder may lead to suspension of all Procurement Card privileges. Card usage may be audited at any time. The controller authorizes all requests for suspension.

4.8.1 Misuse or Abuse of the Card

The terms "misuse" or "abuse" mean the use of the P-Card outside the employee's authorized parameters. Depending on the severity of the violation, cardholders could lose their privileges immediately. For lesser offenses, the following actions may be taken:

- 4.8.1.1 **1st Offense:** Both the cardholder and the cardholder's supervisor will be notified of the violation. The cardholder will be advised to use the card for official purposes only, and within the parameters established by Lander University, the State of South Carolina, and Bank of America. The cardholder will also be advised that all P-Card privileges could be suspended if further violations occur. The cardholder will be personally responsible for reimbursing the state for unauthorized purchases and will be required to perform any corrective action identified.
- 4.8.1.2 **2nd Offense:** The cardholder, the cardholder's supervisor, and the area vice president will be notified of the violation. The cardholder will be advised to use the card for official purposes only and within the parameters established by Lander University, the State of South Carolina, and Bank of America. The cardholder will also be advised that all P-Card privileges could be suspended if further violations occur. The cardholder will be personally responsible for reimbursing the state for unauthorized purchases and will be required to perform any corrective action identified.
- 4.8.1.3 **3rd Offense:** Use of the P-Card will be suspended permanently. This notification will be in writing to the cardholder, the supervisor, and the area vice president. The cardholder will be personally responsible for reimbursing the state for any unauthorized

purchases and will be required to perform any corrective action identified.

Note: Departments may implement further departmental disciplinary action(s).

4.8.2 Fraudulent Use of the Card

The term "fraudulent use" means the use of the P-Card with a deliberately planned purpose and intent to deceive and thereby gain a wrongful advantage for oneself or anyone else other than the State of South Carolina. The following actions will be taken:

- Immediate suspension of card privileges.
- Removal of cardholder's purchasing authority.
- Mandated employee reimbursement to the state.
- Formal disciplinary action that may result in termination of employment pursuant to applicable Lander University policy and/or South Carolina law.

5 Program Compliance

5.1 Internal Controls

Each agency's internal P-Card policy must establish an internal control process and structure that ensures compliance with the Code and state P-Card policy. Internal controls shall include:

- 5.1.1 Appropriate separation of duties between making transactions (cardholders), review and approval of transactions for payment (approving officials), and payment of the cardholder monthly bank statements (Accounts Payable).
- 5.1.2 Weekly independent supervisory review of all card maintenance activity if the P-Card administrator is also a cardholder.
- 5.1.3 Appropriate hierarchical review and approval of purchases by an individual with supervisory authority over the cardholder and/or with the authority to question purchases, if needed.
- 5.1.4 No cardholder can provide approval for payment for their transactions or of the P-Cardholder monthly bank statements. Review and approval responsibilities cannot be delegated to another individual.
- 5.1.5 Appropriate limits on the number of cardholders assigned to supervisor/approving officials and liaisons in order to ensure adequate review

of business need and documentation (e.g., receipts/invoices, monthly billing statement) for each purchase and to ensure that each purchase complies with this policy and the Code.

5.1.6 Provision for an annual independent audit or review of the P-Card Program by the P-Card administrator, internal audit unit, or other unit assigned audit responsibilities. Reviews must address the:

5.1.6.1 Adequacy of internal policies and procedures.

5.1.6.2 Appropriateness of cardholder spending limits.

5.1.6.3 Adequacy of review, reconciliation, and payment procedures.

5.1.6.4 Adequacy of documentation for transactions.

5.1.7 Internal Audit

Lander University's internal control procedures and guidelines are as follows:

5.1.7.1 Cardholder/Department Liaison will:

5.1.7.1.1 Submit vendor receipt, invoice, packing slip and any other additional supporting documentation to the departmental liaison. The cardholder should also supply copies of orders placed by telephone, fax or internet to the departmental liaison.

5.1.7.1.2 Match cardholder receipts to the P-Card statement.

5.1.7.1.3 Approve the charges made to the P- Card. The approval certifies that the purchase meets the university guidelines for approval for payment.

5.1.7.1.4 If the receipt is lost or misplaced, the merchant should be contacted and a replacement copy sent to the cardholder (e.g., via fax, mail, scanned copy). If this is not possible, a typed and signed note from the purchaser with pertinent details will be occasionally accepted. If the loss or misplacement of receipts becomes habitual, the P-Card may be suspended or revoked.

5.1.7.1.5 Indicate alternate index/account number for purchases to be charged if different than the default assigned to the P-Card.

