



**PROCUREMENT CARD
(P-CARD)
PROCEDURES MANUAL**

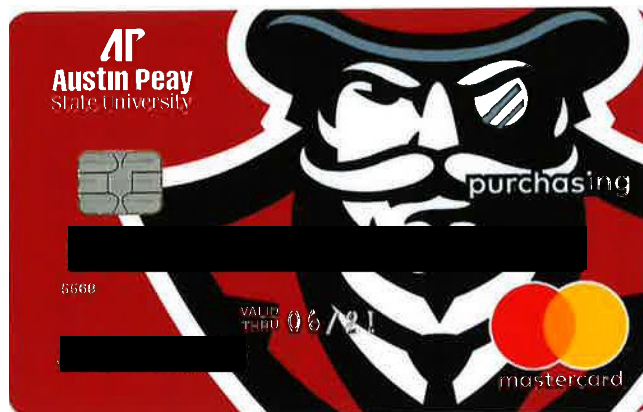


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Welcome to APSU's Procurement Card (P-Card) Program

The Purchasing Card Procedures Manual is to provide guidance and detailed procedures concerning the use of the P-Card and to supplement the requirements of State of Tennessee purchasing and travel statutes, rules and regulations, and Austin Peay State University Policy. This Manual applies to Austin Peay State University employees when purchasing goods and services or traveling that ensures fairness and transparency for University purchases.

Austin Peay State University (APSU) is pleased to offer a MasterCard Procurement Card (P-Card) Program to the faculty and staff. This program allows the Cardholder to make purchases of goods and limited travel services as outlined in these procedures.

The P-Card is a MasterCard credit card issued through US Bank and is available to APSU full-time faculty and staff as approved by their Dean, Director, or Vice President. The card works in the same manner as your personal credit card except the bill is sent to and paid for by the University.

The P-Card represents the University's trust in you and should be considered a privilege. As a Cardholder, you are accepting the responsibility for the protection and proper use of the P-Card. As a Cardholder, you are responsible for ensuring all your purchasing transactions are in compliance with State and Federal laws, including conflict of interest laws and any potential impact your purchase may have on personal financial interests. The determination of whether a substantial financial interest exists shall be based upon the criteria identified in, Institution policy [1:001 Conflict of Interest](#).

Procurement and Contract Services (PACS) is responsible for monitoring the effectiveness of the P-Card Program and for user compliance with the procedures for the Procurement Card Program and University Policies and Procedures.

The P-Card Program allows the Cardholder to place orders up to \$4,999 per single transaction without the delays or paperwork that are normally faced when placing orders for these items through the normal University channels. The P-Card is issued in the Cardholder's name and it allows that individual to purchase commodities by telephone, internet or in-person directly from vendors. In addition, the only travel related items the P-Card can be used to purchase are airline tickets and registration fees. The T-Card is used for all other travel in accordance with the travel policy.

Each time a vendor enters the cardholder's card number for a purchase, an electronic process verifies that the purchase is within these limits. All transactions are approved or declined by the vendor based on the verification results. Exceptions to the limits are granted on a case by case basis.

Purchases are charged to the cardholder's department and each cardholder is responsible for reviewing, reconciling, and approving the monthly charges in Access Online. The department approver must be review and approve all transactions in Access Online.

1. Card Set-up and Maintenance Procedures

1.1 Obtaining a P-Card

Individual departments designate who is eligible to possess a P-Card by completing the [P-Card/T-Card Request Form](#). This form should be completed by the individual requesting a P-Card and should be signed by the full-time employee as well as the P-Card Approver. Students, temporary and non-employees are not eligible to hold P-Card/T-Cards. All prospective Cardholders and approvers must also complete a training session before the P-Card will be released to the Cardholder.

By signing and submitting the P-Card/T-Card Request Form, Cardholder and Approver verify that they have read, understand and accept their responsibilities as outlined in this manual. It is further certified that the Cardholder and Approver will attend training before the P-Card is issued to the cardholder.

1.2 Cardholder Account Maintenance

Whenever any of the information contained on a Cardholder's Request Form changes, a [Change in Cardholder Status](#) form must be completed. After the appropriate designee in the department has signed the form, the form should then be forwarded to Procurement and Contract Services (PACS). For transaction, cycle limit, and other changes, the Program Administrator will notify the Cardholder when modifications have been made.

