



Purchase Card (P-Card) Procedure Manual

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Lewis-Clark State College Purchasing Card Program

Introduction

Welcome to the Lewis-Clark State College Bank of America Visa Purchasing Card (P- Card) program. The P-Card is an institutional liability card used to purchase goods and services on behalf of the college.

Intent

The Lewis-Clark State College Purchasing Card program is designed to streamline and simplify the requisitioning, purchasing and payment processes for relatively small dollar items (under \$2,000). The P-Card should be viewed as a supplemental tool to purchase approved goods and services that may be more efficiently acquired via credit card. The P-Card process is designed to shorten the approval process and reduce the paperwork associated with procurement procedures including requisitions, purchase orders and petty cash.

Goals

Objectives associated with this program include:

- Reducing the cost of processing small dollar purchases.
- Receiving faster delivery of required merchandise.
- Simplifying the payment process.
- Reducing clerical processing time and effort associated with the approval and payment process.
- Providing P-Cardholders with greater autonomy.

The overall goal of the P-Card program is to provide greater operational efficiency without sacrificing administrative fiduciary controls.

Liability

The P-Card is an institutional liability card. Payments are made directly to Bank of America on a monthly basis. The college assumes full liability for the purchases. Personal information is required for tracking and administrative purposes only. Applying for and using a P-Card does not impact the P-Cardholder's personal credit history. However, monthly transaction logs must be completed and signed by the P-Cardholder and co- signed by the designated Departmental P-Card Manager. In the event of willful, negligent or fraudulent actions relative to the use of the P-Card, the P-Cardholder will be held personally liable for payments associated with any inappropriate use.

Internal Controls and Compliance Reviews

The P-Card program relies upon both internal administrative controls and periodic internal audits to ensure that P-Cards are utilized in accordance with institutional and state policies and procedures. The P-Card may be used for approved purchases related to college business only. Use of the P-Card for personal purchases is strictly prohibited. Misuse of the P-Card may result in revocation of the card, disciplinary action and possible termination of employment.

A number of unique features have been developed for the P-Card programs that do not exist in a traditional credit card environment, including real-time card administration and exception-based transaction processing. These features help ensure that the P-Card use is limited as to purpose and dollar amount.

The Purchasing Department has been assigned responsibility to oversee administration of the P-Card program and monitor user compliance with the procedures outlined in this manual.

Key Contacts

Bank of America Customer Service: (800) 300-3084 or (888)-449-2273

P-Card Program Administrators

[Jess Waddington](#)

[Diana Higgins](#)

[Purchasing Office](#)

Phone: 792-2288

Location: Admin 104

Procedures

Eligibility

Departments/divisions are eligible to apply for a P-Card for individuals or the department/division with department/division approval, as documented in the P-Card Application.

Application

To obtain a P-Card, the P-Card Application must be completed and sent to the P-Card Administrator at Pcards@lcsc.edu and P-Card Training must be completed.

Assignment of Card

An individually named P-Card or a Department P-Card may be requested. A P-Card issued in an individual's name is for the cardholder's use only. This card may not be shared with other employees. The cardholder may purchase items for others in the department. A cardholder who is a department/division head may authorize a direct report employee to use their card to make purchases on their behalf.

A P-Card issued in a department name may be used by individuals in that department who have completed the P-Card Application and the P-Card training. A department card must be assigned to a P-Card manager.

Departmental Responsibilities

Each department must complete the following steps to participate in the P-Card program:

1. Designate a P-Card Manager to act as a departmental liaison with the vendors and P-Card Administrators. The Department P-Card Manager is responsible for all aspects of the P-Card program within the department, to include maintaining the check-out log, reconciling the monthly statement, filing and retaining P-Cardholder statements and documentary support for future audits. The Department P-Card Manager has access to P-Cardholder account information and is responsible for the confidentiality of this information. The department P-Card Manager and P-Cardholder may be the same person; if the same, an annual review by Purchasing is required.
2. Provide information to a P-Card Administrator name an initial Department P-Card Manager and notify if this responsibility changes.
3. Provide a single local cost center to be used as a **default account** for purchases made for each P-Card. Grant, club or appropriated accounts are not allowed as default accounts, unless an appropriated account is the department's sole account. When reconciling the monthly statement, the P-Card Manager will be able to distribute charges to various cost centers, including grant, club, or appropriated accounts.
4. Establish departmental procedures associated with the use and administration of P- Cards within the department. Recommended procedures include processing and reconciliation timelines, record keeping requirements and support documentation methodologies.
5. Maintain a filing system (electronic is acceptable) to accommodate the following:
 - Monthly statements
 - Receipts and supporting documentation

- Copies of documentation supporting disputed transactions
6. Gas purchases – Department owned or leased vehicles are required to maintain mileage logs to support P-Card gas charges.