5.1.7.1.6 Enter alternate index/account number, when applicable.

- 5.1.7.1.7 Identify transactions requiring the payment of use tax.
- 5.1.7.1.8 Retain all receipts and vouchers for audit by internal and external auditors. Receipts for purchases are to be maintained for five (5) years.

5.1.7.2 P-Card administrator will:

- 5.1.7.2.1 Reconcile Lander University's monthly accounting statement for payments to Bank of America and charges to individual departments.
- 5.1.7.2.2 Make periodic audits of P-Card use and charges for appropriateness through the use of Bank of America's WORKS™ on-line reporting system. Areas to be monitored include, but are not limited to, compliance with the South Carolina Consolidated Procurement Code, with P-Card regulations, and with university regulations, as well as sales and use tax charges. Non-use of the P-Card will also be monitored.

5.2 Cardholder Credit/Spending Limits

Spending limits enable management to provide cardholders with the purchasing power to accomplish the needs of the job without exposing the state or the organization to unnecessary risk. Spending limits should be based on the job responsibilities of the cardholder and/or of the job title. Cardholder spending limits must be reviewed at least annually to determine that actual usage is consistent with spending limits. Spending limits that are available are:

- 5.2.1 Cycle (Credit) Limit: The cycle limit is a mandatory spending limit that restricts the amount of purchases a cardholder can make in one billing cycle. This limit is established between the agency and Bank of America.
- 5.2.2 Single Transaction Limit (STL): The STL is a mandatory spending limit imposed on each cardholder account for each purchase. The STL is subject to the "no competition" limit as set forth in Section 2.2.2 State Card Policy & Section 2.4 Single Transaction Limits, above. Agencies may choose to set a lower STL under their policies and procedures;
- 5.2.3 Number of Transactions per Day (Optional): Management can choose to impose a maximum number of transactions on a cardholder account in order to control use of the P-Card.
- 5.2.4 Number of Transactions per billing cycle limit (optional).

5.3 Card Issuance Requirements

- 5.3.1 Issuance is limited to one P-Card per cardholder.
- 5.3.2 Cardholders must be permanent, part-time, or full-time state employees whose positions require the use of P-Card. There will be no exceptions to the following:
 - 5.3.2.1 P-Cards may not be issued to student employees, temporary workers, or contractors.
 - 5.3.2.2 P-Cards will not be issued in the name of a department or work unit to be shared by multiple employees.
 - 5.3.2.3 P-Cards will not be issued to employees of foundations associated with any agency.
- 5.3.3 An employee's supervisor and the department head must approve a cardholder's application for a P-Card.
- 5.3.4 All training requirements as described in this policy must be met before an employee receives the P-Card.

6 Types of Accounts

6.1 Standard P-Cards

Cardholders are limited to one active P-Card. Exceptions may be made for ghost accounts. The standard card Bank of America issues utilizes chip and PIN technology, which is a card that contains data embedded in a microchip and requires the consumer to enter a personal identification number to complete the transaction. A chip and PIN card, also called an EMV microchip card, is considered more secure than a magnetic stripe credit card because of both the technology in the chip and the requirement to enter a unique PIN.

6.2 Ghost Card Accounts

The term "ghost cards" refers to a P-Card account established for the payment of monthly or other periodic charges to an established supplier of a state entity and for which a physical card is not issued. In cooperation with the state P-Card coordinator and the bank, an agency's P-Card administrator may establish a ghost card to make payments to a single, specified supplier. Ghost cards provide a secure payment method restricted for use with the identified supplier and secured through numerous account restrictions,

including spending limits, MCC restrictions, and the absence of a physical card. Ghost cards may be considered when the supplier provides goods or services through an established relationship, often sending a monthly invoice for those goods or services. Examples of suppliers suitable for payment via a ghost card include telecommunication service providers, utilities, bulk fuel providers, and landlords. Ghost card accounts are subject to the same MCC restrictions and single transaction limits as standard P-Cards, as well as the same procedures for changing these restrictions and limits. Ghost card accounts are also subject to all other requirements of this policy. Contact the state P-Card coordinator for more information on ghost cards or for assistance in setting up ghost card accounts.

7 Legal Issues

7.1 Failure to Comply with Laws, Policies, and Procedures

Cardholders or supervisors/approving officials who knowingly, or through willful neglect, fail to comply with the following may be subject to suspension or termination of card privileges or other disciplinary action, up to and including termination of employment and criminal prosecution to the fullest extent of the law.

7.1.1 The Code

7.1.2 State P-Card policy

7.1.3 Internal policies and procedures governing procurement and the P-Card Program.

7.2 Accountability

7.2.1 P-Card transactions are subject to the monitoring and review process of Procurement Services. Cardholders and/or liaisons may be requested to provide additional information for questioned transactions.

