



PROCUREMENT CARD MANUAL

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Table of Contents

I. Introduction.....	1
II. Parties Involved.....	2
III. Roles and Responsibilities.....	3
IV. Did You Know.....	6
V. Merchant Category Blocks.....	10

Introduction

Welcome to the Bank of America Purchasing Card Program. This program is designed to help better manage low dollar purchases and purchases requiring payment via a credit card. This program benefits you, Horry Georgetown Technical College (HGTC) and its vendors.

The success of the Procurement Card Program and its continuing use depends on your participation and cooperation. Please be sure to read and follow the program guidelines as specified within this manual.

We begin by saying that our Ellucian Banner Procurement System is the preferred method for making purchases for your departments' needs within the College. Only if the vendor will not accept a purchase order with billing terms or if the process is specifically made for use with a procurement card such as on-line registering for seminars and membership dues, you should try to enter your requisitions into Banner. Please call the Procurement Office if you would like training on this function.

What is the Procurement Card?

The Procurement Card is a SC State approved Visa credit card issued by Bank of America. It is a fast, flexible purchasing tool which offers an alternative to the existing purchasing processes and provides an extremely efficient and effective method for purchasing and paying for small dollar items up to the individual cardholder's credit limit. The card is to be used only for official purchases.

The Visa Procurement Card will enable you to purchase non-restricted commodities, by telephone, via the Internet, in person, or directly from the vendors. The most common uses for this card are to pay on-line registration fees and membership dues.

The Visa Procurement Card will be issued in the employee's name, with the HGTC name clearly indicated on top right corner of the card.

The Procurement Card program brings many benefits to...

- Cardholders – You will be able to obtain supplies directly from your vendors without using a purchase order. Significantly reduces the workload and processing costs related to the purchase and payment of supplies.
- The Organization – The Procurement Card program provides a cost-efficient, alternative method for purchasing low dollar supplies. Built-in card features make the program easy to control and manage and reduces processing costs at all levels by reducing the number of requisitions, purchase orders, invoices and checks. The Procurement Card enables all departments to focus on higher value added activities.
- Vendors – The Procurement Card will be welcomed by vendors who accept Visa. When they accept the card for business purchases, vendors need not send invoices to HGTC, and they will receive payment directly from Bank of America within 48 hours.

Parties Involved

- Card Issuer – Bank of America
- Auditor, In-House– Jackie Dease, Finance Dept.
- Account Coordinator – Various employees (See attachment A)
- Procurement Card Administrator – Dianna Cecala, Procurement Dept.
- Cardholder – Various Full-Time Employees (See attachment B)
- Vendor – The merchant from whom a cardholder is making a purchase.

Cardholder Eligibility

Criteria to receive a Procurement Card:

- Applicant must be a full-time employee of HGTC.
- Applicant must complete a Procurement Card Application. The application can be found on the purchasing website located at www.hgtc.edu/purchasing or contact the purchasing department at X5207. (See Attachment C)
- His/her AVP, Dean or Department Manager, the Procurement Manager, and the VP must approve applicant's request for a Procurement Card for Finance and Business Affairs.
- Applicant must sign a Card Holder Agreement, agreeing to adhere to all SC State Procurement and HGTC's policies and procedures. (See Attachment D)
- The Procurement Card Administrator will audit the use of all users and will determine if the card should be cancelled due to no use within a 12-month period.

Roles and Responsibilities

Cardholder Responsibilities

1. Attend training for p-card users on an annual basis.
2. Maintaining security of the account number, expiration date, and security code at all times.
3. Maintaining knowledge of State P-Card Policy and HGTC policies and procedures.
4. Ensuring all purchases are allowable purchases according to State and HGTC P-Card policies.
5. Ensuring all purchases comply with purchasing requirements of the Code.
6. Ensuring that funds are available prior to making any purchase.
7. Obtaining "best value" for the State when making purchases with the P-Card.

8. Maintaining all documentation required by State and HGTC P-Card policies for a minimum of twelve months following each purchase. Minimum documentation requirements are:

- a. Monthly acquisition file for audit and/or review;
- b. Itemized receipt or invoice;

If receipt has been lost and a duplicate cannot be obtained, it will result in suspension of card privileges.

9. Ensuring the supplies or services are described in sufficient detail so the vendors and/or merchants have a clear understanding of what is being acquired. Some requirements, because of their complexity, may not be suitable for purchase using the P-Card and may necessitate the use of a written Purchase Order.

