PimaCommunityCollege
District Finance Office-Purchasing

Purchasing Card (PCard) Manual

Pima County Community College District

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This program is administered by District Finance Office - Purchasing 206-4759
http://www.pima.edu/admin/finance/purchasing/index.shtml

PimaCommunityCollege
District Finance Office-Purchasing

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PCard Manual

1. The PCard Program

1.1. General Description

The Purchasing Card (hereafter PCard) is a Pima County Community College District (College) commercial VISA credit card program provided by JPMorgan Chase. It is a convenient and safe way to make and track purchases. The PCard program provides for the consolidation of purchases onto a monthly statement requiring a single payment. As a consequence, the number of purchase orders (especially blanket purchase orders); other order requests, checks and cash reimbursements can be reduced considerably. The card may be used wherever VISA is accepted. JPMorgan Chase posts purchase transactions received by them from merchants to the College's accounts. The merchant receives payment within 24 to 48 hours. Cards remain the property of the College and JPMorgan Chase. The PCard program is administered by the District Finance Office - Purchasing.

1.2. JPMorgan's PaymentNet

JPMorgan Chase provides the College with access to its PaymentNet website. Transactions in PaymentNet represent the purchases made by College cards that will appear on the next monthly statement. As such, employees responsible for card use must monitor PaymentNet to ensure the accurate posting of transactions. PaymentNet facilitates administration of the College's cards and provides the ability for users to track and verify purchases. It also provides for the assignment notation of College accounting codes (FOAP). Purchases in the PaymentNet system are transmitted to the College's accounting system (Banner) monthly.

1.3. Compliance

The PCard may only be used for College business purchases that benefit and support the College's Mission. The card may not be used for personal purchases. Purchases must be approved by the official having the delegated authority for the dollar amount of the transaction. Purchases must comply with the College's Purchasing policies and procedures including, but not limited to, all conflict of interest, authorization, competitive bid and quote and sole source requirements. Employees must also comply with other applicable College policies and applicable federal, state and local laws and regulations. Failure to comply with any requirement may be the cause for disciplinary action as described in the Personnel Policy Statement for College Employees. Failure to comply with official requests and directives, e.g., to produce transaction records, to provide responses to requests for information, surrender a card, etc., may be the cause for disciplinary action.

1.4. Misuse

Failure to comply with the procedures in this Manual constitutes misuse. Specific examples of the misuse of PCards include, but are not limited to, circumventing the approval process, purchasing restricted items, making personal purchases, splitting purchases to avoid single transaction limits, exceeding transaction limits, not obtaining receipts, not maintaining and submitting records in accordance with these procedures, not taking care to secure a card and the account number, providing the card number to unauthorized persons, allowing someone other than the cardholder to use or possess an Individual Card, or allowing an unauthorized user to use a Department card. Verified misuse will result in remedial measures, depending on the circumstances. This may include, but is not limited to, closer scrutiny, re-training, inactivation of the PCard, revocation of card privileges and may be the cause for disciplinary action. Criminal charges may also be filed when appropriate. If you suspect card misuse, report it immediately by contacting your Business Manager and the PCard Administrator. All reports will be held in strict confidence.

1.5. Internal Controls and Separation of Duties

Because of the purchasing flexibility and the recognized risks associated with credit cards, there are inherently higher potentials for misuse and fraud. These factors require the rigorous internal control procedures contained in this Manual. They include a range of activities such as authorizations, approvals, verifications, reconciliations, reviews and card security. Internal controls also require the separation of duties where no single person may have control over more than one phase of a transaction. As an example, making a purchase and conducting the final reconciliation process may not be done by the same person. Additionally, employees may not approve the purchases of their supervisors. Inspections and program audits of varying frequency and complexity will be conducted to monitor compliance and assess program effectiveness.

1.6. Due Diligence

Due diligence must be exercised in complying with the internal control procedures and all aspects of the PCard program. Due diligence is a measure of care and effort expected from and exercised by a reasonable person to ensure acceptable and appropriate activities. Failure to make this effort may be considered negligence. Careful adherence to the procedures of the PCard Manual and the thorough and timely maintenance of original business records help demonstrate the exercise of due diligence.

