



POLICIES & PROCEDURES

Title: Purchasing Card

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Purpose

Louisiana Delta Community College has entered into an agreement with the State of Louisiana and Bank of America that provides qualified employees with a Visa Purchasing Card to purchase low-cost materials. Using the Purchasing Card benefits the College and its vendors through:

- Prompt payments to vendors
- Reduced processing costs and paper flow
- Controlled decentralization of Purchasing

The Purchasing Card will provide the College with a system that is efficient, flexible, and convenient for departments purchasing goods directly from vendors for transactions up to \$1,000. The Chief Procurement Officer will have the authority to grant a Single Transaction Limit (STL) of up to \$5,000 to approved card holders. The Single Transaction Limit is the limit that is allowed per transaction. The Monthly Transaction Limit is the limit that is allowed between monthly purchasing cycles. The Purchasing Card simplifies the way departments may order small dollar goods from vendors that accept the Visa credit card.

The Purchasing Card program is designed to delegate the authority and capability to purchase small dollar items directly to the end user or department. Use of the Card will enable cardholders to purchase non-restricted items directly from vendors without the issuance of a requisition or a purchase order.

As a State agency, Louisiana Delta Community College is bound by certain State and Federal regulations and laws and must implement WORKS Workflow. To ensure compliance with these requirements, cardholders must adhere to the guidelines outlined in the cardholder agreement. The policies in the agreement, as well as any revisions by the Purchasing Department pertaining to the program, must be followed when using the Purchasing Card.

Scope

All purchasing card holders.

PURCHASING CARD CARDHOLDER'S GUIDE

I. Overview

A. Louisiana "LaCarte" Purchasing Card

Louisiana "LaCarte" Purchasing Card is a Visa Card used by Louisiana Delta Community College employees to purchase materials up to \$1,000 per transaction (including shipping and handling) with the exception that the Chief Procurement Officer can approve STL increases up to \$5,000. STL's that exceed \$5,000.00 must be approved by OSP. It is the preferred purchasing tool used to purchase low cost materials.

B. How your card may be used

1. Your card may be used for any purchase of materials provided that
 - a) the transaction, including shipping and handling charges, does not exceed the single transaction limit that has been approved by the Chief Procurement Officer, up to a \$5000 STL;
 - b) the transaction does not fall within one of the excluded merchant groups/spending categories;
 - c) the transaction does not involve a purchase of one of the types listed in Exhibit I.

C. Purpose and Benefits of Using the Purchasing Card

1. To simplify and reduce costs of the purchasing and payment process for material orders under \$1000 where applicable. The cardholder uses the card to make the purchase from suppliers without completing purchase orders or requisitions. All State of Louisiana and LDCC Purchasing rules and regulations must be followed; only the method of payment has changed. The Card cannot be used to avoid procurement or payment procedures.
2. To simplify and reduce the number of invoices processed by Accounts Payable. One monthly invoice is paid to Bank of America versus handling large volumes of low dollar invoices.

3. The Purchasing Card process pays the suppliers within two business days of requesting payment for merchandise provided.

D. Purchasing Card Cycle

1. Cardholder presents Purchasing Card to supplier at time of purchase.
2. Suppliers receive remuneration from Visa within two business days of requesting payment for merchandise provided.
3. Cardholder scans and attaches the receipt or invoice to the appropriate transaction in WORKS and signs off on that transaction. The Cardholder must insure that the next level supervisor signs off on the transaction or their credit limit will not be reset.
4. Cardholder receives statement(s) each month and runs the Billing Cycle Completed Purchase Log in WORKS Cardholder reviews statement for appropriate charges and reconciles to the Billing Cycle Completed Purchase Log. Copies of statement, Billing Cycle Completed Purchase Log and supporting documentation should be retained in the department.
5. Next level supervisor reviews cardholder's purchases in WORKS and approves all appropriate purchases. The cardholder or supervisor must forward all documentation to the Finance Department for payment. The cardholder is responsible for forwarding a copy of the Billing Cycle Completed Purchase Log, cardholder statement and supporting documentation to the Procurement Card Administrator, or their representative, to keep in a centralized location on campus.
6. Louisiana Delta Community College remits payment to Bank of America within 30 days of statement date. The Cardholder should never make a payment directly to the bank.