Spending Limits

Group A - \$999.99/\$2,500

Group B - \$2,501 / \$10,000

P-Card purchases \$2,500 and under may be made without securing competitive quotations or any type of value analysis if the prices are considered reasonable. If the P-Card purchase is \$2,500 to \$10,000, then it is advised to obtain three quotes to make sure the price is fair and reasonable. If the unit cost of the item is \$2,500 or greater, then the HGTC process for purchasing equipment/fixed assets must be followed.

Sign Activity Statements

Sign the cardholder activity statements attesting to the accuracy and completeness of the statement. All signatures must be original signatures. Signatures made with rubber stamps are prohibited.

Document all transactions

All statements and receipts must be given to P-Card coordinators so that they can be reviewed, entered on vouchers, and submitted to the Accounting Department no later than the 10th of each month.

If the Cardholder will be absent from his/her office for more than four days after the Statement Of Account is received, he/she should notify the Agency P-Card Administrator if no system delegation has been made to another employee in the program area to reconcile the account. The P-Card System is set-up to enable daily reconciliation by the Cardholder. The System allows delegation to another employee for reconciliation purposes as well. If the absence is extensive and no delegation has been made, the Cardholder's Supervisor shall review the receipts/documentation and sign the SOA with an explanation as to why the Cardholder could not process the SOA in a timely manner. The SOA with receipts/documentation will be forwarded to the Agency P-Card Administrator for processing the reconciliation. The Agency P-Card Administrator shall provide training for an administrative alternate in the program area. Failure to review and/or process the SOA in a timely manner will be grounds to suspend and/or terminate the P-Card.

Account Coordinator's Responsibilities

The liaison reviews the transactions for all cardholders assigned to him/her to determine that the cardholder and supervisor/approver are complying with this State P-Card Policy; i.e., no prohibited transactions, no split transactions, purchases are made from contract vendors when available, no deliveries to other than the business address(s), no blocked Merchant Category Code (MCC), etc.

- Collecting cardholder's statements and receipts for a select group of individuals.
- Reviewing vendor receipts attached to the Bank of America cardholder statements.
- Preparing a voucher listing payments, fund codes, and signatures.
- Sending completed documents to Finance by the 10th of every month.

Supervisors/Approving Officials Responsibilities

Supervisors or other persons assigned the responsibility of reviewing Cardholder transactions must have a thorough knowledge of the job responsibilities of the Cardholders under his/her supervision in order to determine if purchases are reasonable and proper. Before approving the P-Card voucher and/or cardholder activity statements, the supervisor must carefully review all documentation.

Auditor/Finance Responsibilities

- Retaining all cardholder charge slips and receipts for audit by internal and external auditors.
- Receiving and reviewing Bank of America Statement.

- Reviewing cardholder transactions on the monthly Department report distributed by the Account Coordinator.
- Requesting the Procurement Card Administrator to change default accounting codes for individual transactions by updating default accounting codes on the monthly Department reports in advance of the monthly cut-off date established by the Procurement Card Administrator.
- Identifying transactions which require the submission of use tax to the South Carolina Department of Revenue.
- Notifying the Procurement Card Administrator of cardholder request(s) to have Bank of America set up a vendor to accept Visa.
- Assisting cardholders with erroneous declines and emergency transactions.
- Reviewing all Procurement Card transactions for any violations and will notify Procurement Card Administrator if it occurs.

Procurement Card Administrator Responsibilities

College Administration will assign a Procurement Card Administrator to be responsible for the overall Procurement Card program. Responsibilities include:

- Organization liaison with Bank of America.
- Utilizing software from Bank of America.
- Reviewing Department approved applications for completeness of required information.

- Submitting completed application to Bank of America and receiving Procurement Card from Bank of America.
- Training Departmental Liaisons before releasing Procurement Cards.
- Training cardholder before releasing Procurement Card.
- Having cardholders sign Cardholder Agreement, signifying agreement with the terms of the Procurement Card program.
- Handling disputed charges/discrepancies not resolved by cardholder or Departmental Liaison.
- Initiating change of default accounting codes upon request of Department Liaisons.
- Securing revoked Procurement Cards and submitting information to Bank of America.
- Ensuring that lost or stolen cards have been blocked by Bank of America.
- Forwarding vendor requests to Bank of America.
- Assisting the Card User with erroneous declines and emergency transactions.

2. Procurement Card Maintenance and Closure

- All contact with Bank of America for card set up, maintenance and closure (except for reporting lost or stolen cards) will be handled by the Procurement Card Administrator who is located in Purchasing at 843-349-5207 or dianna.cecala@hgtc.edu.

- If an existing account holder transfers to a different department, the employee may be able to keep their current account. Please notify the Procurement Card Administrator for updating of the billing records.

