



## SMALL PURCHASE CHARGE CARD

**Policy Title:** Small Purchase Charge Card

**Policy Type:** Administrative

**Policy Number:** 43-13 (2014)

**Approved:** 09/01/2014

**Responsible Office:** Procurement Services

**Responsible Executive:** Vice President for Finance and Administration

**Applied to:** University Employees

### POLICY STATEMENT

The Commonwealth's Small Purchase Charge Card (SPCC) program offers Norfolk State University (NSU) the opportunity to streamline procedures for paying small dollar goods and services. The program reduces the volume of Accounts Payable transactions and the associated administrative cost by eliminating vendor invoices and consolidating multiple vendor payments into one monthly payment to vendors. Vendors are paid directly by the purchasing card contractor.

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### DEFINITIONS

None

### CONTACT(S)

Procurement Services officially interprets this policy. The Vice President for Finance and Administration is responsible for obtaining approval for any revisions as required by BOV Policy #01 (2014) *Creating and Maintaining Policies* <https://www.nsu.edu/policy/bov-01.aspx> through the appropriate governance structures. Questions regarding this policy should be directed to Procurement Services.

## **STAKEHOLDER(S)**

University Community

## **SMALL PURCHASE CHARGE CARD (SPCC) POLICY CONTENTS**

While the use of the SPCC creates accounting efficiencies, it is important that relevant procurement regulations be observed, especially those detailing the use of State contracts and eVA. The purchasing card should be viewed at all times as an efficient means of payment, not a substitute for proper procurement procedures. Maximum use of the SPCC program in conjunction with eVA initiatives is a best practice essential to the statewide effort to reduce the costs associated with paying for goods and services for the Commonwealth. To the greatest extent possible, efforts should be made to use State contracts and Department of Small Business and Supplier Diversity (DSBSD) certified Small, Women- and Minority-Owned (SWAM) vendors who accept the purchasing card in order to maximize administrative cost savings.

Cards are issued with the name of the cardholder and NSU embossed on the front. Cardholders must receive training and sign an Employee Agreement Form prior to obtaining the purchasing card.

### **Liability**

NSU assumes ultimate liability for employees' use of the card. Purchasing cards must be used for official Commonwealth of Virginia purchases only and all purchases must comply with the same State procurement regulations in effect for any other means of payment.

### **Separation from Norfolk State University**

A cardholder leaving the University shall notify the NSU Program Administrator of the date of their separation and is responsible for returning the SPCC to the Program Administrator and completing a final reconciliation of all pending charges. Cardholder's supervisors are responsible for ensuring the cardholder has completed a final reconciliation.

### **Security/Lost or Stolen Cards**

Authorized use of the card is limited to the person in whose name the card is issued; however, this does not limit someone else from picking up the merchandise on behalf of the cardholder if the transaction was placed in eVA. The purchasing card shall not be loaned to another person. In the event that the cardholder is going to be absent from work for an extended period of time, a separate card may be issued to another person for the duration of the absence.

The purchasing card or its number shall not be shared with another person. If a cardholder knowingly allows another person to use the card, the named cardholder's privileges may be revoked. The account number must not be faxed, mailed or emailed to vendors. The purchasing card should be kept in an accessible but secure location. The account number on the purchasing card should not be posted or left in a conspicuous place.

Cardholders must never fax their card numbers to vendor(s). Internet purchases are only allowed in eVA, Virginia's secured website. A secured website uses a Secure Socket Layer (SSL) version 2.0 or greater. Before submitting payment information to a web vendor, confirm that the small padlock icon at the bottom left of the browser window appears to be "Locked" rather than "Open", and that the URL in the address window near the top of the browser window begins with https://. Unless both of these conditions are present, do NOT use the purchasing card contractor to place an order at that website.

If the purchasing card is lost or stolen, the cardholder must immediately notify the Program Administrator located in Procurement Services.

