

# LCSC P-Card Program

Purchasing Department

x2288 [purch@lcsc.edu](mailto:purch@lcsc.edu)

# Introduction of P-Card Program

- **Intent**

- To streamline and simplify the requisitioning, purchasing and payment processes for relatively small dollar items (under \$2,000).

- **Goals**

- Reduce the cost of processing small dollar purchases
- Receive faster delivery of required merchandise
- Simplify the payment process

- **Liability**

- The P-Card is an institutional liability card. Payments are made directly to Bank of America on a monthly basis. Applying for and using a P-Card does not impact the P-Cardholder's personal credit history.



# Introduction of P-Card Program, cont.

- **Internal Controls/Compliance Reviews**
  - The P-Card program relies upon both internal administrative controls and periodic 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.
- **Key Contacts**
  - **Jess Waddington, Purchasing Director ADM 104 792-2431**
  - **Diana Higgins, Buyer ADM 104 792-2288**
  - **Bank of America Customer Service: 888-449-2273**



# How Do I Get a P-Card?

- Forms are on Purchasing's website.
- Submit completed forms to [pcards@lcsc.edu](mailto:pcards@lcsc.edu).
- Once submitted, cards arrive in 3-5 business days.
- Purchasing will email you to pick up the card (can assign a designee).
- <https://www.lcsc.edu/purchasing/employees/forms>



# Which type of card?

- Individual card – if an individual will be using the card for travel, they should get a card in their name.
- The person named on the card should be the only person making charges on the card. (Supervisors may authorize a direct report to use the card on their behalf.)
- If various people in a department are going to be using a card, the department should get a department card.
- The P-Card Manager will be responsible for maintaining the expense logs, Works statement, and check-in/-out log.



# Roles & Responsibilities

**P-Cardholder** - Use the P-Card to make authorized college purchases.

Main Responsibilities:

- Proper use of the P-Card
- Is accountable for P-Card security
- Make purchases in accordance with institutional and state policies and procedures

**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).**



# Roles & Responsibilities, cont.

**Department P-Card Manager** - Maintain records (receipts, authorization documents, or other applicable materials) for all monthly transactions.

## Main Responsibilities:

- Provide physical security for the P-Card, the P-Card number and the PIN number
- Restrict use of the P-Card for official College business only
- Maintain check-out log for the P-Cardholder

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.



# Roles & Responsibilities, cont.

**P-Cardholder Department Head** - responsible for the P-Cards associated within their department/division

Main Responsibilities:

- Review staff P-Cardholder(s) statements, original receipts
- Authorize monthly P-Card expenses
- **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.**





# P-Card Limits

- 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 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



# P-Card Limits, cont.

- 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.
- If the P-Card is refused with a vendor where you believe it should have been accepted, contact the P-Card Administrator. If your purchase falls into an authorized category, Purchasing can lift the restriction in order for you to complete the transaction.
- If the MCC restriction must be lifted temporarily (for a purchase that does not fall into an authorized category), approval from the P-Cardholder's supervisor and/or member of executive leadership is required. An e-mail with the approval must be submitted to [pcards@lcsc.edu](mailto:pcards@lcsc.edu).



# Limit Increases

Requests to temporarily increase the monthly credit limit or single transaction limit 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.

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).



# State Contracts

- It is required that State of Idaho contract vendors be used when purchasing goods or services provided through State Contracts.
- See Purchasing website for a complete list of the State Contracts.
- If you have a valid reason to purchase outside of the State Contracts (out of stock issue, etc.) document fully and retain for your P-Card log.



# 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

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

- Airline tickets
- Automotive parts
- Baggage Charges
- Books, Magazines, Subscriptions
- Building materials
- Computer hardware, with IT approval
- Conference registration fees
- Equipment repairs



## **Authorized P-Card Transactions, cont.**

- Gas for rental cars
- Lodging
- Newspaper ads
- Office supplies
- Parking
- Printing
- Rental cars
- Short term rentals
- Sodexo food purchases
- Software
- Bookstore purchases



# Unauthorized P-Card Transactions

Examples include:

- Alcoholic beverages
- Any single transaction exceeding \$1,999.99 (fixed asset level)
- **Cash advances**
- Donations
- **Entertainment**
- Food/meals (food purchases will be limited to executive management only, unless an exception has been approved)
- Gas for personal vehicles





# Unauthorized P-Card Transactions, cont.

- Gift certificates/gift cards
- Payment to Independent Contractors
- Professional services
- Items for personal use
- Medical: Doctors, Dentists, Chiropractors, etc.
- Purchases that involve signing an agreement, license, contract, or lease
- Salaries and wages



# Purchasing Food

- Food/meal purchases are limited to executive management only (President, Vice Presidents, and Deans) unless an exception has been approved by the respective Vice President or President (for direct reporting units).
- The Food Use Exception Form can be found on the Purchasing website.
  - ❖ The form can be used for one occasion, or a date range can be indicated (semester, etc.).