E. Card Misuse

1. Fraud Purchase - any use of the procurement card which is determined to be an intentional attempt to defraud the state for personal gain or for the personal gain of others.

An employee suspected of having misused the procurement card with the intent to defraud the state will be subjected to an investigation. Should the investigation result in findings which show that the actions of the employee have caused an

impairment to the state service, and should those findings be sufficient to support such action, the employee will be subject to disciplinary action. The nature of the disciplinary action will be the prerogative of the appointing authority and will be based on the investigation findings and the record of the employee. Any such investigation and ensuing action shall be reported to the Legislative Auditor and the Director of the Office of State Purchasing.

Non-Approved Purchase - a purchase made by a State cardholder for which payment by the state is unapproved. A non-approved purchase differs from a fraud purchase in that it is a non-intentional misuse of the procurement card with no intent to deceive the agency for personal gain or for the personal gain of others.

A non-approved purchase is generally the result of a miscommunication between a supervisor and the cardholder. A non-approved purchase could occur when the cardholder mistakenly uses the procurement card rather than a personal card.

When a non-approved purchase occurs, the cardholder should be counseled to use more care in handling the procurement card. The counseling should be in writing and maintained in the employee's file for no longer than one year unless another incident occurs. The employee should be made to pay for the item purchased inappropriately. Should another incident of a non-approved purchase occurs within a 12-month period, the appointing authority should consider revocation of the procurement card.

II. Cardholder's Responsibilities

A. General Responsibilities

1. The card is used for payment of materials up to the single transaction limit (including shipping and handling charges) that the Chief Procurement Officer has approved up to \$5000. The transaction and credit limits on the card have been approved by the College Purchasing Department. The Purchasing Card delegates the expenditure and purchasing authority, less than \$5000, to the authorized cardholder.
 - a. It is the responsibility of the budget unit cardholder to verify sufficient funding exists in the specified budget

and expenditure code PRIOR to initiating the Purchasing Card transaction.

2. The cardholder will complete the Billing Cycle Completed Purchase Log each month indicating approval of and providing expenditure coding for each transaction. Cardholder will attach to this log (Paper, or Electronic) appropriate supporting documentation (sales receipts, invoices, credit card slips, etc.) of each transaction. The Cardholder must sign off on the transactions in WORKS and forward backup to the appropriate areas. A copy must always be sent to Purchasing to be housed in a central location, and the originals must always be sent to Finance. If the Cardholder is absent during the reconciliation process, the Cardholder will complete this task as soon as they return. If the Cardholder is absent for an extended period of time, it will be the Approver's responsibility to complete this task.
3. The Purchasing Card remains the property of the State of Louisiana. It may not be transferred, assigned to, or used by anyone other than the designated cardholder. The cardholder will surrender the Purchasing Card upon request to Louisiana Delta Community College or any authorized agent of Bank of America.
4. Louisiana Delta Community College retains the right to cancel a cardholder's privileges. Cards may be revoked for misuse or non-compliance with procedures and/or the Cardholder's Agreement. First Offense is a written notification from the P-Card Administrator who will also notify the Department Head prior to sending the notice. Second Offense (of the same nature) will result in a committee comprised of the next-level supervisor, a peer, and the P-Card Administrator to review the offense. The committee will make a decision on how to handle the offense which could include revoking the card. If the cardholder disagrees with the committee's decision, then the cardholder has TEN DAYS to appeal the committee's decision. Cardholder submits the appeal, in writing, to his/her next-level supervisor's next-level supervisor. In instances of card misuse, the cardholder will have TWO pay periods to resolve the matter or the amount can be deducted from cardholder's paycheck. If abuse occurs more than twice, accidental or not, the card must be cancelled.
5. State sales tax should not be charged on card purchases. Cardholders should make every effort at the time of purchase to prevent being charged state sales tax. The tax exempt number is printed on the front of the P-Card. Cardholder will notify the vendor BEFORE the purchase is rung up that the purchase is tax exempt. In the event state sales tax is charged, the cardholder will be responsible to have the vendor/merchant issue a credit to the cardholder's account by the next statement period. If a credit is not issued, the Cardholder will be responsible for reimbursing the College.
6. Program Participants, i.e. Program Administrators, Cardholders, CBA Administrators and Cardholder Approvers are required to complete an online