### **General Requirements for Card Usage**

In order for spending limits to be monitored and purchasing activity reconciled to the monthly charge card statements, each cardholder must maintain a separate purchasing log sheet of purchases made with the purchasing card. A new purchasing log sheet shall be established at the beginning of each billing cycle. To use the card, the cardholder must:

- Identify suppliers that sell the required goods and services from the Commonwealth's electronic procurement system (eVA).
- Maintain specific point of sale receipts for reconciliation purposes.
- Over the counter (OTC) purchases occur when the cardholder goes to the store and shops, presents the SPCC, and leaves the store with the items.
- **For cardholders placing orders for items to be received at a future date, this transaction must be keyed into eVA. Use of the SPCC is allowed in eVA.**
- Retain all documentation pertaining to the purchase. When the supplier delivers the order, documentation of the purchase (such as a quote, sales receipt or packing slip) should accompany the order. This documentation must be kept on file for reconciliation to the monthly charge card statement.
- Even if no charges are made in a particular month, cardholders and their supervisors must sign and date a transaction log (in lieu of a card statement) stating that no purchases were made, and submit the document to Accounts Payable.
- For cardholders approved to purchase air and rail tickets, cardholders must attach a copy of the ticket or a signed and dated travel itinerary to the transaction log sheet. Cardholders must also include a brief description of the trip which may be a copy of the approved travel authorization or signed requisition.
- For ticket purchases exceeding the individual's established transaction limit, cardholders must email purchasing card administrator in Procurement Services with the name of the traveler, the purpose of the trip, the destination, the exact dollar amount of the ticket(s), the name of the vendor selling the tickets and the last five digits of the card so that special arrangements can be made. Temporary limit increases may be accomplished and effective within 24 hours of request.
- Cardholders may not buy tickets or any other goods or services exceeding the established spending limit until the purchasing card administrator has notified them that their transaction limit has been lifted for this one-time purchase.

- Cardholders may apply to electronically receive their monthly statements by contacting the purchasing card administrator. The electronic statement is typically available on or about the 22<sup>nd</sup> of each month. Enter the purchase information on the cardholder's purchasing log sheet (provided by Procurement Services).

### **Authorized Cardholders**

All full-time staff that perform the data entry function of entering requisitions into Colleague and eVA are authorized and required to obtain and utilize the SPCC to the maximum extent possible. The SPCC Administrator may grant exceptions on a case-by-case basis after consultation with the Director of Procurement Services. The SPCC is also authorized for trades people in Facilities Management and other full-time staff involved in frequent student travel (i.e., coaches, theatre, band, and choir) that have frequent over the counter transactions. The card is not authorized for contract or student workers.

### **Cardholder Responsibilities**

- Each cardholder will receive a monthly statement, however, to expedite the reconciliation process, cardholder may go to <https://payment2works.works.com> after the 15<sup>th</sup> of each month to access the statement.
- Reconcile the statement to the purchasing log and supporting documentation to verify that purchases and returns are accurately listed on the statement.
- Document items requiring resolution on subsequent monthly charge card statements.
- Forward the monthly statement to supervisor, along with written certification that has been reconciled to the purchasing log and supporting documentation.
- If there are no charges for the month, notify the supervisor and Accounts Payable by indicating (no purchases this month) on the reconciliation statement.

### **Reconciliation of the Charge Card Statement**

Each department is responsible for retaining documentation of purchases and returns and, with the aid of the purchasing log sheet, reconciliation to the monthly charge card statement. Each cardholder shall complete the Purchasing Log Sheet and submit to Accounts Payable no later than the 1<sup>st</sup> day of each month. The cardholder and the cardholder's supervisor must sign the monthly reconciliation (certification) sheet. The cardholder shall maintain a copy of the Purchasing Log Sheet and the Monthly Certification along with all supporting documentation for five years.

- Purchases listed on purchase log sheet, but not on the cardholder's statement:
  - Highlight item on purchase log sheet, and annotate: "missing from statement"
  - Add note of explanation to next purchase log sheet when item appears on statement.
- Purchases on cardholder's statement, but missing on purchase log:
  - Include on purchase log sheet and statement coversheet, but note "missing items". Reconcile differences with supplier.
- Disputed purchases:
  - Include a purchase log sheet and statement cover sheet, but notate "disputed".
  - For returns, the purchasing card Contractor will issue credits, which will be reflected on subsequent statements.

