



Related Data Item 1252.1rd

As related to Policy 1252 - Small Order Purchase via Purchasing Card

P-Card Handbook

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1252.1rd –PURCHASING CARD PROGRAM HANDBOOK

1. OVERVIEW

1.1 Cardholder Responsibility

The cardholder is responsible for keeping records of their P-Card transactions so that a complete audit trail is always present. This means getting a receipt for all purchases and giving them to the reconciler for their review and approval. The receipts are attached to the bank statement and kept on file for five (5) years. Each cardholder is responsible for the goods that are ordered. This means the user of the card can be held personally responsible for any charges that are made. Purchases charged against University funds and not made in accordance with the University policy are the responsibility of the individual placing the order.

1.2 Web Access

Cardholders have the ability to access basic account information using the web and [Bank of America's Works Payment Manager Service](#). This service allows cardholders to perform inquiry tasks such as verifying that a charge has posted or checking the available credits. Reconciliation will continue to be done through Finance Central. Cardholders need to print the web statement and pass it to their reconcilers in order to meet the reconciliation deadline. Cardholders will not have the authority to make changes to their credit limits or restricted charge codes. Cardholders will receive an email from Purchasing Services containing logon information after the cardholder has completed P-Card training.

1.3 The Credit Card Company

The P-Card program that the University has chosen is provided by Bank of America. Individual cardholders and departments will interface directly with the University's Purchasing Card Officer in Procurement Services.

2. WHERE TO GET HELP

2.1 University Purchasing Card Officer

The University Purchasing Card Officer can be reached at 919-962-2255 or faxed at 919-962-0636.

3. CARDHOLDER POLICIES AND PROCEDURES

3.1 Card Acquisition Process

P-Card access may be requested by requesting access using the steps detailed at this link: <http://ccinfo.unc.edu/access>.

The department must then submit a [Card Application Form](#) for each card requested. The application form must be signed by the cardholder requesting the card and the department business manager.

3.2 Approval Process

The Director of Accounting Services will approve the requested default account. The individual will be required to attend a mandatory training session covering the use of the card and all applicable restrictions. The card will be issued once the training has been successfully completed and an Employee Agreement has been signed. **Departmental restrictions may be added** to an individual card as follows:

- Limit dollar amount per purchase
- Limit dollar amount per billing cycle

In addition to these limits the University has blocked a number of Merchant Category Codes (MCC). MCC numbers are used to identify the dozens of different types of vendors served by Visa. The University has blocked many of these numbers (primarily travel, restaurants and entertainment), and your card will not be accepted if presented to one of these blocked vendors. Decisions by the University to block vendor categories are based on whether or not Purchasing Card purchases from a category are deemed appropriate. Questions in this area should be directed to the Purchasing Card Officer.

3.3 Keeping Your Card Secure

The purchasing card received by the department is assigned specifically to the cardholder and as such becomes the cardholder's **personal responsibility**. When the card is not kept on the person, ensure it is stored in a secure area. To report a lost or stolen card (or a card number you think is compromised), contact Bank of America at 1-888-449-2273 immediately. Also report this information to the University's Purchasing Card Officer **immediately** thereafter. A new card will be promptly issued to the cardholder after the reported loss or theft. A card that is subsequently found after being

reported lost shall be destroyed. **Immediately upon notice** of a cardholder leaving the University, the card must be surrendered to the University's Purchasing Card Officer (see 3.6 below). Always keep the card in a secure place, just as one would a personal credit card. Treat it as if it were cash.

3.4 Sales Tax

The University of North Carolina at Chapel Hill is exempt from North Carolina Sales & Use Tax for qualifying purchases effective July 1, 2004. The tax exemption number is 400028. The cardholder must provide the vendor with the UNC tax exemption number when placing orders. If the tax exemption number is not given and the vendor charges sales tax then the cardholder is required to correspond with the vendor, resolve the tax issue, and forward tax reimbursement to the departmental business manager.

The below items are not exempt and UNC at Chapel Hill must pay the tax:

- Prepared food and beverage taxes levied and administered by various local governments in the State (these are not sales tax).
- States sales taxes levied on electricity or local, private or toll telecommunication services.