These documents may be requested by auditors or other official personnel and must be readily accessible.

Training

All P-Cardholders, authorized users of Department cards, Department P-Card Managers, and Department/Division heads are required to complete P-Card training.

The P-Card Training includes an overview of:

- Description of the program
- Identification of expectations of P-Cardholders and Department P-Card Managers
- Overview of Bank of America Works
- Allowable and unallowable purchases
- Definition of P-Card Violations
- Policies and Procedures that must be abided by

P-Card Activation

The P-Card must be activated prior to use by calling the toll-free number printed on the back of the P-Card. At the time of activation, the caller is required to provide the P-Cardholder's verification ID. The P-Cardholders verification ID can be found after logging in to the Works account, or you can request it from Purchasing.

To validate the P-Card, the P-Cardholder must sign in the designated space on the back of the P-Card. The P-Card Manager will sign the back of the department card. This should be done as soon as the P-Card is received to prevent unauthorized use. The college is responsible for all charges unless the P-Card is reported lost, stolen or the charges are successfully disputed (see dispute section of this manual).

Roles and Responsibilities

P-Cardholder:

Role:

Utilize the P-Card to make authorized LCSC purchases.

Responsibilities:

- Is accountable for P-Card security
- Utilize the P-Card for official college business only
- Make purchases in accordance with institutional and state policies and procedures
- Immediately report a lost or stolen card to Bank of America and a P-Card Administrator in the Purchasing Department
- Monitor all charges associated with the use of the P-Card; shipping, surcharges, etc.
- Ensure that sales tax is excluded from amount of purchase
- Obtain adequate supporting documentation for each purchase
- Contact merchants for all returns, exchanges and refunds and ensure credits are posted back to the P-Card account

- Contact merchants to resolve disputes and complete the *Bank of America Dispute Form*, when necessary
- **The P-Cardholder is responsible for reviewing and signing off on each month's P-Card Log (which is the Bank of America statement and associated transaction records) by the end of the following month (including months with no activity).**
- Notify a P-Card Administrator of changes in personal employment status, including transfer or termination
- If the P-Cardholder is not the department/division head, then the P-Cardholder will be included in an annual audit by Purchasing

Department P-Card Manager

Role:

Review P-Card transactions to ensure compliance with all State of Idaho and institutional policies, procedures and program provisions.

Responsibilities:

- Provide physical security for the P-Card, the P-Card number and the Personal Identification Number (PIN).
- Instruct and train departmental users as needed.
- Restrict use of the P-Card for official college business only.
- Make purchases in accordance with institutional and state policies and procedures.
- Maintain check-out log for the Department P-Card.
- Verify transactions and obtain required invoices and documentation.
- Assist P-Cardholder with returns, exchanges and refunds to ensure credits are posted back to the P-Card account.
- Assist P-Cardholder in resolving disputes with merchants and retain a copy of Bank of America Dispute Form for departmental records.
- Monitor activity for unusual transactions or unusual patterns of use and report to a P-Card Administrator in the Purchasing Office.
- Notify a P-Card Administrator in the Purchasing Office if P-Cards are lost or stolen and assist in acquiring replacements.
- Document and report any violations to a P-Card Administrator.
- Access the Bank of America system (Works) to review and ensure that all purchases are allocated to the proper department account number.
 - Enter any applicable notes on the transactions and sign off by each month's Sweep date (which is published on the Purchasing website, and is generally the 4th business day of the following month).
- Maintain records (receipts, authorization documents, or other applicable materials) for all monthly transactions. Each transaction must be supported with a valid receipt.
- **The P-Card Manager compiles, reviews and signs off on each month's P-Card Log (which is the Bank of America statement and associated transaction records) and provides to the P-Cardholder for their review and signoff, by the end of the following month.**
- If the P-Cardholder has no charges incurred for a given month, the P-Card statement should be signed by the P-Cardholder, confirming that there were no charges, and retained. No next level signature is required.
- Ensure that all statement reconciliation documentation is received and retained in the department. Records will be retained for a period of five (5) fiscal years, including current year. Transactions involving federal or grant funds may require a longer retention period. Contact the grant administrator for additional information. Records will be stored in the department and must be

available for review or audit upon request.

