



PURCHASING CARD PROGRAM

CARDHOLDER MANUAL

Policies and Procedures

Revised September, 2019

LANDER UNIVERSITY PURCHASING CARD PROGRAM CARDHOLDER MANUAL

Introduction

Lander University participates in this program as an agency of the State of South Carolina. This program is designed to help better manage low-dollar routine purchases and benefit job performance. The University's and our vendors' use of the purchasing card allows for a more cost effective process for purchasing. Those individuals who have buying responsibilities in departments are encouraged to be the departmental cardholders.

The Purchasing Card is a VISA credit card issued by Bank of America. It is a fast, flexible purchasing tool which offers an alternative to the existing University purchasing process and provides for an extremely efficient and effective method of payment for items purchased with a total value of \$2,500 or less, or for the following: items purchased from State contracts, airline tickets or those purchased by designated buyers approved by the President's Cabinet for the University who must ensure that purchases are in compliance with the SC Consolidated Procurement Code, even if those purchases exceed \$2,500. The card is to be used only for official University purchases.

The VISA Purchasing Card will enable you to purchase non-restricted commodities, by telephone, in person, or via internet directly from the vendors. It will eliminate the need for low dollar purchase orders, many blanket purchase orders, and the use of petty cash. Some items that can be charged on the Purchasing Card are office supplies, registration fees, Federal Express, UPS, utilities, and airline tickets.

The VISA Purchasing Card will be issued in the employee's name with the State of South Carolina emblem, the wording "For Official Use Only" and "Lander University" clearly indicated on the card.

The Purchasing Card program brings many benefits to the following:

Cardholders - Cardholders are able to obtain supplies and services directly from vendors without the use of a purchase order. This streamlines the purchasing process and can help improve turnaround time on receipt of orders. It significantly reduces the workload and processing costs related to the purchase and payment of supplies.

The University - The Purchasing Card program provides a cost-efficient, alternative method for purchasing low-dollar supplies. Built-in card features make the program easy to control and manage and reduces processing costs at all levels by reducing the number of requisitions, purchase orders, invoices and checks. The Purchasing Card enables all departments to focus on higher yield value added activities.

Vendors - The Purchasing Card will be welcomed by vendors who accept VISA. When they accept the card for business purchases, vendors need not send invoices to the University, and they will receive payment directly from Bank of America within 48 hours.

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ALLOWABLE/NON-ALLOWABLE CHARGES:

Here is a list of possible items and services which can/cannot be charged on the University Purchasing Card.

| 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 & train tickets & 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 |
| Subscriptions | Entertainment |
| Computer Software | Gifts, Gift Certificates |
| Books | Gift cards |
| Printing | Cash advances |
| Postage & Office Supplies | Telephone calling cards or additional minutes for calling cards |
| Utilities | Holiday or Birthday Cards |
| Repairs | Holiday ornaments |

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| | |
|--|---|
| Hardware | Sporting events |
| Lab Supplies | Foundation charges |
| APL iTunes – for Lander business applications only | Gasoline (If state-owned or University leased vehicle, purchases may be made with the State Fuel Credit Card) |
| | Personal Charges |
| | Blocked Vendors |
| | Inter-departmental purchases – including Bearcat shop |