1.3 Card Security

It is the Cardholder's responsibility to safeguard the P-Card at all times. The Cards must be kept in a secure location and should only be used to process transactions by the respective Cardholder. In order to prevent exposure to fraud, the full Card account number should not be recorded electronically or on paper. If the number must be recorded it should be truncated to the last four digits.

1.4 Card Expiration

The Card will expire at the end of the month shown on the card. For example, a card with an expiration date of 06/19 will expire at the end of June 2019. The Cardholder will receive a replacement card during the first or second week of the month the card is due to expire. If a replacement card is not received by the end of the second week, the Cardholder should contact the Program Administrator for assistance. Once the replacement card is activated, the Cardholder should turn the old card into PACS.

1.5 Lost, Stolen or Damaged Purchasing Card

If a Card is lost, stolen or damaged, during normal university business hours, the Cardholder must notify the Program Administrator immediately so it can be reported to the bank. If the P-Card is lost, stolen or damaged after normal business hours, the Cardholder must notify the bank immediately at **1-888-500-8262**. Fraudulent transactions must be reported to the bank within 60 days of the date of occurrence in order for the University to recover losses. Replacement cards should not be requested directly from the bank. If an account is closed through direct contact with the bank, the Cardholder should follow up with the Program Administrator on the next business day to request a replacement.

After the above notification procedures have been completed, the Program Administrator will issue a new Card to the Cardholder pending approval of his or her Approver.

A Card found after it has been reported lost or stolen must be turned into PACS.

1.6 Transfer within the University

Cardholders who transfer within the university to another department must surrender their P-Card/T-Card to PACS and all supporting documentation to their immediate supervisor before leaving the department. He/she must submit a [Change in Cardholder Status Form](#) must be completed and returned to the PACS office, signed by the approver in the new department and then forwarded to the Program Administrator.

1.7 Separation from the University

Prior to separation from the university, Cardholders must surrender their Card(s) to the Program Administrator before the Cardholder receives clearance from the Procurement department. The Program Administrator will immediately cancel and destroy the card(s).

2. How to Make a Purchase

2.1 The Cardholder must ensure he/she has appropriate purchase approval before making a purchase with the P-Card

2.2 Making the Purchase—Over the Counter

Ensure that supplier accepts MasterCard. Provide the P-Card for payment. Verify the dollar amount is correct and sign the sales draft. Retain your copy of the sales draft and receipt. If copy does not provide description of item(s) being purchased, this should be written on sales draft or receipt.

The University is exempt from Tennessee state sales tax. It is the Cardholder's responsibility to ensure that this tax is not charged.

2.3 Making the Purchase—Mail, Telephone, or Internet orders

If copy of exemption certificate is required, contact P-Card/T-Card Administrator at 221-7022 or email (with online purchases, cardholders may find it impossible to pass sales tax exemption information to the supplier. In this case, cardholders must follow up immediately with the supplier via phone or fax to ensure that the University receives a tax waiver)

Cardholders should purchase only from websites that start with "https", rather than "http". This is entered on the web "Address" line. When "https" is used, a padlock appears at the bottom of the browser window. This indicates that the website and the user information provided therein are protected by SSL (Secured Sockets Layer).

Remind the supplier that this is a MasterCard purchase and to send a receipt for the purchase to you at your department mailing address. Do not give the physical address or email address of Accounts Payable or Purchasing.

Regardless of who receives the shipment, the Cardholder is responsible for verifying all documentation (packing slips, mail order form copies, etc.) related to purchase to ensure that all items were received by the recipient.

2.4 Resolving Disputes with Suppliers

If the cardholder is charged for an item incorrectly, they should contact the supplier and attempt to resolve the problem. The Disputed Charges Form should be completed and submitted. Any communications should be documented on statement (or in an attachment) and include dates, the persons involved, and a brief description of the problem. If the cardholder is unable to resolve the dispute with the supplier, the Department P-Card Approver should be notified and the dispute may be recorded on line. The P-Card Administrator may be contacted if additional assistance is required.