- Notify a P-Card Administrator of changes in employment status, including transfer or termination.

P-Cardholder Department/Division Head

Role:

Review P-Card transactions to ensure compliance with all State of Idaho and institutional policies, procedures and program provisions.

Responsibilities:

- Is responsible for the P-Card(s) associated within department.
- Authorize monthly P-Card expenses.
- Internal control owner for the P-Card program.
- Review all activity to verify that departmental use complies with all State of Idaho and Institutional policies, procedures, and provisions of the P-Card Program.
- **Review and sign off on staff P-Card logs (which is the Bank of America statement and associated transaction records) by the end of the following month.**
- Discuss any non-compliance issues with the staff involved and should any violations occur, discuss appropriate action with a Program Administrator in the Purchasing Department.
- Acknowledge that the college is liable to Bank of America for all charges made by the department including charges made on a lost or stolen P- Card before it's reported lost or stolen.
- Notify a P-Card Administrator in the Purchasing Department of any suspected or actual P- Card misuse.
- Comply with internal control procedures designed to protect the assets of the college and assist with audit requirements.
- Notify P-Card Administrator immediately if Department P-Card Manager or P-Cardholder within department is transferred to another department or is no longer employed by the college.

P-Card Administrator

Role:

Responsible for the P-Card program policies, procedures, P-Card issuance and cancellation, management reports, internal auditing, and program development.

Responsibilities:

- Establish and update program policies and procedures that meet the minimum requirements of the State of Idaho.
- Ensure that P-Cardholders, Department P-Card Managers and Department/Division heads are informed of all P-Card policies and procedures and shall provide new user and additional training, as needed.
- Train P-Cardholders, Department P-Card Managers, and Department/Division heads in the management and use of the P-Card.
- Maintain P-Cards in a secure manner until issued to P-Cardholders.
- Maintain documentation of current P-Cardholders, Department P-Card Managers and Department/Division heads as well as other program information in a secure manner.
- Provide P-Card account set-up, information updates, changes, additions, deletions, and lost or stolen card replacement.
- Assist departments with transaction disputes reported to Bank of America, as needed.
- Terminate P-Cardholder accounts due to job changes, transfer, termination, lack of need, etc.
- Review transaction exception reports and take appropriate follow-up action.

- Develop and issue periodic management reports to help assess the effectiveness of the P-Card program.
- Conduct random reviews (audits) to ensure that P-Card use complies with program guidelines.
- Report all incidents of fraud, abuse, or misuse of the P-Card to the Vice President for Finance and Administration.

P-Card Limits and Restrictions

Dollar limits and other controls are established for each P-Cardholder on the *P-Card Application Form* when the P-Card is authorized and approved. The vendor will reject the P-Card if an attempt is made to purchase more than the established limit at one time. The vendor validates purchases made with the P-Card at the point-of-sale. The Visa system validates the transaction against the pre-set restrictions which include:

- Single purchase limit not to exceed \$1,999.99.
- Spending limit per month not to exceed the assigned limit (default set at \$5,000).
- Institutionally approved commodity codes, Merchant Commodity Codes (MCC), are established by the bank and encoded into the magnetic strip on the reverse side of the card.

The P-Card program provides for merchant category blocking. If a particular merchant category is blocked (e.g., jewelry stores, pawn shops) and an attempt is made to use the P-Card at such a merchant the purchase will be declined. Extensive efforts have been made to ensure that the vendors/suppliers used in the normal course of business are not restricted. If the P-Card is refused with a vendor where you believe it should have been accepted, first contact your Department P-Card Manager and if additional help is needed contact the P-Card Administrator. If the purchase falls into an authorized category, Purchasing can lift the restriction in order for the transaction to be completed.