General Policies and Guidelines

- Purchasing Cards cannot be used for cash advances or the purchase of items that can be used as cash, i.e. gift cards, gift certificates, etc.
- Purchasing Cards will be issued to full-time Lander University employees only. (There are no departmental cards.)
- Only one Purchasing Card may be issued to an individual.
- Purchasing Cards will not be transferable between individuals.
- The Purchasing Card prohibits the use of purchasing food and other items for personal consumption.
- A default index code will be assigned to each Purchasing Card.
- Department Head delegates purchasing authority to the Cardholder.
- Transactions are distributed electronically to Departmental Liaisons daily and they then have the capability to enter index for payment, identifying transactions subject to use tax.
- Departmental Liaison may be auditor for more than one department/fund.
- Departments are responsible to assure credit card activity is charged to the proper account distribution.
- New card request form for a Purchasing Card must be approved by their Department Head.
- Department Head must provide the name of the Liaison to whom Cardholder will be assigned and the Banner Index number.
- Approved request forms are sent to University Purchasing Card Administrator.
- The Purchasing Card Administrator resides in the Procurement Services Department
- Cardholder and Departmental Liaison must take the online training in Blackboard and attend additional training session prior to taking possession of the Purchasing Card.
- Each individual Cardholder must sign a Cardholder agreement in the presence of the University Purchasing Card Administrator.
- Cardholder or Liaison allocates charge in the “Works Application” when notification email is received.
- Cardholder or Liaison matches receipts to monthly statement and stores in secure file.
- All transactions must be reviewed by Liaison or Cardholder supervisor.

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- Bank of America sends consolidated invoice to Lander University at the end of monthly billing cycle which is 27th of each month.
- Payment is made to Bank of America within 25 days by the University.
- Purchasing Cards with no activity for 12 months will be subject to cancellation.

Parties Involved

Agency – Lander University arranges with the card issuer, Bank of America, for the issuance of Purchasing Cards to approved University employees and agrees to accept departmental liability for the employees' use of the cards.

Cardholder - an employee of the University who is approved by his/her department head to use the Purchasing Card to execute purchase transactions on behalf of the University. The Cardholder is the **only** person allowed to use the purchasing card.

Card Issuer - Bank of America's services were contracted for by the State of South Carolina, to issue VISA Purchasing 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.

Department Head - University official who must approve employee's request for a Purchasing Card, assign Departmental Liaison, designate default account numbers for purchases on the Purchasing Card, and submit application to the University Purchasing Card Administrator. Department Head approval delegates transaction authority to the Cardholder.

Departmental Liaison - an employee in each department/college should be responsible for proper use of the Purchasing Card within that department. Each Cardholder will be assigned a Departmental Liaison and the liaison will be responsible for reviewing transactions of individual Cardholders daily to perform allocation of funds and to make sure the transactions are classified as an appropriate university expense. The Departmental Liaison is responsible for reviewing the individual Cardholder's transactions to make sure the transactions comply with the purchasing 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 his/her own card.** Someone else in the department, in addition to the Departmental Head, must review and sign the Liaison's monthly documentation.

Purchasing Card Administrator - the central Administrator located in Lander University's Procurement Services Office who coordinates the Purchasing 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 procurement card guidelines and procurement regulations.

Vendor - the merchant from whom a Cardholder is making a purchase.

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Key Cardholder/Liaison Responsibilities

Each Department Head must designate one or more Departmental Liaisons for his/her department. The Departmental Liaison must receive training on the use of the Purchasing Card before any individuals in the department may receive a Purchasing Card. Responsibilities of either the Cardholder or Departmental Liaison include:

The following are several key areas that require on-going Cardholder support. A Cardholder must:

