



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 the university the opportunity to streamline procedures for paying small dollar goods and services. This 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. This process allows for direct payment to the vendor.

TABLE OF CONTENTS	PAGE NUMBER
Definitions.....	2
Contacts	2
Stakeholder(s) (For Administrative Policy)	2
SPCC Policy Contents	2
Education and Compliance	7
Publication	7
Review Schedule.....	7
Related Documents	8
Forms	8

DEFINITIONS

Cardholders: Individual authorized to use the Small Purchase Charge Card (SPCC)

DOA: Commonwealth of Virginia Department of Accounts (DOA)

Supervisor: Referred to as Approver, Reviewer, or designee. This employee has primary oversight responsibility of the cardholder's use of the Small Purchase Charge Card.

University: Norfolk State University (NSU)

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

This policy contains the guidelines governing the SPCC program. It is the responsibility of all Cardholders and Supervisors to read and understand the contents of this policy. For the purpose of this policy, an employee's direct supervisor may or may not be considered the Authorized Approver. The Authorized Approver role may be delegated to another employee, familiar with the business of the cardholder, by a supervisor as long as the delegate is not a direct report of the cardholder. Delegation should always move up the chain of command.

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 and not a substitute for proper procurement procedures. Maximum use of the SPCC, while compliant with current Procurement Policies and Procedures, Department of Small Business and Supplier Diversity (DSBSD) certified Small, Women- and Minority-Owned (SWAM), and Service-Disabled Veteran-Owned vendors that accept the purchasing card must be used.

Responsibilities

The **Program Administrator** is responsible for the following:

Daily:

- Entering in cardholder data, reviewing, and approving card applications online;
- Setting appropriate transaction and credit limits on each card based on the cardholder's buying needs;
- Issuing cards;
- Ensure that Virginia Sales tax has not been charged on purchases;
- Ensure past due invoices are not being paid on the card unless prior approval is received from DOA's Charge Card Administration Team;
- Ensuring that if a card ordered is not received in 7 business days, it is cancelled for security reasons, and requesting a new one to protect against possible mail theft;

Monthly:

- Monitoring on a regular basis, at least monthly, the transactional data for the SPCC and GOLD cards to ensure compliance with policy (i.e. split orders, using State contracts);
- Ensuring that cardholders have access to online statement data in Bank of America @ Works;

Annually:

- Ensuring that an annual analysis of each cardholder's card usage and card limits is performed and documented;
- Monitoring and canceling inactive cards. The PA must periodically review inactive cards and cancel those that are no longer needed;
- Removing or adding, either permanently or temporarily, the Industry Restrictions (Travel, Rental, Accommodations, Gas/Oil, and Restaurant/Food) on individual accounts on a case-by-case basis, ensuring adequate documentation supporting the change is kept on file;
- Training cardholders annually in proper card usage, security, and procurement guidelines;
- Taking Annual PA Training as well as Supervisor and/or cardholder training if the PA also serves in one of these roles at his agency;
- Ensuring the supervisors of cardholders are trained annually in their roles using the Supervisor training, which is available in the Commonwealth's Learning Center, or use their own as long as it contains all items in DOA's version and is approved by DOA;
- Educating cardholders, supervisors/reviewers, fiscal staff and others of the cycle and due dates for the Bank of America VISA program annually;

As Needed:

- Promptly canceling cards as appropriate;
- Ensuring agency and cardholder compliance with all SPCC policies and procedures presented in this manual, in updates, on the DOA web page, in the Commonwealth's Learning Center, or in mandatory training sessions, including proper processing of monthly payments;
- Communicating with DOA's Charge Card Administration Team on such matters as who is to receive access to monthly billings, additional statements, and management reports;
- Promptly notifying card provider of any potential or confirmed fraudulent use of the purchasing card and steps that are being taken to address the issue (e.g., card cancellation,

communication with the vendor and/or Bank of America, notification of law enforcement officials as appropriate);

- Communicating with DOA's Charge Card Administration on any suspended or cancelled cards along with justification for these actions;
- Promptly notify DOA of any "Internal Investigations" in relation to suspected or confirmed cardholder misuse;
- Managing vendor issues pertaining to not receiving ordered goods/services or incorrect charges. If resolution can't be made at the Program Administrator level, notify Bank of America through Works, providing the necessary information referenced on the back of the monthly bill;
- Ensuring appropriate restrictions are placed on all cards by auditing the industry (MCC) restrictions placed on all cards at a minimum of monthly; and
- Providing the Bank of America corporate account number to any staff members who will be processing batches and will require the number.

The **cardholder** is responsible for the following:

- Use of card in accordance with DOA and procurement regulations;
- Safeguard and secure card when not in use;
- Document transactions;
- Retain documentation of purchases and returns;
- Reconcile activity on a monthly basis;
- Take and/or participate in required training;
- Report lost or stolen card;

The **cardholder supervisor** is responsible for the following:

- Authorize use of the SPCC;
- Recommend spending limits;
- Monitor cardholder activity;
- Ensure proper use and storage of SPCC;
- Review and approve transactions monthly;
- Take and/or participate in required training;

Card Issuance and Use

Program Administrator is authorized to issue cards to full and part-time University employees. Contract and student workers are not authorized to use the card. Cardholder supervisor shall provide the documentation supporting issuance of the card including recommendation for initial spend limits.