certification class, annually, receiving a passing grade of at least 90 in order to receive a new p-card, a renewal p-card, remain as CBA Administrator or remain as a Cardholder Approver. These certifications will be developed and updated, as necessary, by the Office of State Purchasing and Travel and the agency will be notified as soon as they are approved. All program participants will be given ample time to obtain this certification once notified.

7. Failure to properly fulfill responsibilities as a P-Card Cardholder or Approver could result, at a minimum, in the following: Written counseling which would be placed in employee file for a minimum of 12 months; Consultation with agency Program Administrators, and possibly head of agency and internal audit section; Disciplinary actions, up to and including termination of employment; Legal actions, as allowed by the fullest extent of the law.
8. The Cardholder is responsible for the physical security and control of the card and its use. The card should never be loaned or used for/by any other employee other than the Cardholder. Never include the full card account number in any document, only the last 4 digits. Never send a vendor a copy of the card for any reason. The Cardholder is to ensure that all charges and totals are correct, allowed, and backup detailed documentation is available.
9. The Approver is responsible for ensuring that charges are valid, authorized, are within internal procedures, and are in accordance with both the Agency and Statewide Policy. The Approver must ensure that all scanned documents match the original supporting documentation, receipts, monthly memo statements and must certify this monthly to Purchasing and the Office of State Travel by signing off on the transactions in WORKS. The Approver must also ensure that receipt has a complete description of each item purchased, not generic. If so, then complete description must be added to log, paper or electronic.

B. Ordering and Receiving of Materials

The cardholder is responsible for ensuring receipt of materials and resolving any receiving discrepancies or damaged goods issues. (For disputes or questions, see item F.)

1. Ask the supplier if they will accept Visa.
2. The card is used for payments up to the cardholders STL that has been approved by the Chief Procurement Officer up to \$5,000 STL. Ask the supplier to calculate the total value of the order, including shipping, handling charges and freight costs. Advise vendor that Louisiana Delta Community College is tax exempt. If the total charge is over the Single Transaction Limit the card cannot be used.
 - a. Do not split a transaction into two or more transactions to get below the single transaction limit.

- b. Violation of this policy may result in cancellation of your card.
- 3. Obtain from the supplier a sales receipt or invoice which itemizes the order. Scan the receipt or invoice and attach it to each appropriate transaction in WORKS and retain this documentation for matching with your monthly statement.

C. Telephone and Online Ordering

- 1. Provide the supplier with your complete shipping instructions. Vendor should address all merchandise for shipment as follows:

Louisiana Delta Community College Receiving Department for (your name, street address, department, building and room number) Your Campuses Address

- 2. Instruct the supplier to include in the delivery package a sales receipt, invoice, or the Purchasing Card charge slip itemizing the order.
- 3. Instruct the supplier to send any sales receipt or invoice directly to you rather than the Purchasing Department. This will avoid the possibility of having the same invoice paid twice.
- 4. Online accounts, such as Amazon, must have a standalone business account or registration and must not be combined with an individual's personal account.