If the MCC restriction must be lifted temporarily (for purchases that do not fall into an authorized category), approval from the P-Cardholder's Department/Division head and/or a member of executive leadership is required. An e-mail with the approval must be submitted to purch@lcsc.edu. A list of restricted MCC's is on the [Purchasing P-Card](#) site.

State Contracts

It is required that State of Idaho contract vendors be used when purchasing goods or services provided through State contracts or price agreements. Contact Purchasing for additional information or assistance.

Split Purchases

Any action taken to "work around" or "bypass" the limits set on P-Cards is prohibited. A single purchase cannot be divided into separate transactions or to different vendors to circumvent a single purchase dollar limit or to artificially create small purchases to circumvent bidding as required by State and institutional policy. See IDAPA 38.05.01.044.02. "Splitting" of purchases may result in revocation of the P-Card.

Authorized P-Card Transactions

The P-Card is intended for small purchases transacted during the course of business.

Examples of common uses of the P-Card program may include:

- Airline tickets
- Automotive parts
- Baggage Charges
- Books, magazines, subscriptions
- Building materials
- Computer hardware
- Conference registration fees
- Equipment repairs
- Gas for rental cars
- Lodging
- Newspaper ads
- Office supplies
- Parking
- Printing
- Rental cars
- Short term rentals
- Campus food services purchases
- Software
- Campus Bookstore purchases

Specific Approval Authorizations

Additional authorization documentation is needed for specific transactions:

Travel and any related expenses - See Travel Policy 4.10 at <https://www.lcsc.edu/policies> and Travel Procedures on the Controller's website at <https://www.lcsc.edu/controllers-office/travel> for specific guidelines. Retain the approval documentation in the P-Card log.

Computer Related - Computer-related purchases (any computer equipment, multimedia hardware, communications-related equipment, peripherals [ex. keyboards, mice, screen protectors, flash drives] over \$100, software, or online services) require the Information Technology Director's approval. Retain the approval documentation in the P-Card log.

Entertainment, PR & Related Expenses - Pre-approval may be required on entertainment, public relations and related expenses. See Policy 4.116 and 4.117 at <https://www.lcsc.edu/policies> for MER and PRR specific guidelines. Retain the approval documentation in the P-Card log.

Grant Related – See the Office of Grants and Contracts site at <https://www.lcsc.edu/grants> for specific guidelines. Retain the approval documentation in the P-Card log.

Mandatory Usage

To maximize the usage of the P-Card, all purchases from the following vendors generally require payment via the P-Card:

- Enterprise Rent a Car
- Campus Bookstore
- Campus Food Services

Unauthorized P-Card Transactions

Consistent with all purchases by a State agency, the P-Card is not to be used for any purchase that would result in the inappropriate use of State funds. The following constitute examples of inappropriate purchases made with the P-Card:

- Alcoholic beverages
- Any single transaction exceeding \$1,999.99, unless single transaction limit increase is approved.
- Cash advances
- Donations
- Entertainment
- Food/Meals (food purchases will be limited to executive management only (President, Vice Presidents, Deans) unless an exception has been approved by the respective Vice President or President (for direct reporting units). See P-Card Food Exemption Form on the [Purchasing P-Card](#) site.
- Gas for personal vehicles
- Gift cards/certificates
- Independent contractors
- Items for personal use
- Medical-Doctors, Dentists, Chiropractors, etc.
- Professional services
- Purchases that involve signing an agreement, license, contract or lease
- Salaries and wages

Grant or contract language may specifically restrict the purchase of certain items. It is the responsibility of the P-Cardholder to ensure that all purchases are in compliance with restrictions placed by the grantor or contracting agency.

Account-Setting Modifications

MCC Restriction

Requests to temporarily lift MCC restrictions to make a purchase must be approved by the P-Cardholder's Department/Division head, or a member of executive leadership (Dean, Vice President, President). The approval can be submitted via email or other electronic means to the Purchasing Department.

Single Transaction Limit Restriction

On the rare occasion when there are no other means of purchasing goods exceeding \$1,999.99, requests to temporarily lift the single transaction limit require prior approval from the P-Cardholder's Department/Division head, or a member of executive leadership (Dean, Vice President, President). The approval can be submitted via email or other electronic means to the Purchasing Department. Items at the fixed asset level (single item worth \$2,000 or more) should not be purchased on the P-Card.