1.7. Record Keeping and Retention

This Manual provides procedures for maintaining PCard records in accordance with standard accounting practices and audit requirements. Original documents are required and must be retained by Campus Business Offices (all Campus transactions) and the Purchasing Director (District Finance Office-Purchasing transactions) for the required time period established by State and Federal laws and regulations. Documentary evidence ordinarily will be considered adequate if it shows the amount, date, place, and essential character of a transaction. The PCard Administrator [defined in section **3.2 Purchasing Director - PCard Administrator**] will maintain a file of PCard Applications and other administrative records. PCards and card records must be readily accessible and produced upon demand when requested by authorized persons.

1.8. Card Security

PCards must be secured from loss, damage, theft and unauthorized use. Cards must never be left unattended. Cards must be stored and handled in the same manner as personal credit cards and cash. Each card has a unique account number imprinted on the front and a three-digit card security code number found on the back. The full account number and security code number must never be included in emails or unsealed routine inter-office mail. These numbers may only be provided to an authorized official of the College or JPMorgan Chase and to reputable merchants when making purchases. Care must be taken not to allow the full account number to be overheard or seen by unauthorized persons. When communications require the identification of the card, use of the last four digits of the account code is preferable. Breaches or suspected breaches of security should be reported immediately to the PCard Administrator. Cards may be canceled if necessary.

1.9. Reporting a Lost, Stolen or Damaged PCard and Fraudulent Use

When a PCard is lost, stolen, damaged, or compromised the cardholder must contact JPMorgan Chase immediately at 1-800-VISA 911 in order to cancel the card. The telephone number is printed on the back of the card and included in Appendix D along with other contact information. The Campus Business Manager and PCard Administrator must also be notified as soon as possible. To replace a card as a result of fraudulent use, loss, theft or damage, the "Replacement PCard" section of the PCard Application and Cardholder Agreement (see Appendix C) must be completed. The Cardholder and the Business Manager must sign the replacement request and forward the form and the compromised or damaged card to the PCard Administrator. Upon receipt of the replacement request and the cancelled PCard, the PCard Administrator will issue the replacement card. A card that is found after it has been reported lost or stolen must be sent to the PCard Administrator for destruction. Any employee who discovers or suspects that a fraudulent charge has been made must complete a Transaction Dispute/Fraud Report (see Appendix C) and report it immediately to his or her Campus Business Manager, who must forward the report to the PCard Administrator immediately. A card will be canceled when fraud is determined or when it cannot be ruled out

1.10. Disputed Transactions

Disputed transactions may result from an error on the part of the merchant or the purchaser or from a disagreement with the merchant concerning all or part of the transaction. When disputes occur, the employee should promptly contact the merchant and attempt to resolve the dispute. If the dispute is unresolved after contacting the merchant, the Approver of the purchase [defined in section **3.6 Approvers**] and Campus Business Manager must be promptly notified. The Business Manager may attempt to resolve a dispute with a merchant. When the Business Manager determines that further efforts will not produce a resolution, the Business Manager must complete a Transaction Dispute/Fraud Report and forward it to the PCard Administrator as soon as practicable. A copy of the completed and signed Transaction Dispute/Fraud Report must be attached to the original transaction receipt. The PCard Administrator will promptly file disputes with JPMorgan Chase after an independent review. When fraud is suspected, it must be reported immediately as covered in the previous section. The College has 30 days in which to file a dispute. Therefore, expeditious resolution of a dispute is necessary. Once filed, disputes may take several months to be settled.

1.11. PCard Inactivity

The College's rebate from JPMorgan Chase is adversely affected by the persistent inactivity of a card. The PCard Administrator will periodically review the activity of all cards. A PCard may be inactivated or canceled if there is no activity in three consecutive months or too little activity in a period of six months to justify its continued use. The Administrator responsible for the card will be consulted prior to any action to inactivate or cancel a card to determine the card's status. When a PCard is canceled, the Cardholder or the Coordinator [defined in section **3.7 Coordinators**] assigned a Department Card must surrender it immediately to the Campus Business Office. The card must be forwarded to the PCard Administrator for destruction.