2.5 Declines

In the event of a transaction decline, the Cardholder may call the P-Card Administrator directly to obtain the reason for the declination. If the P-Card/T-Card Administrator is not available, the cardholder may call the bank. The bank's customer service number is printed on the back of the P-Card. Some common reasons for decline:

- Vendor has entered an incorrect expiration date or security code
- The card has expired or been terminated
- The cardholder has not activated a newly assigned or renewed P-Card
- Purchase is over standard limits encoded on your card (either single or monthly)
- Purchase type is blocked depending on transaction type & policy (i.e. ATMs, Financial Institutions, etc.)
- Out of State or International purchases will automatically be declined by the bank unless Cardholder notifies the bank prior to making the purchase.
- Card has suspected fraudulent activity.

2.6 Request for Limit Increases

For temporary increases on the P-Card limits, the Cardholder should submit an e-mail request to their VP, Dean, or Director for authorization and forward the e-mail to the P-Card Administrator. This request should include the vendor name, the amount of the transaction, the date of the transaction, a description of what is being ordered, and a "Travel Authorization Number" number (for increases on travel related transactions). The Cardholder should not request or allow the vendor to split the transaction into separate transactions in order to avoid the single transaction limit. The only exception to this rule would be for hotel transactions that are placed after normal business hours.

For permanent increases on the P-Card limits, a completed and signed the [P-Card/T-Card Request Form](#), which allows for changes to the Cardholder's information, should be submitted. A detailed justification is required for all increase requests.

3. Responsibilities

3.1 Cardholder

The card is a privilege granted to you by the University and it is expected that you will use it responsibly. The University will seek restitution for any inappropriate charges made to the card. Fraudulent or intentional misuse of the card will result in revocation of the card and/or possible criminal charges. In general, your P-Card should be used in a responsible manner for purchases that are in the best interest of the University.

When utilizing P-Card, cardholder becomes an authorized purchaser for the University with specific responsibilities for expending University funds as follows:

3.1.1 Protection of Card

Cardholder must protect the security of his/her card and card number.

Only the authorized cardholder is allowed to use the card. Sharing of the card with other employees for delegation of authority is unacceptable.

Store the card in a secure location accessible only to the cardholder (i.e. not posted at a public desk or any other location; personal wallets or purses are not recommended)

Cardholder must notify P-Card Administrator and Card Issuer immediately by calling 221-7022 and 1-800-344-5696 when card is lost or stolen. Cardholder must confirm notification in writing or facsimile to his/her department P-Card Approver.

3.1.2 Limitations on Suppliers

Cardholder must not make P-card purchases from friends or relatives where cardholder has a financial interest.

Cardholder must not accept any gift or gratuity from any source when it is offered, or appears to be offered, to influence your decision-making regarding card purchases.

3.1.3 Limitations on What Can Be Purchased

Cardholder accepts responsibility to ensure that only items allowed for purchase with P-card are procured. Refer to section 4 and [P-Card Allowable and Non-Allowable Purchases](#).

3.1.4 Receipts/Reconciling

The cardholder is responsible for obtaining receipts, packing slips, or other documentation for uploading into Access Online. The original receipts or legible full electronic records are required to be kept for permanent audit documentation of purchase. For purchases made over the counter, documentation would be the actual sales receipt. For other purchases, cardholder should request that a receipt be included in the delivery package and/or make a copy of the catalog page or computer screen information which indicates items purchased and price. These should be attached to any packing slip information received upon delivery.

3.1.4.1 Access Online

Cardholders must upload original itemized receipts to Access Online for each transaction during the reconciliation period each month. Failure to comply with this policy will result in suspension of card privileges until that is completed. Repeated occurrences of card suspension may be cause for permanent card cancellation. Please feel free to contact your P-Card Administrator with any questions about what constitutes an allowable charge or acceptable support documentation. It is the cardholder's responsibility for obtaining purchase documentation from the merchant (sales receipts, invoices, etc.) to support all purchases made with the P-Card and as a comment, document the business purpose for the expenditures in Access Online.

Each month the transactions must be verified by cardholder then sent to the assigned approver for final approval. This could be the department head, principal investigator, or appropriate supervisory

individual. If the Department Head is the Cardholder, the next higher level must approve the transactions. No one can approve their own transactions. By approving the transactions, that individual is stating that all charges are appropriate and correct. Failure to obtain proper monthly approval may result in the loss of the Cardholder's P-Card privileges. Monthly transaction cutoff date is the 25th of each month. Attaching the receipts, reallocating the transactions if necessary, and forwarding the transactions for approval must be done before the 3rd of the next month.