D. If Approval is Denied

- 1. DO NOT ALLOW THE VENDOR TO SWIPE THE CARD A SECOND TIME.
- 2. If a supplier advises that card approval has been denied, it is most likely a violation of one of the established levels of authority checks.
 - a. Example – the purchase exceeds the single transaction limit.
 - b. Example – the purchase is a violation of a Merchant Group/Spending Category code or a Merchant Category Code to which access is prohibited.
- 3. The supplier will not have information related to the reason for denial, nor does the cardholder have the authority to obtain this information. If a transaction is denied, the cardholder should contact the Purchasing Card Administrator for assistance.

The Purchasing Card Administrator will contact the proper persons, obtain information on the denial and coordinate resolution of the issue.

E. Reconciliation and Approval Process

1. Primary responsibility for the reconciliation and approval process rests with the cardholder and next-level supervisor of each department. Cardholder's Approver must be a supervisor of the cardholder which would be at least one level higher than the Cardholder. The approver must be the most logical supervisor which would be most familiar with the business case and appropriate business needs for the cardholder. In the case that an approver is also an Administrator, the statement and documentation must also be reviewed by the Finance Department.
2. Statements are received by each cardholder on a monthly basis. All receipt and supporting documentation must be scanned and tied to the applicable transaction and not as one image for all transactions. Approvers must use WORKS Workflow to approve each transaction.
3. Compare the transactions on the statement(s) with the actual sales receipts, invoices, credit card slips, etc. (supporting documentation). If a credit card charge slips or a receipt does not itemize the purchase, it will have to be itemized and attached to the transaction in WORKS.
4. Verify each transaction as to date, vendor, and amount by matching to the supporting documentation.
5. Attach supporting documentation for all transactions listed on the statement(s) to the Billing Cycle Completed Purchase Log.
6. Cardholder must sign off on each transaction in WORKS certifying agreement with the legitimacy and accuracy of the listed transactions. Each transaction must also be signed off by the cardholder's next-level supervisor. These electronic signatures will be a certification by the signers that all charges are accurate and valid College expenditures. The cardholder should retain a copy of the statement(s), Billing Cycle Completed Purchase Log(s), and all supporting documentation.
7. It is the responsibility of the cardholder to provide expenditure coding and to verify that sufficient funding exists in the specified budget unit and expenditure code(s) for all Purchasing Card transactions PRIOR to submitting to the Purchasing Card Administrator.
8. Submit statement with Billing Cycle Completed Purchase Log and supporting documentation, Disputed Item Report (where applicable) to the Purchasing Department WITHIN FIVE DAYS OF RECEIPT OF STATEMENT.

STATEMENTS NOT RECEIVED WITHIN 10 DAYS MAY RESULT IN CANCELLATION OF CARD.

9. For disputed or questioned items – See item F.
 10. Personal expenses charged on card.
 - a. Personal usage of card is NOT ALLOWED.
 - b. Violations WILL result in cancellation of your card.
- F. Disputed and Questioned Items
1. The cardholder is responsible for ensuring receipt of materials and resolving any receiving discrepancies or damaged goods issues.
 2. Cardholder is responsible for settling any disputes, clearing erroneous charges, requesting credit for returned merchandise directly with the supplier, and reimbursing the State for any unauthorized purchases.
 3. Cardholder should contact supplier to resolve any outstanding issues. Most billing problems can be resolved expeditiously in this manner.
 4. If cardholder is unable to reach agreement with supplier, the cardholder is to complete on-line a disputed transaction form in WORKS. Bank of America must be notified in writing of any unresolved disputed item within sixty (60) days of the date of the statement on which the questioned item appears.
 5. Cardholder should retain a copy of disputed documentation and indicate on Billing Cycle Completed Purchase Log that an item is in dispute.
 6. Tax is NOT a disputable item with Bank of America.
 7. Contact P-Card Administrator if an acceptable resolution is not obtained.
 8. Recognized or suspected misuse of the P-Card Program should be immediately reported to the agency program administrator and may be anonymously reported to the State of Louisiana Inspector General's Fraud and Abuse Hotline at 1-866-801-2549 or for additional information one may visit <http://oig.louisiana.gov/index.cfm?md=pagebuilder&tmp=home&nid=3&pnid=0&pid=4&catid=0>. Immediately report fraud, misuse, even accidental to the Program Administrator and any other appropriate personnel.
- G. Missing Receipts
1. Every transaction must have a receipt. These receipts must be retained for all purchases made with the P-Card, no generic descriptions for item purchases will be allowed. All receipts must be scanned into WORKS and forwarded with Billing