- Ensure the Purchasing Card is used only for legitimate business purposes and is responsible for familiarity with the VISA credit card Policies and Procedures available on the Procurement Services website.
- Maintain the Purchasing Card in a secure location at all times.
- Adhere to the purchase limits and restrictions of the Purchasing Card and ensure that the total transaction amount of any single transaction does not exceed \$2,500, unless an exemption has been granted.
- Adhere to the SC Consolidated Procurement Code and other applicable University policies.
- Ensure that the Purchasing Card is only used by the approved Cardholder. Use by anyone other than the cardholder is strictly prohibited.
- Obtain all proofs of purchase, (i.e., sales slips, register receipts, web order proofs and/or credit card slips) and maintain a file for audit purposes. All proofs of purchase receipts should be stapled to the bank statement monthly. Make notes on receipts if it is not clear what the item is. Records should be kept in order at all times. If the receipt is lost or misplaced, the merchant should be contacted and a replacement copy sent to cardholder via fax, mail, scanned copy, etc. If this is not possible, a Pcard Missing Receipt Form must be completed and signed by the department head. If this becomes habitual, the procurement card may be suspended or revoked.
- The Cardholder/Liaison must allocate charges within 7 business days. If deadline is missed, purchases will automatically be charged to the default account requiring a correction. Changing a budget string after transactions are removed from Works will require approval from the Controller's office and will require a Journal Entry in Banner. If deadlines are missed and/or backup is not provided, the cardholder will be in jeopardy of losing VISA card privileges.
- Records are to be kept for 5 years.
- Attempt to first resolve a dispute or billing error directly with the vendor and notify Bank of America if the dispute or billing error is not satisfactorily resolved. A Cardholder must also ensure that an appropriate credit for the reported disputed item(s) or billing error appears on a subsequent Cardholder Memo Statement. ***Under no circumstances shall a Cardholder accept cash in lieu of a credit to the Purchasing Card account.***
- Lost, misplaced or stolen P-Cards should be immediately reported to the Bank at 1-888-449-2273. The Liaison and Administrator should also be notified at the first opportunity during normal business hours.

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- Return Purchasing Card and VISA turn-in document to Procurement Services upon request to forfeit card or terminating employment.
- If changing departments within the University, please contact the Purchasing Card Administrator to coordinate the change and provide instructions for retaining purchasing card and approvals for new department.
- Ultimate responsibility for use/misuse of cards rests with the Cardholder.
- Collecting vendor proof of purchase receipts and/or credit card receipts and reconciling to Bank of America billing statements. Billing cycle is from the 28th to the 27th of each month.
- Retaining all charge slips and/or proof of purchase receipts for audit by internal and external auditors. (Retain records 5 years)
- Allocating information on billing distribution.
- Identifying and updating transactions that require the submission of use tax and/or account changes within the specified deadline using WORKS web-based application.
- Changing of allocations after transactions have been swept, approval must come from the Controller's office and will require a Journal Entry in Banner.
- Notifying Purchasing Card Administrator of default index changes for individual cards as needed. This is especially important for upcoming expiring grants.
- Attempting to resolve any disputes with vendor and/or Bank of America not resolved by Cardholder within sixty (60) days of the posting date. Note: 60 day period for resolution of disputes.
- Notifying University Purchasing Card Administrator in 3 to 5 days of any unresolved disputes, noting the reason for dispute.
- Notifying University Purchasing Card Administrator of lost or stolen cards.
- Forwarding VISA turn-in document to Card Administrator to cancel a Cardholder's card e.g. (terminated employees, loss of purchasing card privileges) as approved by Department Head.
- In the event of an extended absence, the Liaison must identify backup with the Card Administrator. The Administrator will then grant access to the backup/new liaison.

University Purchasing Card Administrator Responsibilities

Lander University Procurement Services will assign an Administrator to be responsible for the over-all Purchasing Card program. Responsibilities include:

- Lander University liaison with Bank of America.

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- Utilizing WORKS application from Bank of America.
- Reviewing approved applications for completeness and submitting application to Bank of America; receiving Purchasing Card from Bank of America.
- Training Departmental Liaisons before releasing Purchasing Cards.
- Training Cardholder before releasing Purchasing Card.
- Having Cardholder sign Cardholder agreement, signifying agreement with the terms of the Purchasing Card program. Inform cardholder of updates in program policy and procedures.
- Handling disputed charges/ discrepancies not resolved by Cardholder or Departmental Liaison.
- Initiating change of Purchasing Card default index upon request of Department Liaison.
- Securing revoked Purchasing Cards and submitting information to Bank of America.
- Daily reviewing usage of Purchasing Card data for appropriateness.
- Processing upload of bill to accounting for charging individual departments.
- Reviewing Bank of America invoice and submitting to accounting for payment.
- Reconciling Lander University accounting statements as to payments to Bank of America and charges to individual departments.