### **Consequences for Violations**

Individuals who violate the University's Small Purchase Charge Card policy and procedures may have their cardholder privileges temporarily suspended or permanently revoked, and may face disciplinary action including but not limited to, termination of employment. Violations may include:

- Charge in excess of established transactions limits.
- Splitting orders to circumvent competition or stay within their transaction limits.
- Violation of any portion of the purchasing card policy including but are not limited to, card sharing, faxing a card number, inappropriate signature authority on the log sheet, no funding available in account used, and failure to report loss or theft of card properly and timely.
- Failure to document Small Purchase Charge Card Transactions on the University's log sheet in accordance with policy and procedures.
- Failure to accurately maintain and/or submit purchasing logs or reconciliations.

### **Training Requirements**

Cardholders are required to attend mandatory training prior to the issuance of the purchasing card. The training will be discussed in three blocks of instruction, which will include policy and procedures, contract management (State and University) and reconciling the monthly statement to the purchasing log sheet.

The Commonwealth of Virginia's Learning Center

- The Department of Accounts (DOA), the governing agency for the Small Purchase Charge Card Program (SPCC), to complete a cardholder course that details the entire Commonwealth's rules and regulations regarding appropriate usage of the SPCC. This course must be completed prior to the cardholder's receipt and activation of the card.
- Each year annually thereafter, all SPCC cardholders and supervisor/reviewers of cardholders are required to complete "refreshed" courses located in The Learning Center in order to maintain cardholder privileges. If you are a first-time user of The Learning Center, an account will need to be created. If you encounter difficulties in accessing The Learning Center, contact the Program Administrator in Procurement Services.

### **Procurement File Checklist**

A Procurement folder holds all information related to the current month's purchases and includes all SPCC documentation. The file can be a manila folder notebook tabbed by month, or hanging file folder. Regardless, the file must be shared with the cardholder, manager, Procurement Services, or those in the audit function upon request and shall include:

- Verification that the full SPCC card number is not written on any paperwork or receipt.
- SPCC Cardholder Billing Statement reconciled for the month. Reconciliation would include: Works review of postings, credits, sign off, and verification that transactions are non-taxed.
- All waivers, forms, and paperwork such as receipts, travel forms, credit slips, and business meal forms.
- Non-contract, non-mandatory, or non-sole source procurements have an appropriate small business quote. Sole Source or waivers are on file for services or items that meet this requirement.

- Justifications must appear on each transaction within the reconciliation file that are out of compliance. Justifications are required for purchases to vendors when the cardholder is not using a mandatory contract, mandatory source, micro-small or small business.

### **Card Issuance, Cancellation, and Changes**

Purchasing cards will be issued to full-time employees who have been designated by their Vice President, Dean, Director, and/or Department Head. The Director of Procurement Services or the Small Purchase Charge Card Administrator reserves the right not to issue cards to employees with prior procurement policy and procedures violations and to cancel cards at any time. The cards will be issued in the name of the designated individual. If multiple cards are required, a letter of justification must be written explaining why multiple cards are needed and submitted to Procurement Services along with a purchase card application. Each cardholder must sign an Employee Agreement form before obtaining the card. Upon request by the University or upon termination of employment, cardholder(s) must return the card to the Program Administrator or his/her designee. Additionally, when changes to existing card(s) are needed, contact the Program Administrator in Procurement Services. When new cards are required, the cardholder should receive the replacement card within 7-10 business days.