Monthly P-Card Expense Limit

Requests to permanently increase monthly expense limits require submission of a completed P-Card Maintenance Form with approvals from the P-Cardholder's Department/Division head, or a member of executive leadership (Dean, Vice President, President). Requests to temporarily increase the monthly expense limits can be approved by the P-Cardholder's Department/Division head, or a member of executive leadership (Dean, Vice President, President). The approval can be submitted via email or other electronic means to the Purchasing Department.

Making a Purchase

While the P-Card is a procurement tool, it does not represent a change in [institutional or State policies](#). The P-Card program provides an option to the usual purchasing procedures regarding transactions for approved goods and services under the single transaction limit of \$1,999.99.

Apply the following procedures when using the P-Card:

1. Verify funds availability. Access Bank of America Works to view current transactions posted and available balance.
2. Check the list of restricted goods and services and the restricted MCC list on the [Purchasing P-Card](#) site.
3. Be certain the transaction is consistent with the applicable rules for P-Card usage.
4. The P-Card can be used at any vendor that accepts Visa. When using the P-Card, instruct the vendor that a receipt is required on all P-Card transactions and not to send an invoice as this may result in a duplicate payment. Receipts must be obtained and kept for future reference and support documentation.
5. Be sure to notify the vendor that the purchase is **exempt** from State of Idaho sales tax, except if goods are received out of state. For example, goods are picked up in Washington.
6. Inform the vendor of the proper delivery and shipping instructions. The vendor should separately identify any additional cost to be added to the transaction amount, (i.e., shipping and handling costs, insurance or surcharges) **prior** to the authorization for the purchase.
7. Confirm the grand total to be charged by the vendor to the P-Card.
8. The P-Cardholder must obtain valid receipts and other documentation for record-keeping and reconciliation purposes. If a vendor cannot provide documentation, complete the *Missing Receipt Affidavit* form. Any transaction without a valid receipt is a P-Card violation. Repeated use of the *Missing Receipt Affidavit* form may result in cancellation of the P-Card.

When receiving a shipment, it is the responsibility of the department to properly inspect the goods. If goods must be returned, the P-Cardholder is responsible for coordinating the return directly with the supplier and notifying the Department P-Card Manager.

Internet Orders

When using the internet for P-Card purchases consider the following:

- Use good judgment. Don't use the P-Card if you wouldn't use your own personal credit card.
- Always select vendors who have secure websites. Look for the **s** in the <https://> portion of the URL to ensure the website is encrypted.

Do not e-mail P-Card numbers for any reason. E-mail is not secure and should never be used for any purchase or payment of registration fees. Only the P-Cardholder's name and last four digits of the P-Card

are needed in e-mail communication on campus.

Documentation Requirements

The P-Cardholder must obtain appropriate, detailed, itemized documentation to support every transaction charged to the P-Card. The purpose of supporting transaction documentation is to show what was purchased, from whom it was purchased and the cost of the purchase. The documentation also shows that the purchase is appropriate and applicable to official college business. A vendor's receipt can be supported with literature or third-party information that identifies what was purchased along with the cost. P-Card charge slips alone are not adequate support except when they are also detailed, itemized cash register receipts. Credits to a P-Card can be documented with copies of previous transaction information, such as a copy of the statement showing a double charge.

A valid receipt contains the following information:

- Vendor name and address
- Date of purchase
- Description, unit price, and quantity of each item purchased
- Total cost of the order, including shipping and handling charges

Lost or Unavailable Documentation

Contact the vendor directly if the original supporting documentation is lost or if the merchant did not provide it. Do not contact Bank of America for a copy of a receipt. Significant fees can be charged for that service. If a receipt is lost or not obtained, after diligent effort to contact the vendor and obtain the receipt, complete the *Missing Receipts Affidavit* form. Repeated use of the form as a substitute for original documentation may result in cancellation of the P-Card.

Record Keeping

P-Card Log

The P-Card Log is the monthly statement from Bank of America Works and associated transaction records (receipts, authorization documents or other applicable materials). A separate manual log or worksheet is not required but may be used internally to track purchases that have not been posted to the P-Card yet.