Cardholder Eligibility

- The Applicant must be a full-time employee of Lander University.
- Applicant's request for a Purchasing Card must be approved by his/her Department Head.
- Applicant must be assigned a Departmental Liaison selected by his/her Department Head.
- Employee must complete the online PCard training and attend a training session on Procurement 101 before he/she may be issued a Purchasing Card.
- Each individual Cardholder must sign The Lander University Purchasing Card Cardholder Agreement. By signing this agreement, you indicate that you understand the intent of the program, and will comply with all guidelines of this Manual as well as University Policies and Procedures relating to the expenditure of University funds.

Cardholder Liability

The Purchasing 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 the Purchasing Card Cardholder 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 card, notification of the situation to administration, and further disciplinary action may include termination.

Terminating a Card

The Purchasing Card Administrator is required to close an account if a Cardholder:

1. Moves to a new job in which a Purchasing Card is not required.
2. Terminates Lander University employment.
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:
 - The Purchasing Card is used for personal or unauthorized purposes.

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- The Purchasing Card is used to purchase alcoholic beverages or any substance, material, or service which violates policy, law or regulation pertaining to Lander University.
- The Cardholder allows the card to be used by another individual.
- The Cardholder splits a purchase to circumvent the limitations of the South Carolina Consolidated Procurement Code.
- 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.
- The Cardholder fails to keep a file with required receipts.
- The Cardholder fails to provide, when requested, information about any specific purchase.
- The Cardholder does not adhere to all of the Purchasing Card policies and procedures.

Lost, Misplaced or Stolen Purchasing Cards

Cardholder must immediately report any lost or stolen Purchasing Card to Bank of America toll-free at **1-888-449-2273**. (24 hours a day, 365 days a year). Notify your Department Liaison and/or the University Purchasing Card Administrator of a lost or stolen card at the first opportunity during normal business hours.

Spending Controls

The Purchasing Card is to be used to make small value purchases of supplies, materials, equipment, and services for Lander University Business. The general spending parameters for each VISA Purchasing Card issued is set at \$2,500 per transaction with a standard maximum of \$5,000 per month per card; however, a request for single transaction limits may be raised as high as \$5,000 with approval from the departmental budget manager. Purchasing Card limits may be increased up to a single purchase limit of \$10,000 for key procurement personnel as authorized by the President and his Council. The University, through the Procurement Department, will adjust monthly limits as determined by demonstrated need.

The Purchasing Cardholder must adhere to the published University Purchasing Policies and Procedures.

Declines

Should the Purchasing Card be declined by a vendor, the Cardholder should immediately contact the University Purchasing Card Administrator for assistance. If purchase is being made outside of normal University business hours, the employee must find an alternate payment method or terminate the purchase and contact the University Purchasing Card Administrator during normal University hours.

Emergency Transactions

Emergency transactions over \$2,500 may not be handled with the Purchasing Card due to State procurement regulations. For any transaction that does not meet the spending controls assigned to the card, the Cardholder must contact the Purchasing Office for assistance.

Returns/Credits

Vendors will issue all credits to the individual Purchasing 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 Purchasing Card account.

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Tips for Returns:

- Always retain boxes, containers, special packaging, packing slips, etc. until you are certain you are going to keep the goods. Some items, such as software or 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 something is being returned due to a supplier error or problem, the supplier should pay any fees involved in the return. In a case where something 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). You may use the Purchasing Card to pay this fee as long as it does not exceed any of your limits

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 Purchasing Card Administrator for assistance. Timely allocations will be very critical in the case of fraudulent or wrongful charges to the Card.

Purchasing Card/Account Number Security and Storage

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.