1.12. Purchase Rewards

Purchase rewards are the property of the College. Employees may not retain purchase rewards for their personal use. Purchase rewards may include rebate checks, coupons, store reward cards, vouchers, etc. Rewards should be turned in to the Campus Business Manager and redeemed. Reward checks must be deposited to reimburse the FOAP from which the original purchase was made. A copy of the reward check receipt must be attached to the original purchase receipt and recorded on the PCard Transaction Log and Report (see Appendix C) [see section **5.2.3 Credits**].

1.13. Campus Procedures

The procedures and forms referred to in this Manual are the standards of the program used for the purposes intended. Campus administrative and business services staff may develop supplemental procedures and forms not included in this Manual in order to facilitate compliance at their Campus. Such procedures must comply and not conflict with the internal control and due diligence objectives of the provisions in this Manual. Requests must be submitted in writing to the PCard Administrator for review and approval. The written determination of the PCard Administrator will be forwarded to the Campus Business Office. Approved supplemental and alternative Campus procedures will be maintained in District and Campus administrative PCard files.

1.14. Arizona Use Tax

Arizona purchasers are responsible for paying Use Tax on tangible goods purchased from out-of-state vendors that do not collect the Use Tax. Use Tax applies regardless of the ordering method used, i.e., PCard, Purchase Order, etc. The District Finance Office is responsible for paying applicable Use Tax at the current Arizona Use Tax rate. The State Use Tax rate is equal to the State transaction privilege tax (sales tax) rate. Some out-of-state vendors collect and pay Arizona Use Tax. Purchasers must determine if out-of-state merchants collect and pay Arizona Use Tax and indicate the Use Tax requirement in their purchase records.

1.15. Monthly Billings and Payments

At the end of the billing cycle JPMorgan Chase sends the College a statement of the transactions charged by College PCards during the billing period. The College will pay JPMorgan Chase the amount on the billing statement by the payment due date. Payment is not withheld or reduced because of discrepancies or unresolved disputes. Discrepancies and disputes will be resolved independently as described in this Manual. Refunds and credits from resolved disputes, other discrepancies and reported fraudulent activity will be included by JPMorgan Chase in the billing statement when they are settled, which may be in a future statement.

1.16. Transaction Limits

Each card has limits set for the number of transactions allowable each day and monthly, and limits for a single transaction dollar amount and a total monthly dollar amount. Limits are standard for new cards, but are evaluated and adjusted, if necessary, at least every six (6) months. Limits that are set too high are subject to risks and potential abuse. So, an effort is made to tailor limits to the actual legitimate spending patterns used by the cardholder.

1.16.1. Single Transaction Dollar Limit

The single transaction dollar limit for a PCard is the same limit which applies to a cardholder's delegated purchasing authority. The maximum amount for most cardholders is $1,000 per transaction. This limit coincides with the Purchasing Procedure that requires quotations obtained by Buyers for purchases exceeding $1,000. Campus Buyers have purchasing authority up to $2,500. It is important to remember that a total transaction includes not only the purchase price, of the item(s), but also taxes (if applicable), freight/delivery charges, other additional charges, installation, etc. Purchases may not be separated into multiple charges in order to appear to be within the single transaction dollar limits. This is called purchase splitting. Deliberately splitting an order to stay within single transaction purchasing limits is misuse per se of the privilege to use a card. PCard purchases over the course of a day or two that would otherwise be included in a blanket purchase order, e.g., repair and maintenance materials and supplies, laboratory supplies, etc., are exempt from this restriction since a stated advantage of the PCard program is to consolidate purchases and reduce purchase orders and similar transactions.

1.16.2. Monthly Total Transaction Limit

Monthly total dollar transaction limits are designed to fit the monthly spending needs of the cardholder. Initially they are set based on the type of card requested.