### **Returns, Credits and Disputed Items**

In most cases, disputes can be resolved directly between the cardholder and the supplier of the goods and services. A disputed charge is one for which the cardholder did not receive what was ordered or there is some other problem with the goods or services ordered. A cardholder may also have a questionable charge due to double billing or the vendor name on the statement not matching the back-up documentation (e.g., for online orders). The cardholder must use the following guidelines when returning or disputing an item:

- If an item needs to be returned for any reason, the cardholder should send the item back to the supplier in the manner agreed upon. Document contact names, dates/times or contacts, and what transpired. This documentation should be kept with the resolution action (credit/refund) once the issue is resolved.
- The supplier should issue a credit for items that are returned. This credit will appear on a subsequent charge card statement. A credit must not be applied to a payment until it appears on the statement. Bills are to be paid in full.
- The supplier should issue documentation of the return (such as a credit receipt). All documentation pertaining to returns must be kept on file for reconciliation to the monthly charge statement.
- The return should be entered on cardholder's purchasing log.
- If the cardholder and the supplier cannot resolve an issue, the cardholder should contact the Purchasing Card Contractor, which will investigate the dispute on the cardholder's behalf and assist in the resolution. A temporary credit will be issued on a subsequent charge card statement pending final resolution.
- Immediately report all fraudulent charges (not authorized by the cardholder) that appear on the statement to the Program Administrator and Charge Card Contractor (calling the number on the back of the card). The Program Administrator is responsible for immediately reporting instances of possible fraud to the Statewide Charge Card Analyst at the Department of Accounts.

## **eVA**

SPCC cardholders are eligible to be set up in eVA as users in order to maximize the benefits provided by using the purchasing card. eVA encrypts purchasing card information. Vendors equipped for electronic transmission will receive the card information in a secure format. Unless exempted by Procurement Services, all purchase transactions must be entered in eVA to eVA self-registered vendors. See policy #43-34 for a complete listing of eVA exemptions.

## **eVA Exemptions**

If a user department desires to place an eVA exempt transaction through eVA, the user department may do so if the requisition is coded X02 using the purchase order category.

## **Tax Exempt Status**

As a non-profit institution, the University is generally exempt from sales tax on all goods and services except prepared foods and hotel rooms. It is the cardholder's responsibility to claim this exemption whenever using the Purchasing card. The State Sales and Tax Certificate of Exemption form may be obtained from Procurement Services.

## **Purchase Limits**

Unless otherwise authorized, the maximum small purchase transaction limit is \$5,000 per transaction per charge transaction and the maximum allowable monthly limit is \$100,000. On average NSU limits are \$2,000 to \$5,000.

## **Mandatory Use of eVA for Purchases Exempted from Assessment of Fees**

The following transactions shall be processed through eVA by issuing the order to the vendor and coding the requisition with the X02 purchase order category.

**eVA Fees:** These transactions are exempt from eVA agency and vendor transaction fees; however, use of eVA is mandatory to enhance transaction transparency, analysis and reporting.

1. Advertisements such as in newspapers, magazines, journals, radio, television, etc.
2. Entertainment (speakers, lecturers, musicians, performing artists)
3. Honoraria
4. Accreditation fees and academic testing services
5. Exhibition rental fees for exhibitions of historical artifacts or original works of art. (The rental fee may include charges other than the rental of the exhibition, such as transportation costs.)
6. Medical (Health Care) Services when the service is provided by a hospital or an individual licensed and authorized by law to engage in the prevention, diagnosis, or treatment of human illness, injury, or physical disability, mental health, mental retardation, substance abuse, or emotional condition. Contracts and purchase orders between the University and temporary service providers or independent laboratory testing companies are not exempt from purchasing through eVA.
7. Purchases made using the DPS authorized multi-state drug contract
8. Revenue contracts, e.g., scrap, recycling or contracts with \$0 payment made by the Commonwealth, e.g., contracted out Bookstore, Food service operations
9. Government-to-Government purchases, excluding the mandatory sources
10. Purchases from public auctions (non-electronic)
11. Purchases of State and Federal Surplus property
12. Financing when goods/services procured from one source are being financed by

another (i.e., third party) source. The financing exclusion does not apply to lease purchases.