The Cardholder/Liaison will maintain the vendor receipts/packing slips/charge slips. All other documentation concerning the Purchasing Card program will be maintained by the University Purchasing Card Administrator located in University Procurement Services. This documentation includes, but is not limited to, applications, Cardholder agreements, agency billing statements, reconciliation of accounting statements, Bank of America program material, and copies of transmittals and correspondence with Bank of America.

Sales and Use Tax

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.

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Purchases from Vendors located outside South Carolina – If sales tax is paid in 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.

Should no tax be charged or the amount of tax charged is less than the amount required by the State of South Carolina, the Cardholder/Liaison must either indicate the appropriate tax amount in WORKS or submit a journal entry (if 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.

Vendor Blocking

The University has established a Blocked Vendor List. Transactions will be blocked at the point-of-sale level at the types of vendors on the Blocked Vendor Listing attached to these procedures.

The Purchasing 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 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 is complete, the MCC restriction will revert back to the original set-up.

Purchasing Card Maintenance and Closure

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 Purchasing 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 online PCard training session and take a short quiz.
2. Upon completion of the quiz, the applicant will receive a Purchasing Card Request Form and submits to Department Head for completion and approval.
3. Department Head completes the application by providing the name of the Departmental Liaison and default account number to be assigned to the card.
4. Department Head approval delegates transaction authority to the Cardholder.
5. Approved application is to be sent to the Purchasing Card Administrator.
6. Purchasing Card Administrator submits application to Bank of America in format approved by Bank.
7. After receiving Purchasing Card from Bank of America, Purchasing Card Administrator will conduct an additional training session with the Cardholder to include Procurement 101.
8. Cardholder signs Cardholder Agreement form indicating agreement with the terms of the Purchasing Card program.

The University Purchasing Card Administrator will use the tools offered by Bank of America for the maintenance of cards.

A Cardholder must immediately report a lost/stolen card to Bank of America at 1-888-449-2273 and followup with the Purching Card Administrator as soon as possible. The card will immediately be closed. The Departmental Liaison is to secure Purchasing Cards from terminated employees. The University Purchasing Card Administrator will notify Bank of America immediately of all closures.

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The Departmental Liaison will immediately notify the University Purchasing Card Administrator via phone or e-mail of the termination. A request for closing the Cardholder account will be submitted to Bank of America by the University Purchasing Card Administrator within 2 days of receiving the notification. All Purchasing Cards are to be returned to the University Purchasing Card Administrator for disposal.

The Purchasing Card Administrator will notify Bank of America immediately of all revokes and closures.

Purchasing 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.

RECONCILIATION, APPROVAL & ALLOCATION OF BILLING

Receipt and Payment of Bank of America Billing

- Bank of America will bill the University within seven (7) days after the close of the billing cycle of each month.
- University Purchasing Card Administrator will review bill for any obvious errors in charges or non-posted payments. If none are noted, payment in full will be made to Bank of America.
- The University Purchasing Card Administrator will prepare the payment voucher against the Company Bank Statement and submit to the Business Office for payment to Bank of America. Bill will be processed so that payment will reach Bank of America no later than 25 calendar days after the close of the billing cycle of the previous month.

Allocation of Purchasing Card Charges to University Departments

- A default University index number will be assigned to each Purchasing Card issued.
- Cardholders/Departmental Liaisons will receive system generated messages of available transactions for reallocation.
- Cardholders/Departmental Liaisons will allocate the charge to the correct index/account numbers.
- Cardholders/Departmental Liaisons will identify transactions requiring payment of use tax.
- Cardholders/Departmental Liaisons will process reallocations in advance of the designated default cut-off date established by the University Purchasing Card Administrator.
- 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 5 years.
- University Purchasing Card Administrator will reconcile the detailed billing statement to amount paid to Bank of America.

AUDIT

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

Cardholder/Department Liaison will:

- Submit vendor receipt, invoice, packing slip and any other additional supporting documentation to Department Liaison. Cardholder should also supply copies of orders placed by telephone, fax or internet to Department Liaison.
- Match Cardholder receipts to Purchasing Card Statement.