Cycle Completed Purchase Log, Statement, and any other documentation to the Finance and Purchasing Departments.

H. Lost or Stolen Cards

1. Report any lost or stolen cards immediately to Bank of America first and then the Purchasing Card Administrator. The bank will immediately cancel the card and forward a replacement card to the Purchasing Card Administrator within three to five business days.

2. To report lost or stolen cards:

1-866-801-2549

I. Termination of Employment

1. Program Administrator must be notified by Human Resources of any termination of employment by a P-Card holder or Approver. Cardholder must turn in his/her P-Card upon termination of employment from the College. A departmental exit interview should be done with the Cardholder and Supervisor to ensure all charges to the account and all documentation has been taken care of. Please give the Purchasing Card Administrator ample notice so that your card may be cancelled. PLEASE DO NOT SEND THE CARD IN THE CAMPUS MAIL. The Purchasing Card Administrator upon receipt of the card will notify Bank of America through their online system to cancel the account for the cardholder and destroy the card.

J. Change of Department or Budget Unit

1. Cardholder and/or Approver must notify the Purchasing Card Administrator of is/her change in department or budget unit. An exit interview must be conducted by the Supervisor/Approver reviewing all of the employee's transactions, supporting documents, and receipts prior to departure. The P-Card must be obtained by the Supervisor/Approver and returned to the P-Card Administrator. All appropriate steps will be taken by the P-Card Administrator in order to remove the Cardholder and Approver in Works.

K. Suspended Accounts

1. Cardholder must notify the Purchasing Card Administrator of his/her instances of extended leave (FMLA, Sabbatical, etc.) While on leave, the card limit will be lowered to \$1.00 to protect the cardholder and the agency during their absence. Once the Purchasing Card Administrator is notified of the employees return to work, the card limit will be restored.

2. Accounts are monitored for activity and must be adjusted for STL's and/or monthly cycle limits accordingly based on possible change in needs and cancellation of card, when not utilized in a 12-month period. A card may only remain active, if dormant for a 12-month period, by justification and approval from the Office of State Travel. If approval is granted, the card must be suspended, and profile changed to \$1 limit until future need for activation.
3. An Approver must also notify the Card Administrator of any extended leave so adequate steps are taken during reconciliation process. If multiple leaves are taken during the reconciliation process, the Supervisor/Approver will be re-evaluated as an Approver.

L. Declared Emergency

In the event of a State of Emergency declared by the Governor, the P-card may be changed to allow higher limits and opening of certain MCC codes for essential employees who are cardholders that would be active during an emergency situation and not all cardholders. An emergency profile must be created in WORKS which shall not exceed the following limits, without prior approval from Office of State Travel: SPL (single purchase limit) \$25,000, Travel and Rest MCC Groups may be removed if determined to be necessary for group accommodations, however, the Cash MCC Group must remain attached to the profile at all times, as the use of cash is never allowed, even during emergency situations.

Higher limits do not eliminate the need to follow emergency procurement rules, policies, procedures, mandates and/or executive orders.

It is the Purchasing Card Administrator's responsibility to ensure that all cards are returned to their original profile once the emergency declaration has expired and/or when higher emergency limits are no longer necessary.