3.1.4.2 Electronic/Original Receipts

Paper/electronic records must be kept in the department for five (5) fiscal years. The electronic copies must be legible and all items purchased must be viewable. These are official APSU records, which may only be disposed of in accordance with APSU procedures.

3.1.4.3 Record Retention

Departments/Divisions must comply with the record retention requirements for support documentation as set forth in the [University's Policy 4:017 Records Retention and Disposal of Records](#). All Departments/Divisions will maintain records of each P-Card/T-card transaction and the supporting documentation in an auditable state as outlined in the policy excluding federal grants or awards. The length of this retention period is attributable to the fact that departments/divisions are the sole source of support, meaning they hold the only copy on campus. All records pertinent to a federal grant or award must be retained until three years after the date required by the grant or award.

3.1.5 Tax Exemption & Liability

Austin Peay State University is a tax-exempt organization. Cardholders must provide this number to all vendors at the time of any transaction to exempt state sales tax. Purchases made by the University outside of Tennessee may not be exempt from another state's sales and use tax. PACS can supply additional copies of the tax exemption form.

3.1.6 Merchandise Credit/Exchange

The Cardholder is responsible for contacting the merchant when merchandise purchased with the P-Card is not acceptable (incorrect, damaged, defective, etc.) and for arranging a return for credit or an exchange.

If merchandise is returned for credit, the Cardholder is responsible for obtaining a credit receipt from the merchant and retaining that receipt with the supporting documentation for that purchase.

RECEIVING CASH OR CHECKS TO RESOLVE A CREDIT IS PROHIBITED. THE VENDOR MUST CREDIT YOUR ACCOUNT.

If merchandise is to be exchanged, the Cardholder is responsible for returning the merchandise to the merchant and obtaining a replacement as soon as possible. Documentation showing the proper resolution of the exchange is to be retained with the supporting documentation for that purchase.

3.2 Approver Responsibilities

All Cardholders must have a designated Approver. The Approver is the individual who supervises the Cardholder or has been delegated the authority to certify that the purchases made by the Cardholder are appropriate.

- a. Must attend training for P-Cardholder and approver training
- b. May not be the Cardholder or a subordinate or peer of the Cardholder.
- c. Must have fiscal authority for the default FOAP being used.

3.2.1 The Department P-Card Approver is responsible for final review and approval of all designated cardholder transactions on a monthly basis. The cardholder must submit cost redistribution to the Department P-Card Approver in accordance with department procedures.

- a. Responsible for facilitating the reconciliation and approval process.
- b. Assure that there is supporting documentation for each transaction (including original documentation for evidence of receipt of goods, credits, and records of disputed transactions). The documentation should adequately support the charges.
- c. If personal charges appear in Access Online, ensure that the cardholder immediately reimburses the University and a copy of the approved memo explaining how/why the transaction occurred and how it will be prevented in the future is attached.
- d. Assure the business nature of the transaction is documented and appropriate.
- e. Ultimately responsible for tracking departmental P-Card/ purchases and providing supporting backup documentation to auditors upon request
- f. Advise P-Card Administrator to cancel a P-Card if the cardholder leaves the department or University

4. Allowable Purchases & Restrictions

4.1 Allowable Purchases (This list may not be all-inclusive. When in doubt, contact the P-card Administrator.)

- Advance registration fees for a workshop, seminar, training, convention or conference which an employee is authorized to attend.
- Ads services (with appropriate approval)
- Airline tickets
- Entrance Fees (for Sporting Events/Tournaments)
- Food and Beverage in accordance with the [Business Meal Policy](#)
- Flowers (limited by University Policy)
- Items from the [Ann Ross Book Store](#)
- Lab supplies
- Memberships
- Postage
- Reprints and Submission Fees
- Supplies (Excluding office supplies which must be purchase from Staples in Govs e-Shop)

- Services (Limited. Dependent upon a valid and documented business need. Transactions should be discussed with PACS prior to purchasing. Appropriate business need examples include dry cleaning for costumes, table cloths, oil changes for university vehicles, etc.).
- Shipping

4.2 Card Restrictions

4.2.1 Red Flag Items

Entertainment tickets (i.e., concerts, baseball, hockey, bowling, football, movies, etc.) should only be purchased with a P-card when a valid business reason can be documented. Transactions should be discussed with PACS prior to purchasing these items.