13. Purchases with public and private hospitals, as well as pharmacy chains and independent pharmacies, that are licensed and authorized by law to dispense controlled drugs and other medications based on prescriptions written by medical practitioners licensed to engage in the prevention, diagnosis, or treatment of human illness, injury, or physical disability, mental health, mental retardation, substance abuse, or emotional condition, when the purpose of the contract is to provide on-site mentoring and practical experience to pharmacy students enrolled in state institutions of higher education.
14. Purchases with public and private hospitals, medical practices, and medical clinics that are licensed and authorized by law to engage in the prevention, diagnosis, or treatment of human illness, injury, or physical disability, mental health, mental retardation, substance abuse, or emotional condition, when the purpose of the contract is to provide on-site mentoring and practical experience to medical students enrolled in state institutions of higher education.
15. Purchases with individuals providing instructional services in conjunction with a contract between an institution of higher education, including community colleges, and a local business or industry for non-credit workforce development classes to be provided by the institution of higher education.

### **Prohibited from SPCC Purchases**

Delegated procurement autonomy to SPCC holders is not authorized for the following:

- Alcoholic beverages
- Capital Outlay or construction (except Facilities Management)
- Computer software or hardware (except Office of Information Technology)
- Firearms or ammunition (except Police Department)
- Fixed assets including but not limited to Equipment Trust Fund purchases and musical instruments regardless of initial cost, and audiovisual equipment costing \$500 or more per item (See Fixed Asset Accounting Policies and Procedures #41-06).
- Food Services or catering
- Gift Cards
- Honorarium
- Lease purchases
- Narcotics or dangerous drugs
- Printers
- Printing (except Printing Services Department)
- Temporary personnel services

### **Spending Limits/Restrictions per Transactions and per Month**

Each card has individually established limits on the amount that can be spent per transaction and the amount that can be spent per month.

- Spending limits are established on a case-by-case basis by the Program Administrator and are based upon analysis of the department's spending practices.
- Once spending limits have been set, cardholders may, with approval of their supervisor, request that their monthly spending limit be raised.



- Splitting orders for circumventing transaction limits is NOT permitted.

There may be additional restrictions placed on the use of the purchasing card depending on the cardholder's status. For example, cardholders are subject to possible additional restrictions established at the departmental level; grant holders may be subject to additional restrictions as part of the terms of their grant. The cardholder must be able to present a list of additional restrictions upon request to anyone auditing the purchasing card account.

## **PUBLICATION**

This policy will be widely published and distributed to the University community. To ensure timely publication and distribution thereof; the responsible Executive will make every effort to:

- Communicate the policy in writing, electronically, or otherwise, to the University community, including current and prospective students with 14 days of approval.
- Submit this policy for inclusion in the online Policy Library within 14 days of approval.
- Post the policy on the related webpages; and
- Educate and train all stakeholders and appropriate audiences on the policy's content necessary.

## **REVIEW SCHEDULE**

- Next Scheduled Review: 04/03/2021
- Approval by, date: President, 09/01/2014
- Revision History: 07/01/1995; 09/01/2014; 07/01/2015; 08/12/2016; 08/17/17; 04/03/2018
- Supersedes: Procurement Services Policy and Procedures No. 27

## **RELATED DOCUMENTS**

1. CAPP Topic 20355:  
[http://www.doa.virginia.gov/Admin\\_Services/CAPP/CAPP\\_Topics/20355.pdf](http://www.doa.virginia.gov/Admin_Services/CAPP/CAPP_Topics/20355.pdf)
2. Bank of America Purchase Charge Card Program Due Dates:  
<https://www.doa.virginia.gov/reference/chargeCardAdmin/>
3. [eVA Business Plan Policy #43-34](#)

## **FORMS**

1. Card Request:  
<https://www.nsu.edu/getattachment/About/Administrative-Offices-Services/Procurement->

[Services/Forms/Purchasing-Card-Request.pdf.aspx](#)

2. Employee Agreement Form:

<https://www.nsu.edu/getattachment/About/Administrative-Offices-Services/Procurement-Services/Forms/Purchasing-Card-Employee-Agreement.pdf.aspx>

3. Fixed Asset Accounting Policies and Procedures #41-06

<https://www.nsu.edu/policy/admin-41-06.aspx>

4. Bank of America Log Sheet under MyNSU

<https://my.nsu.edu/faculty/ap/Shared%20Documents/Forms/apdocs.aspx>