EXHIBIT I

LOUISIANA DELTA COMMUNITY COLLEGE RESTRICTIONS ON CARD USE

The Purchasing Card SHALL NOT BE USED for the following purchases:

- Alcoholic beverages
- Cash advances, cash instruments, cash refunds
- Christmas cards and other similar communications

- Christmas trees (live)
- Controlled substances (prescription drugs, narcotics, etc.)
- Entertainment costs – ski tickets, tours, etc.
- Food, beverages & meals
- Gifts
- Honorariums
- Personal, Professional, Consulting, & Social Services Contracts
- Personal purchases
- Postage stamps
- Travel (gas stations, lodging, restaurants, airline tickets, etc.)

P-Card Purchases must comply with all Purchasing Procedures, Rules and Regulations, State Statutes, and Executive Orders. P-Card should not be used for Contract items. All transactions and supporting documentation must be randomly audited by the Program Administrator. A Cardholder may NEVER be the final approval for his/her own monthly transactions.

The Cardholders and Approvers shall:

- Assure that Purchasing Card transactions are not artificially split in order to circumvent the single transaction limit.
- Assure that the items purchased are required for bona fide College purposes (no personal expenses).
- Assure that the prices paid are fair and reasonable.
- Notify the merchant that the purchase is being made in the name of the College and is exempt from state and local taxes.
- Obtain detailed transaction receipts from the merchant or vendor each time the Purchasing Card is used.
- Assure that all items are received at time of purchase
No back orders are allowed on telephone and internet orders.
- Assume personal responsibility for all purchases made with the card.
- Assure that the information provided is correct in all respects.
- Assure that sufficient funding exists in the specified budget and expenditure code PRIOR to making any purchases.
- Sign the most current State of Louisiana Corporate Liability P-Card Program Agreement Form for the applicable program role on an annual basis.
- Obtain agency program training and sign an Approver Agreement Form, annually, with originals given to agency program administrator along with approver retaining a copy.
- Annually a meeting between the Department Head and all Cardholders should be held to review card utilization. A departmental record should be maintained showing compliance with this requirement.
- Supervisor/Approver should ensure that a log is completed by the cardholder, that the log corresponds with the monthly billing statement and that the log shows the Approver's sign off.

- Supervisor/Approver should ensure that supporting documentation, including the Billing Cycle Completed Purchase Log and statement, along with any findings and justifications, are sent to the Program Administrator or their representative.
- Secure all assigned WORKS application User ID's and passwords. Never share User ID and passwords and/or leave the work area while logged into the system or leave log-in information lying in an unsecure area.
- Ensure All Documentation/Findings/Replies, resulting from the monthly audit of P-Card transactions, are sent to the P-Card Administrator so they are centrally located.

The Card Administrator Shall

- Ensure that a copy of all Billing Cycle Completed Purchase Logs and supporting documentation are housed in a centralized location.
- Run the required monthly reports and submit the monthly certification in LEO. Keep a copy of the Cardholder's response if the report shows something that needs to be addressed.
- Ensure that a copy of state training, agency certification and agreement forms for all Cardholders, Approvers, and Administrators are housed in a centralized location and are completed annually.

STEPS IN OBTAINING A PURCHASING VISA CARD

- Contact the Purchasing Card Administrator to request a P-Card. Cards can only be issued to State Employees. Employees email address must match their name. Cards cannot be issued to any Administrators, Department Heads, Auditors, or anyone with any roles associated with administering, monitoring or reviewing the activities of the P-Card program. The P-Card STL will be determined by the Chief Procurement Officer.
- Visa card will be sent directly to the Purchasing Card Administrator in approximately 2-3 weeks (if the card is sent directly to the department, please inform the Purchasing Card Administrator immediately).
- The cardholder will be required to attend a training session and sign a Purchasing Cardholder's Agreement. Once this is done the cardholder will receive the Purchasing Card.
- Cardholder should sign the Purchasing Card immediately upon receipt.
- A current list of all cardholders will remain on file in the Purchasing Department.