1.16.3. Number of Daily and Monthly Transactions

The limits on the number of daily and monthly transactions are designed to fit the monthly spending needs of the cardholder. Initially they are set based on the type of card requested.

1.16.4. Changes to Limits

1.16.4.1. Permanent Changes

A request to permanently change any limit may be made in writing on a PCard Application and Cardholder Agreement (Application) found in Appendix C in the section entitled "Change to an Existing Card". The reason for the change must be stated. Changes to increase Single Transaction Dollar Limits may not exceed the delegated authority limit of the user(s). In determining the request for a change, the PCard Administrator will review the need weighed against potential risks. When granted, changes will be permanent, but are evaluated and adjusted, if necessary, at least every six (6) months. Records of changes to card limits will be maintained by the PCard Administrator in the administrative file for the card.

1.16.4.2. Temporary Changes

Temporary increases in monthly and daily limits may be granted, based on need. Requests must be in writing stating a justification from the responsible Administrator to the PCard Coordinator with a copy sent to the responsible Business Office. When granted, temporary increases will be set to expire at the end of the day or month depending on the circumstances as determined by the PCard Administrator. Records of changes to card limits will be maintained by the PCard Administrator in the administrative file for the card.

2. Categories of PCards and Users

2.1. Individual PCard

2.1.1. Issued to an Individual

The Individual Card is issued to an employee whose name is imprinted on the card. The College's name is imprinted below the individual's name. It is intended for business-related expenses associated with the employee's duties, except travel. In accordance with the College's agreement with JPMorgan Chase, an Individual Card may only be used by the person whose name is imprinted on the card and an Individual Card must be under the control of the cardholder at all times. It may not be entrusted to another to be dispensed to the cardholder, [except as stated in section **2.1.2 Possession**], or given or loaned to another employee to make purchases. An Individual Cardholder must be a full-time regular employee. There may be one or more types of Individual Cards with differing transaction limits intended to serve particular needs (see Appendix A). Standard transaction limits are for new cards and will be re-evaluated and adjusted, if necessary, every six months based on transaction history and needs determinations. While there are various Individual Card types, all are governed by the procedures established for Individual Cards in this Manual.

2.1.2. Possession

Individual Cards should be in the possession of the named Cardholder. However, Business Offices may designate a secure location to store Individual Cards when the cards are not in the possession of the named cardholder. When not in possession of the Individual Cardholder, a PCard Sign-out Log (see Appendix C) must be maintained. The PCard Sign-out Log will include the date the card was signed out, signed by the Cardholder and the Business Office employee taking possession of and securing the card, and the date the card was signed back in by the Cardholder.

2.1.3. Transaction Limits

Standard transaction limits are established for newly issued cards (see Appendix A). Limits will be re-evaluated and adjusted, if necessary, at least every six months based on transaction history and needs determinations.

2.2. Department PCard

2.2.1. Issued to a Coordinator

The Department Card is issued to a Coordinator as the custodian of the card. The Department Card offers the benefit of card sharing, which is not allowed with Individual cards, thus reducing the number of Individual cards to control and manage. Department Cards do not have the name of an individual imprinted. The name of the College subdivision (hereafter Department) is imprinted on the card. The College's name is imprinted below the Department name. It is intended for business-related expenses, except travel. Department Cards may only be used by Authorized Users who receive prior authorization for each purchase. Only employees of the Department imprinted on the card may use it. There may be one or more type of Department Card with differing transaction limits intended to serve particular needs (see Appendix A). Standard transaction limits are for new cards and will be re-evaluated and adjusted, if necessary, every six months based on transaction history and needs determinations. While there are various Department Card types, they are all governed by the procedures established for Department Cards in this Manual. When the Coordinator transfers or separates from the College, the Department Card must either be destroyed or issued to a replacement coordinator. [See section **4.3 Reassignments, Transfers and Separations] [**See UPG *Tracking PCard Coordinators* for detailed instructions.]