7.2.2 Violations of the Purchasing Card Program and Guidelines

7.2.2.1 Violations of the P-Card Program policy or guidelines may be self-reported, detected by cardholder liaison, or via the university's auditing program.

7.2.2.2 Violations of the program policy or guidelines will result in notification of violation to the cardholder and department head for the card.

7.2.2.3 Any of the following action(s) will result, based on the severity of the violation:

7.2.2.3.1 Inquiry to the cardholder for explanation of the use of the P-card for a questionable transaction.

7.2.2.3.2 Suspension of the P-card until:

- Assurances have been made by the department head that measures have been taken to avoid a reoccurrence of the violation by the cardholder.
- Cardholder has attended additional training on P-card policies and guidelines.

7.2.2.3.3 Termination of the P-card.

7.2.2.3.4 Disciplinary action in accordance with the university policy and procedures relating to disciplinary action and termination for cause.

7.2.2.3.5 Repayment of the transaction with personal funds.

7.2.2.4 Actions for P-transactions that are violations of the State Procurement Code will be handled as an unauthorized procurement.

7.3 Unauthorized Procurement

7.3.1 An unauthorized procurement is an act of obligating Lander University in a contract by any person not authorized to do so in accordance with Lander University procurement policies and procedures:

7.3.1.1 Personal purchases not used for university business, but paid for with university funds.

7.3.1.2 Any single purchase over \$2,500/\$5,000 unless purchased by a designated buyer approved by the President's Council who will ensure that the purchases are in compliance with the SC Consolidated Procurement Code.

7.3.1.3 Split orders with a single vendor where the monetary total exceeds \$2,500/\$5,000.

7.3.1.4 Due to non-compliance as defined as not utilizing State of South Carolina established contracts, when applicable.

7.3.2 When a transaction has been determined to be an unauthorized procurement and payment has already been made, the following steps must be taken by the employee who made the purchase:

7.3.2.1 The employee who made this purchase must send a letter of explanation to the director of Procurement Services stating the facts and circumstances surrounding the purchase of the items and describing the corrective actions that are being taken to prevent this from happening again.

7.3.2.2 The letter must be routed through the appropriate administrative channels in the department to the director of Procurement Services, where it will then be sent to the university president for ratification.

7.3.3 When a transaction has been determined to be an unauthorized procurement and payment has not been made, the following steps must be taken by the employee who made the purchase:

7.3.3.1 The employee who made this purchase must send a letter of explanation to the director of Procurement Services stating the facts and circumstances surrounding the purchase of the items and describing corrective actions that are being taken to prevent this from happening again, action taken against the individual committing the act, and documentation that the price is fair and reasonable.

7.3.3.2 The letter should be routed through the appropriate administrative channels in the employee's department to the director of Procurement Services, where it will then be sent to the university president for ratification.

7.3.3.3 Once this unauthorized procurement has been reviewed and ratified by the university president, a purchase order will be issued.

7.4 The DPS P-Card coordinator reserves the right to withdraw any authority or delegated approval due to non-compliance with applicable laws, rules, regulations, policies, and procedures, or the terms of any conditional approval.

8 Student Group Travel by Institutions of Higher Learning

For an institution of higher learning, acting under policies approved by its Board of Trustees, use of the P-card may be authorized by agency P-Card administrator for meal and lodging purchases incurred for the travel of student groups under the following procedures when expending funds derived wholly from athletic or other student contests, from the activities of student

organizations, from the operations of canteens and bookstores, and from private practice or funds other than the general funds provided:

- 8.1 Only certain designated staff members who chaperone student trips routinely will be authorized to use P-Cards for student group travel.
- 8.2 As with all other P-Cards, each card must be issued in the name of one employee who is authorized to chaperone student trips. Each employee assigned a P-Card has complete responsibility for the use of that card. The P-Card may not be used by any other individual.
- 8.3 P-cards may be used by authorized personnel to purchase food/meals, lodging, and airfares for students and chaperones when on student travel status trips. The P-Card may not be used to pay meal or lodging expenses for any state employee who chaperones the students except as authorized under the exception for the institutions of higher learning listed above.
- 8.4 All P-Card expenditures will be reviewed monthly in accordance with agency P-Card review and reconciliation procedures.
- 8.5 All P-Card charges related to travel expenditures for the students' travel should be accounted for as student travel.
- 8.6 Charges related to travel expenses for a state employee chaperone should be accounted for as employee travel. An employee chaperone must comply with state travel regulations for employees, including not using the P-Card for their portion of meal and lodging expenses when non-exempt funds are used.
- 8.7 Any charges to the P-Card that are found to be out of compliance with grant, state, and/or institutions' guidelines will be reimbursed to the university by the P-Cardholder within ten (10) days of the discovery of the excess charges.
- 8.8 Failure to repay excess charges will result in the permanent revocation of P-Card use by the offender and will result in disciplinary action by the university.
- 8.9 Each P-Card holder, with a P-Card authorized for food/meal and lodging purchases, will sign, receive, and read a copy of this P-Card guideline for food/meal and lodging purchases, acknowledging understanding and receipt of the guidelines, their respective institution's Board of Trustees' travel policies, and the terms of use.