- The Procurement Card Administrator is required to close an account if a cardholder: (a) moves to a new job in which a Procurement Card is not required, (b) terminates employment or (c) for any of the following reasons which will also subject cardholder to disciplinary action in accordance with organization's Policies and Procedures relating to disciplinary action and termination for cause:
 - The Procurement Card is used for personal or unauthorized purposes. Never use your home address for the "ship-to" as this may be construed as a personal purchase. Examples: coffee makers, microwave ovens, refrigerators for the employees' office.
 - Cash advances in any form, including use of the card or card number at Automated Teller Machines (ATMs), inside bank branches or at cash advance, quasi-cash and money transfer locations such as Western Union, Telecheck, etc.
 - Gift cards, stored value cards, calling cards, pre-paid cards or similar products.
 - Employee travel expenses, including lodging, transportation (except airline tickets and rental cars), and meals.
 - Entertainment, including in-room movies.
 - Alcoholic beverages.
 - Tobacco products.
 - Fuel for State-owned vehicles.
 - Any promotional item or apparel imprinted with the HGTC logo or any other logos.
 - Professional services.
 - Food for consumption.
 - The cardholder allows the card to be used by another individual.
 - The cardholder splits a purchase to circumvent the limitations of the Procurement Card.
 - The cardholder used another cardholder's card to circumvent the purchase limit assigned to either cardholder or the limitations of the Procurement Card.
 - The cardholder fails to provide Account Coordinator with required receipts.
 - The cardholder fails to provide, when requested, information about any specific purchase.
 - The cardholder does not adhere to all of the Procurement Card policies and procedures.
 - Purchases using a P-Card from a vendor with a blocked MCC.
 - To make payment on "open" accounts maintained with vendors. The P-Card shall only be used to pay one transaction at a time and cannot be used to pay the accumulated balance of an account.
 - Payment of State and local taxes to the Department of Revenue.

- A request for closing a cardholder's account will be submitted to Bank of America by the Procurement Card Administrator. If a plastic card exists for the Procurement Card account being closed, you should return it to your Account Coordinator immediately.

3. Procurement Card Use

- The College pays all charges in full. It is to be used only for the purchase of small dollar items. HGTC spending parameters for each Procurement Card issued are set at various levels with the majority at \$999.99 per transaction and a \$2,500 per month per card credit limit. The College will adjust limits as determined by demonstrated need.
- The College requires that certain types of vendors be blocked from Procurement Card use. Please refer to the listing in the back of this manual for the types of vendors at which the Procurement Card may not at times be used. Transactions will be blocked at the point-of-sale level. The Procurement Card may never be used for meal or hotel charges.

4. Procurement Card/Account Number Security and Storage

- Cardholders should always treat the HGTC Procurement Card with at least the same level of care as one does their own personal credit cards. The card should be maintained in a secure location and the card account number and PIN should be carefully guarded. The only person entitled to use the card is the person whose name appears on the face of the card. The card may not be lent to another person for any reason.
- The Account Coordinator assigned to each Procurement Card will maintain the cardholder's vendor receipts/packing slips/charge slips. All other documentation concerning the Procurement Card program will be maintained by the Procurement Card Administrator. This documentation includes, but is not limited to, applications, Cardholder Agreements, agency billing statements, reconciliation of accounting statements, InfoSpan programs, and copies of transmittals and correspondence with Bank of America.

5. Cardholder Liability

- The Procurement Card is a corporate charge card and will not affect your personal credit. It is your responsibility to ensure that the card is used within stated guidelines of this manual as well as HGTC's Policies and Procedures relating to the expenditure of college funds. Failure to comply with program guidelines may result in permanent revocation of the card, notification of the situation to management, and disciplinary action in accordance with HGTC's Policies and Procedures relating to disciplinary action and termination for cause.

6. Lost, Misplaced or Stolen Procurement Cards

- Report any lost or stolen Procurement Card immediately to Bank of America toll-free at 1.800.589.3473 (option 4). Bank of America representatives are available to assist you 24 hours a day, 365 days a year. Be sure to notify your Procurement Card Administrator about the lost or stolen card at the first opportunity during normal business hours.

7. Completing a Procurement Card Transaction

Follow these general guidelines when using your card or account number to make a purchase:

- Determine if the intended supply purchase is within spending and vendor guidelines.
- For face-to-face transactions provide the vendor with your Procurement Card plastic, for telephone orders give the vendor your account number and expiration date, and for internet purchases give the same information, but be sure the ship to address is that of the College and not your home address. NOTE: you may be required to enter PIN number. If you have forgotten your PIN number, please contact the Procurement Card Administrator for this information.
- Obtain a copy of the charge slip, sales receipt and/or packing slips and reconcile to the Bank of America cardholder's statement.