2.2.2. Authorized Users

Department Cards may only be used by Authorized Users who receive blanket authorization to make purchases on the card by the Campus President or Vice Chancellor. The Executive Administrator approves an Authorized User by completing the Authorized User Approval form (see appendix C) which is submitted to the Department Card Coordinator and Business Office. Coordinators and Business Offices must maintain a list of approved Authorized Users. Department Card Coordinators must maintain a PCard Sign-out Log to check cards out to Authorized Users. The PCard Sign-out Log will include the date the card was signed out, signed by the Authorized User and the PCard Coordinator and the date the card was signed back in by the Authorized User.

2.2.3. Possession

Department Cards should be stored in a secure place by the designated Coordinator. Business Offices may designate a secure location to store Department Cards when the cards are not in the possession of the named Coordinator. In this case, a PCard Sign-out Log must be maintained. The PCard Sign-out Log will include the date the card was signed out, signed by the Coordinator and the Business Office employee and the date the card was signed back in by the Coordinator.

2.2.4. Transaction Limits

Standard transaction limits are established for newly issued cards (see Appendix A). Limits will be re-evaluated and adjusted, if necessary, at least every six months based on transaction history and needs determinations.

2.3. Travel PCards

The College issues two types of PCards intended for travel expenses, the General Travel PCard and the Athletics Travel PCard. These cards have different transaction limits and authorizations than other Department Cards, but are generally used and administered as other Department Cards. Travel Cards are not issued to individuals. However, Individual or Department cards issued to Buyers may also be used to purchase approved travel-related expenses.

2.3.1. General Travel PCard

General Travel cards are issued to a Coordinator in a Campus Business Office for staff travel expenses at each Campus. They may also be issued to a College Department if circumstances warrant, e.g., size and nature of the staff. A General Travel card may not be taken on a trip. Allowable expenses are found in Appendix B.

2.3.2. Athletics Travel PCard

The Athletics Travel PCard is issued to a Coordinator in the Department responsible for athletic team travel. It may be taken on the trip by an Authorized User for team expenses when approved by the Administrator responsible for Athletics. Allowable expenses are found in Appendix B.

2.4. Specialized PCards

Cards with specially designed purchasing authorizations may be established by the PCard Administrator with the approval of the Executive Vice Chancellor for Administration. Cards with specialized authority may be used for purchasing items that are restricted purchases on other PCards. Specialized cards may be either Individual or Department. When established, Specialty Card types will be found in Appendix A. Currently, there are no authorized Specialty Cards.

3. Responsibility for Program Administration

3.1. General Principle
Administration of the PCard program is a collaborative effort shared by the administrations and staffs of the District Finance Office, Campuses and District Office Departments.

3.2. Purchasing Director - PCard Administrator
The College's Purchasing Director is designated as the PCard Administrator and is responsible for program administration, for monitoring compliance and for taking appropriate corrective action to ensure compliance. The Purchasing Director may delegate components of the program's administration to members of the District Purchasing staff serving as PCard Coordinators. The PCard Administrator is responsible for maintaining all program administrative records, reviewing the program annually and for updating the PCard Manual.

3.3. Campus Presidents and Vice Chancellors
Executive Administrators are responsible for the administration of the program in the College units under their jurisdiction, including:

- **3.3.1. Program compliance,**
- **3.3.2. Approval of all applications and assignments for Cards,**
- **3.3.3. Authorizing the assignment of Approvers to authorize transactions,**
- **3.3.4. Approval of requests for changes to card limits and privileges,**
- **3.3.5. Approval of requests for access to account information in JPMorgan's PaymentNet and Banner,**
- **3.3.6. Approval of Authorized Users of Department Cards,**
- **3.3.7. Approval of emergency purchases.**

3.4. Administrators
College Administrators (defined by College policy) are responsible for the administration and compliance of the program in the Department(s) under their supervision, including

- **3.4.1. Program compliance,**
- **3.4.2. Initiating actions requiring the approval of the Campus President or Vice Chancellor [see section 3.3 Campus Presidents and Vice Chancellors].**

3.5. Business Managers
Business Managers monitor compliance at the Campus level and serve as liaison between employees and the PCard Administrator.