9 Appendix

9.1 Definitions

- 9.1.1 **Agency:** Lander University arranges with the card issuer, Bank of America, for the issuance of P-Cards to approved university employees and agrees to accept departmental liability for the employees' use of the cards.
- 9.1.2 **Cardholder:** An employee of Lander University who is approved by their department head to use the P-Card to execute purchase transactions on behalf of the university. The cardholder is the only person allowed to use the P-Card.
- 9.1.3 **Card Issuer:** Bank of America's services were contracted for by the State of South Carolina, to issue VISA P-Cards to university employees, to bill the university for all purchases made on the cards, and to collect payment from the university on behalf of the vendors.
- 9.1.4 **Department Head:** Lander University official who must approve employee's request for a P-Card, assign a departmental liaison, designate default account numbers for purchases on the P-Card, and submit application to the university P-Card administrator. Department head approval delegates transaction authority to the cardholder.
- 9.1.5 **Departmental Liaison:** A employee in each Lander University department/ college who is responsible for the proper use of the P-Card(s) within that department. Each cardholder will be assigned a departmental liaison and the liaison will be responsible for reviewing transactions of individual cardholders on a daily basis to perform allocation of funds and to make sure that the transactions are classified as an appropriate university expense. The departmental liaison is responsible for reviewing the individual cardholder's transactions to make sure that the transactions comply with the P-Card procedure. The liaison will be responsible for account distribution and retention of backup documentation for the cardholder. The departmental head will clearly identify the cardholders for whom the liaison is responsible. A departmental liaison may not be liaison for their own card. Another individual in the department, in addition to the department head, must review and sign the liaison's monthly documentation.
- 9.1.6 **DPS:** Division of Procurement Services – Columbia, SC
- 9.1.7 **OCG:** Office of the Comptroller General – Columbia, SC
- 9.1.8 **Purchasing Card (P-Card) Administrator:** the central Administrator located in Lander University's Procurement Services Office who coordinates the P- Card program for the university and acts as the university's intermediary in correspondence with the card issuer. The administrator monitors transactions periodically for compliance with P-Card guidelines and procurement regulations.

9.1.9 **Vendor:** The merchant from whom a cardholder is making a purchase.

9.2 Forms

9.2.1 [Purchasing Card Request Form PC-101](#)¹

9.2.2 [Cardholder Agreement PC-102](#)²

9.2.3 [Commercial Card Claims Statement](#)³

9.2.4 Blocked MCC List: Available at:

<https://www.lander.edu/about/offices-departments/procurement-services/index.html>

9.2.5 [Sample Suspension Memorandum for Inappropriate Use](#)⁴

9.2.6 [Liaison Review Checklist PC-103](#)⁵

10 Policy Revision History

- Last recorded update by Director of Procurement Services on 10/4/2023.
- Reformatted by Policy Coordinator for Policy Committee Review and board policy approval consideration on 11/22/2023.
- Approval of reformatted policy by Director of Procurement Services and VP for Finance and Administration on 11/22/2023.

¹ Purchase Card Request Form URL:

<https://www.lander.edu/about/files/documents/policies/Purchasing%20Card%20Request%20Form%20PC-101.pdf>

² Cardholder Agreement URL: <https://www.lander.edu/about/files/documents/policies/Cardholder%20Agreement%20PC-102.pdf>

³ Commercial Card Claims Statement URL:

<https://www.lander.edu/about/files/documents/policies/Commercial%20Card%20Claims%20Statement%20of%20Disputed%20Item.pdf>

⁴ Suspension of P-Card Privileges for Inappropriate Use URL:

<https://www.lander.edu/about/files/documents/policies/Suspension%20of%20P-Card%20Privileges%20for%20Inappropriate%20Use.pdf>

⁵ P-Card Liaison Review Checklist URL: <https://www.lander.edu/about/files/documents/policies/P-Card%20Liaison%20Review%20Checklist%20PC-103.pdf>

- Policy Coordinator applied blue lettering to the sections of this policy that Lander University revised or added to distinguish those sections from State Policy sections based on instructions from Director of Procurement Services on 4/2/2024.
- Reviewed by Board of Trustees Policy Committee on 4/15/2024.
- Revised by Director of Procurement Services on 4/17/2024.
- Approved by the Lander University Board of Trustees on 4/30/2024.