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- Approve the charges made to the Purchasing Card. The approval certifies that the purchase meets the University guidelines for approval for payment.
- If the receipt is lost or misplaced, the merchant should be contacted and a replacement copy sent to cardholder via fax, mail, scanned copy, etc. If this is not possible, a typed and signed note from the purchaser with pertinent details will be accepted occasionally. If this becomes habitual, the procurement card may be suspended or revoked.
- Indicate alternate index/account number for purchases to be charged if different than the default assigned to the Purchasing Card
- Enter alternate index/account number when applicable.
- Identify transactions requiring the payment of use tax.
- Retain all receipts and vouchers for audit by internal and external auditors. Receipts for purchases are to be maintained for 5 years.

Purchasing Card Administrator will:

- Reconcile Lander University's monthly accounting statement for payments to Bank of America and charges to individual departments.
- Make periodic audits of procurement 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 SC Consolidated Procurement Code, compliance with Purchasing Card regulations, compliance with University regulations, and sales and use tax charges. Nonuse of card usage will also be monitored.

ACCOUNTABILITY

Purchasing 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.

Violations of the Purchasing Card Program and Guidelines

Violations of the purchasing card program policy or guidelines may be self-reported, detected by cardholder liaison or in the University auditing program.

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

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

- Inquiry to the cardholder for explanation of the use of the purchasing card for a questionable transaction.
- Suspension of the purchasing 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 the purchasing card policies and guidelines.
- Termination of the purchasing card.
- Disciplinary action in accordance with the University Policy and Procedures relating to disciplinary action and termination for cause.
- Repayment of the transaction with personal funds.

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Actions for purchasing card transactions which are violations of the State Procurement Code will be handled as an unauthorized procurement.

Unauthorized Procurement

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:

- Personal purchases not used for University business but paid with University funds.
- 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.
- Split orders with a single vendor where the monetary total exceeds \$2,500/\$5,000.
- Non-compliance of using State of SC established contracts when applicable.

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

- The employee who made this purchase will have to send a letter of explanation to the Director of Procurement Services stating the facts and circumstances surrounding the purchase of the items and what corrective actions are being taken to prevent this from happening again.
- The letter should be routed through the appropriate administrative channels in the department to the Director of Procurement Services where it will then be sent to the President for ratification.

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

- The employee who made this purchase will have to send a letter of explanation to the Director of Procurement Services, stating the facts and circumstances surrounding the purchase of the items and what corrective actions 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.
- 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 President for ratification.
- Once this unauthorized procurement has been reviewed and ratified by the President, a purchase order will be issued.

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Merchant Category Code (MCC) Blocking

Merchant Category Codes (MCCs) are assigned by the Bank to each merchant or vendor based on the type of goods and services that merchant or vendor typically provides. P-Card transactions with certain vendor types have been blocked at the point-of-sale level based on that vendor's MCC; therefore, Cardholders will be unable to make purchases from those vendors. The University, in conjunction with the Bank, has established various account profiles based on perceived and historical types of spending for similar Cardholder types. Each Cardholder will be assigned to one of these profiles which then determines the vendor types that are to be blocked.

The Administrator can authorize a temporary override for a transaction that has been blocked due to a vendor's MCC classification. Upon receiving a request for an override from a Cardholder or Liaison, the Administrator will review the request to determine if, in fact, the Cardholder's profile can be changed temporarily for a particular purchase, ensuring that the purchase will not be in violation of any other policies or procedures. If a request is deemed authorized, the Administrator will temporarily change the Cardholder's profile in order to allow the transaction in question to clear. Once the purchase is complete, the Cardholder's profile will revert back to its original status. Changes to the Cardholder's profile are captured in the file history within the Bank's Works program, and documentation will also be maintained by the Administrator.