All cards will be issued with the name of the cardholder and agency embossed on front and with standard industry restrictions. Restrictions can be adjusted at the discretion of the program administrator.

Cards can **only** be used by the person to whom the card is issued. Cardholders may never lend their cards to another person or use another individual's card for any reason.

Cardholders are encouraged to maximize the benefits of the Commonwealth's electronic procurement system by adding their SPCC card information.

Card Cancellation, Renewal, and Changes

The Program Administrator should be contacted when changes to existing card(s) are necessary. Changes include, but are not limited to, changes in work location, changes in supervisor or changes in work status.

Prohibited Charges

- Alcoholic beverages
- Firearms or ammunition (except Police Department)
- Capital Outlay or Renovation/Construction services (including paint, carpeting and window treatments, which must go through Facilities Management)
- Computer software or hardware (except Office of Information Technology)
- Fixed assets including but not limited to Equipment Trust Fund (ETF) 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 (prepared) for NSU on-campus events
- Gift cards/Gift certificates/Vendor credits/Vouchers/Cash
- Honorarium
- Lease purchases
- Narcotics or dangerous drugs
- Past Due Invoices
- Printers
- Printing (except Printing Services Department)
- Temporary personnel services
- Employee Parking
- Event Sponsorships over \$5,000
- Lodging, Meals, Food or Beverages for One University Employee
- Moving and Relocation expenses
- Purchases from a Commonwealth employee
- Purchases for personal use

Violations

Listed below are the sanctions for misuse.

Violation	Action
<ul style="list-style-type: none"> Failure to submit documents or meet required deadlines in accordance with SPCC Policies and Procedures. Types of violations include, but are not limited to: <ol style="list-style-type: none"> Failure to reconcile transactions and maintain required documentation manually or electronically. Entering in full credit card number on a written document (via fax, email, text, mail, etc.). Incomplete annual DOA training. 	<ul style="list-style-type: none"> 1st Offense: Email notice to cardholder and supervisor. SPCC Retraining 2nd Offense 30-60 day suspension 3rd Offense: 90 day suspension, supervisor notification, and retraining 4th Offense: Card cancellation
<ul style="list-style-type: none"> Misuse of any restriction (restaurant, lodging, gas, rental, or travel) that has been lifted from SPCC. 	<ul style="list-style-type: none"> 1st Offense: Courtesy email warning to cardholder and supervisor. SPCC Retraining 2nd Offense: 60 day suspension of restriction lift, retraining, and supervisor notification 3rd Offense: Restriction permanently placed back on SPCC
<ul style="list-style-type: none"> Splitting Orders that consequently circumvent purchasing regulations and to exceed transaction limits. Use of card, card number, or Works login/password by another individual. Unauthorized or inappropriate purchases. Types of violations include, but are not limited to: <ol style="list-style-type: none"> Purchases made prior to issuance of an approved purchase order by Procurement Services. Purchases deemed disallowable and/or does not follow appropriate Procurement guidelines. Failure to ensure approval is secured prior to use of the card. 	<ul style="list-style-type: none"> 1st Offense: 30 day suspension, supervisor notification. 2nd Offense: 45 day suspension. Retraining on SPCC, eVA and Procurement. 3rd Offense: Ccard cancellation
<ul style="list-style-type: none"> Sales Tax. 	<ul style="list-style-type: none"> 1st Offense: Courtesy email warning to cardholder and supervisor 2nd Offense: 15 day suspension, supervisor notification, and retraining 3rd Offense: 30 day suspension, supervisor notification, and Procurement Director notification 4th Offense: 45 day suspension, supervisor notification and Vice President notification

<ul style="list-style-type: none"> • Fraud • <u>Repeated unauthorized</u> purchases per NSU University Policy 	<p>Any Offense:</p> <ul style="list-style-type: none"> • Formal notice to cardholder and supervisor. • Possible notification to Procurement Director, Vice President, Internal Audit, and Human Resources
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The sanctions listed above apply to both the Cardholder and Supervisor.

Suspension or Revocation of Charge Privileges

- Actions can be initiated by either
 - Cardholder
 - Cardholder's Supervisor/Reviewer
 - Departmental Director/Vice President.
 - Procurement Services.

EDUCATION AND COMPLIANCE

Cardholders and supervisors/approvers are required to complete annual training in accordance with the Commonwealth of Virginia Department of Accounts Commonwealth Accounting and Policies and Procedures Manual Topic 20355, Purchasing Charge Card Policy. Additionally, Procurement Services provides training for all new cardholders and supervisors to further emphasize the importance of state and university policies and procedures. Ongoing training offered to remain compliant with these guidelines include:

- SPCC User Manual,
- SPCC Frequently Asked Questions (FAQs),
- and retraining of cardholders/supervisors as required.

Violations of the SPCC policy will be reported and escalated to the appropriate department officials to include but not limited to the Procurement Services Director, Vice President for Finance and Administration, and University President for further action.

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: 04/03/2025
- 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, 2/01/2022
- 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
2. Bank of America Purchase Charge Card Program Billing 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/ProcurementServices/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>