# Emailing P-Card numbers

- **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.



# Using Bank of America Works

Logging into Bank of America for the first time:

- You will receive a welcome email from Bank of America when your new P-Card is ordered, or when you're set up as a P-Card Manager.
- Click on the link in the email. This link can only be used once. If not used within a few business days (or the amount of time stated in the email), the link will expire.
- The email will display your username and the email address you will use to log in.
- Follow the instructions to create your password and answer three security questions.

**The P-Card Manager (may be the P-Cardholder or someone else) will receive training on how to complete the necessary tasks in Works. An overview can be found here: [Works Quick Reference Guide](#)**



# What is a Valid Receipt?

Receipts: The P-Cardholder must obtain appropriate, detailed, itemized documentation to support every transaction charged to the P-Card. 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
- P-Cardholder name and/or the last four digits of the P-Card number
- If you absolutely cannot obtain a receipt, please fill out the Missing Receipt Affidavit (found on the Purchasing website) for your log.



# Review and Audit

- The program is audited to ensure it complies with policies and procedures.
- External independent auditors perform an annual audit. Records will be stored in the department and must be available for review or audit upon request.
- P-Card logs must be retained for a period of five years.
- Purchasing performs random audits of a minimum of 25 P-Card Logs on an annual basis. Purchasing also monitors P-Card program performance with reporting and data analytics in Works.



# Violations & Consequences

- P-Card violations range from inadvertent mistakes to negligent or fraudulent use. Willful, fraudulent, or negligent violations may have more serious consequences, such as suspension or revocation of the card, and/or personnel actions.
- Examples:
  - Personal purchases
  - Cash or cash equivalent transactions



# Please review

Please review the P-Card and Purchasing Policies and procedure, linked here:

<https://www.lcsc.edu/purchasing/employees/policy-and-procedures>





# FAQ

- Can I let a student use a department P-Card?
  - No, P-Cards are only to be used by LC State employees who have taken the training and signed the application form.
- What do I do if my card is declined?
  - Contact your P-Card Manager to ensure that you have not exceeded your monthly limit.
  - If that is not the issue, you or the P-Card Manager can contact Purchasing to investigate the cause. Sometimes the MCC restriction needs to be lifted to allow a routine transaction; sometimes the bank has flagged a transaction as potential fraud. In the latter scenario, the cardholder must call the number on the back of the card to authorize the transaction.
- I signed off on my monthly transactions and then ran my statement. My changes didn't hold.
  - There is often a lag between you make edits to transactions and when they appear on the statement. It is recommended to wait about 30 minutes after making changes before running the statement.



# Most Common Errors

## P-Card Log Signature(s)

When the P-Cardholder is also the P-Card Manager:

- P-Cardholder signs the log
- P-Cardholder's immediate supervisor signs the log

<b>P-Cardholder signs here</b>	<b>P-Cardholder's supervisor signs here</b>
_____ Authorized Signature	_____ Authorized Signature 2
_____ Print Name	_____ Print Name
_____ Date	_____ Date

When the P-Cardholder's card is managed by someone else

- P-Card Manager prepares log, signs log
- P-Cardholder reviews log for accuracy, signs
- P-Cardholder's immediate supervisor signs the log

<b>P-Card Manager signs here</b>	<b>P-Cardholder signs here</b>	<b>P-Cardholder's supervisor signs here</b>
_____ Authorized Signature	_____ Authorized Signature 2	_____
_____ Print Name	_____ Print Name	
_____ Date	_____ Date	



# Most Common Errors, cont.

## E-signatures

E-signatures are acceptable, but must be the Adobe date-stamped signature that is found under Tools  
– Certificates



Certificates

Add ▾

### **Acceptable e-signature:**

Diana Higgins Digitally signed by Diana Higgins  
Date: 2023.10.09 16:14:31 -07'00'

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Authorized Signature Auth

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Authorized Signature 2

### **Unacceptable e-signature:**

*Diana Higgins*

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Authorized Signature 2



# Most Common Errors, cont.

## Special Approvals

### Travel

- Travel Authorization form should be attached to log

### Computer/IT

- For all IT purchases \$100 or greater, email approval from the IT Director should be attached to log

### Entertainment

- MER or PRR should be attached to log

### Grant

- Email approval from Grants should be attached to log





**Thank you. Questions?**

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