4.2.2 Excluded Items

The following may not be purchased with the P-Card. (This list may not be all-inclusive. When in doubt, contact the P-Card Administrator.)

- Alcoholic Beverages
- Animals, Live
- Capital Equipment
- Cash Advances
- Cell Phones & Pagers
- Computers
- Customized items with or without logo
- Contracting
- Controlled Substances,
- Subscriptions
- Flowers (limited by University Policy)
- Gifts and Employee Awards
- Gift Cards/Certificates
- E-bay Purchases
- Fans, heaters, air conditioners
- Furniture
- Hazardous Substances/Materials (i.e., Gasoline, fuel, explosives, etc.)
- Hotel/Motel (sleeping accommodations)
- Lease, Rental or Demonstration of Equipment
- Medical Supplies
- Medications
- Moving, Storage, Rigging or Transportation Service
- Printing or other related services

- Purchases from individuals
- Office Supplies (Office supplies which must be purchase from Stapes in Govs e-Shop)
- Radioactive Isotopes
- Services (i.e. phone, television, utilities, employment and other professional services)
- Split orders to avoid bid thresholds
- Travel and travel related purchases or services except Airlines and conference/registration fees
- Textbooks

4.3 Additional Restrictions and Notes

4.3.1 Authorized Use

Only the Cardholder whose name is embossed on the P-Card is authorized to use the card and is responsible for ensuring that all charges made with the card are in compliance with these Policies and Procedures.

4.3.2 Terms and Conditions

Goods and Services that have electronic terms and conditions may not be purchased with a P-Card. Exceptions are goods and services for which the university has a licensing agreement, and as described in the following paragraphs regarding on-line low-risk purchases. Questions may be directed to PACS.

4.3.2.1 Goods and Services may be purchased on-line with P-Cards and without the need for Contract Approval Cover Sheets under the following low-risk circumstances. **(Note that all criteria must be met.)**

- The total cost of the good or service is \$500 or less.
- If the purchase involves software, it must be downloaded from the web and the only agreement to be executed is associated with the “I accept” button necessary to initiate the download and/or installation of the software. All software purchases, including this type of purchase, require the vendor to fill out the VPAT Template and Checklist. Once received, purchasers must submit a request for an Accessibility/ VPAT Review. Any other form of agreement that requires an actual university signature must be routed through the university’s contract management system and a P-Card cannot be used.
- If software, Director of Information Technology Security, the Chief Information Officer and Assistant Director of Procurement and Contracts approves the purchase.
- The purchaser is not aware of any claims for intellectual property infringement against the seller.
- There is no risk to human life or safety by using the good or service.
- There is no risk of property damage by using the good or service.
- The use of the good or service does not involve processing, storing or compiling confidential information (defined as information proprietary to the university or a third party or information that is held confidential for one of many reasons including contract provisions, federal regulations such as PPI, HIPAA or FERPA, Social Security Numbers, trade secrets, or research data, etc.).

- To the best of the purchaser's knowledge and belief, the use of the good or service is not covered by US Export Control regulations.
- Purchase of good or service from a vendor that is not contracted with the University has a contractual obligation to a specific vendor for the respective items such as Staples.

If any of these criteria are not met, the good or service may not be procured via P-Card. In such circumstances, the contract must be routed through the University's contract management system and procured by use of a Purchase Order/Agreement.

5. Misuse of the P-Card

5.1 Abuse/Negligence Violations

Examples of abuse, misuse, and negligence include:

- Buying products from a source other than the university's contracted vendor(s) such as Staples in Govs e-Shop
- Intentionally splitting a purchase to circumvent delegated authority or transaction limits
- Lack of proper and timely reconciliation of the individual cardholder's account
- Failing to maintain receipts and other documentation, or obtain approvals
- Failure to respond to requests for more information on transactions from PACS or Internal Audit
- Excessive use of the [Lost Receipt/Invoice Affidavit](#).
- Other breaches of policies and procedures as specified in this manual

5.2 Fraudulent Use of the Purchasing Card

- Use of the card for personal or non-university purchases for the sole personal benefit of the employee
- Assignment or transfer of an individual's card to another person
- Creating a copy of the P-Card for another person to use
- Purchase of restricted goods/services

5.2.1 In addition, a Cardholder found to have fraudulently used a P-Card is personally liable for any fraudulent charges and shall be required to reimburse the University.