Receipt Retention

It is a requirement of the P-Card program that all receipts be retained for all items purchased. For each order, a receipt must be requested itemizing merchandise purchased, purchase price, and any additional charges such as shipping and handling, which includes vendor name and date of purchase. (*Note: a merchant should not reject this request, as it is a Visa policy.*) It is extremely important to request and retain P-Card receipts. All receipts or other supporting materials that are available to document the transaction must be attached to the P-Card Log.

Records must be retained for a period of five (5) fiscal years, including current year. Transactions involving federal or grant funds may require a longer retention period. Contact the grant administrator for additional information. Records will be retained in the department and must be available for review or audit upon request. Keep all records in a secure location.

Disputed Charges

If you believe a vendor has charged you incorrectly, you must first contact the vendor and try to resolve the error or issue. If the matter cannot be resolved directly with the vendor and the error involves an overcharge, a credit adjustment should be requested and should appear on the next statement. If the

vendor feels the original charge was correct, immediately contact the Department P-Card Manager to initiate a dispute in Works. Bank of America will request complete details of the dispute in writing in order to research the item in question. The details of the disputed transaction must be reported on the *Bank of America Dispute Form* within 60 days of the transaction date. While pending resolution, the P-Card statement will be credited with the amount of the disputed transaction. Although Bank of America acts as the arbitrator in any dispute, never assume that a dispute will be resolved in the P-Cardholder's favor.

Sales and Use Tax

Purchases of goods for official college business that are physically received in the State of Idaho are exempt from **Idaho** sales and use tax. The P-Card is embossed with the words: "Tax Exempt". When using the P-Card, **emphasize** with the vendor that the purchase is tax exempt. A vendor may require the P-Cardholder to provide a copy of the ST-101 to verify non-taxable status. A copy of the ST-101 is available on the Purchasing Department website.

Lost or Stolen Cards

The P-Card is an asset and should be securely safeguarded. The P-Cardholder is responsible for the security of the P-Card and any purchases made with the P-Card. If the P-Card is lost or stolen, **immediately** report this information to Bank of America Customer Service at 888-449-2273. Also notify the Department P-Card Manager and a P-Card Administrator. It is extremely important to act promptly in the event of a lost or stolen card to avoid college liability for fraudulent transactions. The P-Card will be immediately cancelled and a replacement P-Card will automatically be sent.

Personnel Changes and Termination of Employment

If the P-Cardholder changes departments or leaves the college, the P-Card Administrator **must be notified immediately** and the P-Card must be returned to the Department P-Card Manager for cancellation. The P-Cardholder must also turn in all receipts to the Department P-Card Manager and complete the P-Card Account Maintenance Form. The Department P-Card Manager will submit the completed Account Maintenance form to Purchasing and destroy the card.

Reconciliation and Payment

Bank of America Works is the online system for reviewing, reconciling and signing off on P-Card transactions and accessing the Monthly Statement.

The P-Cardholder and/or Department P-Card Manager can access Works at any time to review and allocate charges daily throughout a cycle period.

The P-Card Manager will access Works to review and ensure that all purchases are allocated to the proper department account number. They will enter any applicable notes on the transactions and sign off by each month's Sweep date (which is published on the Purchasing website, and is generally the 4th business day of the following month).

In accordance with contractual terms, Lewis-Clark State College must deposit funds to pay all P-Card charges within 15 days after the cycle date. Departmental reconciliation must be done in time to allow the Controller's Office adequate time to reconcile the institutional payment amount against the departmental transactions.

Review and Audit

External independent auditors perform an annual audit of Lewis-Clark State College, making it essential to adhere to the above record keeping guidelines. During testing, specific transactions will be selected and the department will be directed by the auditors to provide receipts and other supporting documentation

for their inspection. Failure to provide this essential documentation may be documented as part of the auditors' findings.

Purchasing performs random audits of a minimum of 25 P-Card Logs on an annual basis, as recommended by Internal Audit. Purchasing also monitors P-Card program performance with reporting and data analytics in Works. Results of the audits and monitoring will be formally documented and reported to the P-Cardholder and department head, President, Provost, Vice President, or Deans, as applicable. A recap of the review will be submitted to the Vice President for Finance and Administration.

If the P-Card holder is not the department/division head, then the P-Card holder will be included in an annual audit by Purchasing.