- Provide cardholder statement with attached receipts to Account Coordinator.
- If order is by telephone, internet or fax, provide Account Coordinator with a copy of the order blank or description of the order.
- Notify Account Coordinator of alternate accounting code for purchase to be charged if different than the default accounting code assigned to the Procurement Card.

8. Erroneous Declines

- There may be certain situations when a vendor receives a decline message when processing your Procurement Card transaction. If you do not know the reason for the decline, contact your Procurement Card Administrator for an explanation. If the decline was in error, the cardholder should immediately contact the Procurement Card Administrator for assistance. If purchase is being made outside of normal business hours, the employee must find an alternate payment method or terminate the purchase and contact the Procurement Card Administrator during normal hours.

9. Emergency Transactions

- Emergency transactions over the designated amount may not be handled with the Procurement Card. For any transaction that does not meet the spending controls assigned to the card, the cardholder must contact the Purchasing Office for assistance.

10. Credits

- The vendor should issue a credit to your card account for any item they have agreed to accept for return. This credit will appear on a subsequent statement. Under no circumstances should you accept cash in lieu of a credit to the Procurement Card account.

11. Disputes & Billing Errors

- You should always attempt to resolve any disputes or billing errors directly with the vendor. In most cases, the vendor will issue a credit to the card account. If an agreement cannot be reached with the vendor, you should contact Bank of America at 1.888.589.3473 (option 4). Bank of America may request you to mail or fax a signed Dispute Form to document the reason for the dispute. The Bank of America Dispute Form is included as an attachment to this manual.
- Nearly all issues can be resolved using this process. If you are unable to obtain an acceptable resolution, the cardholder must contact the Procurement Card Administrator for assistance. The total amount billed by Bank of America will be charged to the individual departmental accounts and credits for disputed transactions will be posted to departmental accounts when credit appears on the Bank of America billing.

12. Sales and Use Tax

- Purchases From Vendors Located In South Carolina - The vendor is responsible for collecting retail sales tax at the point of sale. The amount of sales tax should be indicated on the receipt provided by the vendor.
- Purchases From Vendors Located Outside South Carolina - If sales tax is paid in another state, a use tax credit is allowed for the organization; therefore, no South Carolina tax is due. The individual receipt provided by the vendor should indicate whether any out-of-state sales tax has been collected at the point of sale.
- Should no tax be charged or the amount of tax charged is less than the amount required by the State of South Carolina, the cardholder or Department Liaison should forward receipt of the purchase to Finance in order for the proper amount to be submitted to the SC Department of Revenue. This should be done immediately.

13. Audit Assistance

- Jackie Dease in the Finance Department will perform monthly audits of your compliance with the guidelines of the Procurement Card program, HGTC's policies and procedures relating to the expenditure of HGTC funds as well as cardholder's statement and other required documentation.
- Any report of misuse of the procurement card will result in a written disciplinary document that must be signed by your VP. Depending on the value and type of misuse, an employee's card may be revoked.

14. Customer Service

- Bank of America Customer Service is available 24 hours a day, 365 days a year at 1.888.589.3473 (option 4) for:
 - Reporting a lost or stolen card
 - Disputes or billing errors
 - Account information

For all other questions or issues, please contact the Procurement Card Administrator.

15. Billing and Shipping Information

- Monthly statements will be mailed from the bank directly to the cardholder.
- Account Coordinators will be responsible for reconciling individual accounts and making any necessary budget transfers or expense account changes.
- The bank will maintain the College's mailing address as the billing address on file. Cardholders should note this address:

Horry-Georgetown Technical College
2050 Hwy 501 E
Conway, SC 29526

PLEASE NOTE: This address must be used for both the billing and shipping address every time you make a purchase. No exceptions are allowed.

Blocked Merchant Category Codes (MCC)

INCLUDE:

Veterinary services
Agriculture co-operative
Hotels/motels
Precious stone/metals/jewelry
Men/boy clothing
Women/girls clothing
Wig and toupee stores
Restaurants
Bars/taverns/lounges
Package stores/beer/wine/liquor
Antique shops
Pawn shops
Antique reproductions
Direct marketing/insurance
Direct selling door/door
Cigar stores/stands
Financial service providers
Insurance providers
Personal service providers (examples)
Barber/beauty shops
Shoe repair
Funeral services
Dating and escort services
Health spas
Charity and service organizations
Political organizations
Religious organizations
Court cost
Fines
Bail payment
Tax payment
Government services