3.6. Approvers

Approvers are assigned by College Administrators to approve transactions. Only full-time regular employees with authority for signing and approving College financial transactions may serve as an Approver. If assigned an Individual Card or as an Authorized User of a Department Card, Approvers may not approve their own transactions.

3.7. Coordinators

Coordinators may be custodians of Department Cards or may be assigned to assist Individual Cardholders with maintaining and tracking their transaction records. Coordinators may serve either or both of these roles. A Coordinator acting as custodian of a Department Card may make purchases.

3.7.1. Coordinators of Department PCards

Department Cards require the assignment of a Coordinator to act as custodian of the card and to maintain the required records for the card. A Coordinator may be the custodian of one or more Department Cards. The Coordinator is responsible for monitoring and overseeing the use of the cards assigned. A Coordinator provides cards to Authorized Users to make purchases. Coordinators provide Authorized Users with training in the handling and use of the card. Only full-time regular employees may serve as custodians of Department Cards. Coordinators may also serve as Approvers for Authorized Users of the card, if assigned by the Campus President or Vice Chancellor.

3.7.2. Coordinators of Individual PCards

Departments may assign an Individual Card Coordinator to assist an Individual Cardholder with managing PCard records. In this case, Coordinators are restricted to record keeping and monitoring functions. They may not make purchases with the card. While Individual Card Coordinators may assist with monitoring and record keeping, Individual Cardholders are ultimately responsible for the monitoring of their transactions and the management of the records for the card.

4. PCard Applications

4.1. Initiating an Application.

4.1.1. The PCard Application

A PCard Application and Cardholder Agreement (Application) must be completed and approved to obtain a PCard. (See Appendix C)

4.1.2. PaymentNet Access

Employees, other than Individual Cardholders and Department Card Coordinators, whose duties require access to PaymentNet, must also request PaymentNet access by completing a PaymentNet Access Request form. (See Appendix C) The signatures of the Campus President or Vice Chancellor, Administrator, Business Manager and requestor are required. PaymentNet access is restricted to those persons who have a role in the PCard program. Individual Cardholders' and Department Coordinators' access to PaymentNet is established through the PCard Application and Cardholder Agreement.

4.1.3. Compliance Acknowledgement

The PCard Manual must be read by all employees who will be involved in the program before submitting an Application. The Manual is available on the College's website. When employees sign an Application they are acknowledging that the PCard Manual has been read and understood, that they understand their role, and that they will comply with the PCard Manual procedures and other applicable procedures.

4.1.4. Administrator Approval

Executive Administrators must authorize the initiation of an Application and sign all Applications.

4.1.5. Cardholder - Individual PCard

The employee to be issued an Individual Card must sign the Application.

4.1.6. Coordinator

A Coordinator must be assigned to every Department Card. A Coordinator acting as custodian may make purchases. Coordinators serving as card custodians must sign the Applications for cards assigned to them. Coordinators whose duties only include assisting with the record keeping of Individual Cards are not required to sign an Application, but must complete a PaymentNet Access Request form.

4.1.7. Authorized Users of Department PCards

Authorized Users are not required to be named on or sign an Application. Business Offices must maintain an updated file of Authorized Users. (See Appendix C)

4.1.8. Default FOAP

A default fund, organization, account and program code and, when applicable, an activity code (FOAP) must be included on an Application. Purchases will be charged by default to this FOAP. The default FOAP should be one that will cover the preponderance of purchases using the card and have primary responsibility for payment of purchases charged to the card. FOAPs may be changed during the reconciliation process, but transactions will be automatically charged to the default FOAP unless changed in the Banner PCard FOAP change process. The Banner PCard FOAP change process will not change where the Use Tax is charged. Applicable Use Tax will be charged to the default FOAP for the card. To properly distribute Use Tax to a FOAP other than the default FOAP for the card, a journal entry must be processed in Banner.

4.1.9. PCard Category and Type Requested

All Applications must include the requested PCard Category and Type (see Appendix A) indicating the standard transaction limits applicable, for example, Department Level 2.