Misuse of the P-Card

Individuals who intentionally misuse their P- Card may be subject to disciplinary action, up to and including termination. Examples of misuse include, but are not limited to, use of the P-Card for personal purchases, splitting transactions to avoid the transaction limit, and unauthorized purchases. The first instance of misuse of the P-Card will be reported to the P-Cardholder's supervisor and additional training will be provided. Additional violations will be reported to the P-Cardholder's supervisor and the President, Vice President, Provost, and/or Dean as applicable, for corrective action. If the violation is willful or fraudulent, the P-Card will be deactivated.

Violations and Consequences

The P-Cardholder is responsible for purchasing only items that are necessary to carry out the P-Cardholder's job requirements and to comply with State and institutional purchasing policies and procedures. Any P-Card transaction contrary to the program's authorized usage is a P-Card violation. P-Card violations range from inadvertent mistakes to negligent or fraudulent use. In the event of willful or negligent actions relative to these obligations, the college will take any appropriate recovery action, as permitted by law, including criminal prosecution. Violations could result in corrective or disciplinary action up to and including termination of employment.

Personal Purchases

It is a violation of federal and state laws to use public funds for a personal purchase; regardless of intent to reimburse. Such use may be considered an act of embezzlement.

Cash or Cash Equivalent Transactions

Cash transactions such as cash back with a purchase, cash credit returns, purchase of traveler's checks or money orders, as well as ATM transactions are strictly prohibited.

Expiration and Reissuance of Cards

P-Cards expire every three years, on the last day of the month embossed on the front of the P-Card (expiration date). Replacement P-Cards are automatically sent to the Purchasing Department within 1-3 weeks prior to the expiration date. Purchasing will notify the P-Cardholder when the replacement card is available.

Fiscal Year End

Purchases should be expensed in the fiscal year in which goods and services are received or used. The following are P-Card transaction types that most commonly cause confusion during the fiscal year end

transition:

- Conference/meeting registrations
- Airfare for trips in the next fiscal year
- Subscription renewals
- Dues and memberships
- Maintenance agreements
- Emergency goods or services

To accurately reflect expenditures in the correct fiscal year, all June P-Card charges will be charged against the current year budgets. Be sure to allow for these charges in your budget planning.

GLOSSARY

Accountability	The understanding and acceptance that one is answerable and responsible for one's actions and activities.
Allocate	To assign a cost center and expense object to a specific P-Card transaction.
Authorized Purchases	Purchases made in compliance with State of Idaho and LCSC policies and procedures and within approved budget spending authority.
Credit	A transaction reversing a previous charge resulting from the return of goods or resolution of a dispute.
Cycle Date	A Bank of America cutoff date for all monthly transactions. The first business day of each month.
Default Account Code	The cost center selected by the department for each P-Cardholder to which all purchases will be charged unless changed during the monthly reconciliation by the P-Cardholder or Department P-Card Manager.
Department P-Card Mgr.	A department employee responsible for reviewing and approving purchases of designated P-Cardholders. This includes verifying that purchases are reasonable, in compliance with policies and in compliance with budgetary constraints.
Dispute	Actions taken by the P-Cardholder for any transaction or charge appearing on the monthly Works statement that he/she believes is invalid.
Merchant Category Codes (MCC)	A four-digit number that describes the type of business that a vendor provides to Visa from a predefined list. Transactions with vendors with certain blocked MCC codes may be prohibited and will be declined.
Monthly Spending Limit	The maximum dollar limit a P-Cardholder may charge during a monthly billing cycle.
P-Cardholder	A college employee whose name appears on a P-Card and is authorized to make purchases of goods for the college.
P-Cardholder Statement	The Bank of America statement listing all P-Card transactions for the P-Cardholder during the billing cycle.
Reallocation	Process used to change the default cost center in the Works system.
Single Purchase Limit	The maximum dollar limit a P-Cardholder is authorized to charge in a single transaction. The single purchase limit is not to exceed \$1,999.99.
Unauthorized Purchases	Purchases made that are not in compliance with applicable program parameters, purchasing policies and procedures, departmental authorization within approved budgetary limitations.
Violations	P-Card violations range from inadvertent mistakes to negligent or fraudulent use.