3.5 Card Cancellation

The card remains the property of Bank of America and must be surrendered immediately upon notice of termination of employment, upon notice of transfer to another department, or upon request for any reason by an authorized person (such as the Department supervisor or the Purchasing Card Officer). If the cardholder is found in violation, the Purchasing Card Officer will notify the department of the violation and the Associate Vice Chancellor for Finance. If a second violation occurs the Purchasing Card Officer has the right to cancel the purchasing card without notice.

In the event a card is inactive for 120 days, the card will be cancelled unless the cardholder provides a justification for retaining the card.

4. HOW TO USE THE PURCHASING CARD

The cardholder is the only person **authorized** to make purchases using their card. Giving the card or card number to another person to make a purchase is not advisable, even if that person has the authority to purchase on the account. The cardholder may make the purchase for him/her. Remember the **cardholder is solely responsible** for protecting the card from misuse. The Purchasing Card is designed for Small Order Purchases that are less than \$5,000. The cardholder cannot split the transactions in a manner to avoid the \$5,000 purchasing threshold. Any violation may result in the suspension of card privileges.

5. DISPUTED TRANSACTIONS

5.1 Dispute of Statement Item

Items that appear on the monthly Purchasing Card statement from the bank may be disputed, as long as the disputed transaction is reported to Bank of America and the University's Purchasing Card Officer within 60 days after the statement's closing date. If there is a charge that is not recognized by the cardholder, or another problem, the cardholder should submit a Dispute Form to University's Purchasing Card Officer. The charge dispute form can be found in the Finance Policies and Procedures Manual.

5.2 Dispute with Supplier

If there is a problem involving a dispute with a supplier (such as the department claims that the item doesn't work and the supplier claims that it does), and satisfaction is unable to be obtained directly from the supplier, please notify the University's Purchasing Card Officer in writing. Describe the problem and all of the efforts made thus far in attempting to resolve the dispute. The University's Purchasing Card Officer will assist in every way possible.

6. GENERAL RECONCILIATION INSTRUCTIONS

6.1 Purchasing Card Monthly Memo Account Summaries

A Cardholder Statement is generated by the bank and mailed to the cardholder on a monthly basis. This is not a billing statement and does not require payment. Contact the Purchasing Card Officer if the cardholder does not receive a monthly statement. All charges electronically received by the University during the monthly billing cycle will appear on this statement, as well as on the appropriate monthly ConnectCarolina statement(s). The cardholder statements must be reviewed promptly to ensure that a receipt or other acceptable documentation supports each purchase. The Purchasing Card Officer will be conducting compliance reviews to view purchases and supporting documentation.

6.2 Retention of Statements & Receipts

Receipts and statements must be retained for five (5) years after fiscal year end in the cardholder's department.

6.3 Reconciling/Reallocating Charges Online - Overview

- a. The University has developed a program that allows charges to be reconciled and/or reallocated to other accounts.
- b. Charges are available to reconcile after the supplier submits the charge and the bank receives and processes the data. This process normally takes one to three days.
- c. Reallocation of charges is necessary unless the reconciler chooses to have the purchased item(s) charged to the default account.
- d. Monthly charges are posted to ConnectCarolina 7-10 days following the end of the 30-day billing cycle. Reconciliation may be done on the current cycle up until the posting to ConnectCarolina. Any chartfield string changes after that time will require a campus journal entry.

6.4 Self Reconciliation

Self reconciliation is never allowed. No one is authorized to reconcile his or her own card.

6.5 Specific Duties of Reconciler

The Reconciler **challenges or approves** each purchase and allocates approved charges to the appropriate FRS account.

If a receipt is not available, the reconciler must have the cardholder submit a [Missing Receipt Affidavit](#), signed by the Department Head or Business Manager. Use the free-form area of the reconciliation page to keep records of missing receipts.

The reconciler acts as the approval authority for each P-Card purchase. If, as the reconciler, you do not understand the charge or have reason to believe that the charge is not proper the following options are available:

- Go to the cardholder for an explanation.
- Go to the Department Head or Business Manager to verify that the charge was appropriate.
- Go to Purchasing to verify that the charge is within applicable laws and University policies.
- Complete a [Purchasing Card Violation Warning Form](#), provide copy to cardholder, attach original to reconciliation, and submit copy to Purchasing Card Officer, if purchases are in violation of the purchasing card policy.

Go to Internal Audit if fraud or abuse is suspected.

The final step of the reconciliation process is approval. During this step, the reconciler's electronic signature is captured to an archive file. The file will be kept for five years.