5.2.2 Personal purchases may not be made with the card, even if the Cardholder's intent is to reimburse the university. Personal purchases made with the card subject the Cardholder to disciplinary action up to and including possible card cancellation, termination of employment at the University and criminal prosecution.

6. Review of Cardholder Transactions

6.1 Audit of Transactions

The transactions on the Cardholder's Statement of Account are reviewed monthly, by an independent contractor, Card Integrity, to ensure compliance with these policies and procedures. Card Integrity reviews 100% all transactions from each statement to verify that each of the transactions is supported by adequate documentation and meets all the criteria for

authorized card use. Questionable transactions are especially scrutinized for compliance with policies and procedures. Review results must be documented by Card Integrity and forwarded to PACS for review.

6.2 Questionable Transactions

For questionable transactions or transactions that lack adequate supporting documentation, the P-Card administrator must contact the Cardholder to obtain an explanation, supporting documentation and/or reimbursement. Questionable charges for which satisfactory explanations or documentation cannot be obtained will be deemed unauthorized and/or inappropriate.

The cardholder will be given one week to resolve any areas of non-compliance and send PACS copies of any corrections.

Depending on the results of the audit, there are several possible actions that may result.

7. Program Violations and Consequences

Individual Cardholder and/or department card privileges may be revoked and/or face other disciplinary actions for violations.

7.1 Cardholder Violation and Consequences

7.1.1 Violation

- Failure to properly review and approve transactions within Access Online
- Failure to properly upload supporting documentation to Access Online (i.e. receipts, order confirmations, packing slips, etc.).
- Splitting of orders to circumvent transaction limits.
- Failure to comply with P-Card program procedures defined in this manual.
- Excessive instances of lost receipts/invoices.
- Loaning the P-Card out for others to use.
- Purchasing of restricted/excluded items.
- Failure to properly document transaction business purpose.

Consequences

1st Occurrence: Written warning to Cardholder and P-Card Approver detailing what program policy has been violated and the corrective steps needed to remain compliant with the program

2nd Occurrence: Same as 1st occurrence along with mandatory training, also receiving written notification of continued program infractions. P-Card limit reduced to \$1.00 until training is completed by Cardholder and Approver. All parties will receive reminder that a 3rd violation will result in the immediate suspension of cardholder rights.

3rd Occurrence: Cardholder will be immediately notified that their card privileges have been revoked (Card Approver/Department Head, Dean/Director and Vice President will be notified).

7.1.2 Violation

- Cardholder receiving cash or check issued to Cardholder to resolve a credit or return.
- Using the card for personal use
- Fraudulent use of card

Consequences

1st Occurrence: Immediate written notification of suspension of Cardholder privileges. (Department Head will be notified) Referral for possible disciplinary action up to and including discharge and/or possible criminal prosecution.

Cardholder will be held personally liable for any personal or fraudulent charges and shall be required to reimburse the University.

7.2 Approver Violation and Consequences

- Failure to review and approve cardholder's transactions monthly in Access Online
- Failure to properly report transactions with employee tax reporting liability
- Failure to properly retain transaction documentation (i.e. receipts, order confirmations, packing slips, statements, etc.) of all cardholders including those change departments, leaving the University or terminated.

Consequences

1st Occurrence: Written warning to Card Approver and Department Head detailing what program policy has been violated and the corrective steps needed to remain compliant with the program.

2nd Occurrence: Written warning to Card Approver/ Department Head and other appropriate University official detailing what program policy has been violated and the corrective steps needed to remain compliant with the program. All parties will receive a reminder that a 3rd violation will result in the immediate suspension of Cardholder and Approver privileges.

3rd Occurrence: Card Approver will immediately be notified that their approval rights have been revoked and all P-Cards under the Approver will be suspended. (Card Approver/Department Head, Dean/Director and Vice President will be notified).

Additional Resources

Forms

[Change in Cardholder Status](#)

[Disputed Charges Form](#)

[Employee Responsibilities](#)

[Lost Receipt/Invoice Affidavit](#)

[P-Card Request Form](#)

[T-Card Request Form](#)

[P-Card Allowable and Non-Allowable Purchases](#)

[T-Card Allowable and Non-Allowable Purchases](#)

Policies and Procedures

[APSU Business and Finance Policies](#)

[Procurement and Contract Services Manual](#)