4.1.10. Submitting the Application

After all signatures have been obtained on the Application, it should be forwarded to the PCard Administrator through the responsible Business Office.

4.1.11. Campus Business Manager

Business Managers will assist Campus employees with completing Applications. Business Managers must review, sign, and forward completed Applications to the PCard Administrator.

4.2. Issuing New PCards

4.2.1. Establishing a New PCard Account

The PCard Administrator will review the Application and order a new card from JPMorgan Chase if the Application is approved. The PCard Administrator will assign the appropriate card category and type. All required information will be entered in PaymentNet and Banner and the Application will be retained in the PCard record file. Upon receipt of a new card from JPMorgan Chase, the PCard Administrator will forward it to the Business Manager along with a PCard Issuance form (see Appendix C).

4.2.2. Required Training by Business Manager

Upon receipt of the new card, the Business Manager will contact the Department Administrator to confirm that the employees have read the PCard Manual and arrange to train the Cardholders and Coordinators. The Business Manager will provide training on the Manual procedures, those procedures used at the Campus and the use of

PaymentNet. PaymentNet and PCard record keeping training must be provided to any employee who is given access to PaymentNet even if not assigned a card. All training must be completed and documented before issuing cards and authorizing access to PaymentNet. The Business Manager must acknowledge completion of the training by signing the PCard Issuance form and the PaymentNet Access Request form.

4.2.3. Issuance of New PCards

Following the training, the Business Manager will issue the new card to the Individual Card Cardholder or the Department Card Coordinator. The Cardholder or Coordinator must sign the PCard Issuance form and the PaymentNet Access Request form. The Business Manager will sign and forward the completed forms to the PCard Administrator.

4.2.4. Activating the PCard

The card must be activated before it may be used. In order to activate the card, the directions on the label affixed to the new card should be followed as soon as possible. After an Individual Card is activated, the Cardholder must sign the PCard and maintain it securely. Department Cards are not signed.

4.3. Reassignments, Transfers and Separations

If a Department PCard needs to be reassigned to a new Coordinator due to change in duties, transfer or separation from the College, the PCard can be reassigned by completing a new PCard Application–and Cardholder Agreement and the PCard Issuance Request form to identify the new Coordinator. Both forms are to be forwarded to the PCard Administrator for the reassignment to be recorded in PaymentNet. [See UPG *Tracking PCard Coordinators* for detailed instructions.]

4.4. Multiple Card Assignments

More than one card may be assigned to a Department Card Coordinator if the intended uses of the cards are for significantly different purposes, e.g., Travel for one card and general purchases on the other, or general Buyer purchases on one card and purchases on a loaner card for use by Authorized Users, or similar circumstances. In addition, an Individual Cardholder may also be a Department Card Coordinator for a Department Card used by Authorized Users. An employee who is assigned more than one card may not split a purchase among multiple cards in order to avoid sole source, delegated purchasing authority or other purchasing procedure requirements; or to avoid exceeding card limits.

5. Making Purchases and Procedures After the Purchase

5.1 Making Purchases

To ensure that PCard transactions are for a public purpose in accordance with these PCard Manual procedures, the purpose of each transaction must be written on the Purchase Request and Approval form used to initiate a purchase or on the receipt or other transaction document when a Purchase Request and Approval form is not used. Purchases may be made up to the card's single purchase limit without pre-approval.

5.1.1 Buyer Purchases

Non-travel purchases exceeding a Buyer's purchase order authority of $2,500 must be approved by the employee having the delegated authority to sign purchase orders for the requested transaction dollar amount of the purchase. Buyers may purchase any item with proper authority, including restricted items when exceptions can be granted (see Appendix B).

5.1.2 Individual PCard Purchases

Purchases must be associated with the employee's duties. Individual Cardholders, other than Buyers, have blanket authority to make purchases without pre-approval up to their spending limits granted by the Executive Administrator who approved the application for the issuance of the card. However, Executive Administrators may impose pre-approval requirements for purchases made on any card under their jurisdiction.

5.1.3 Department PCard Purchases

5.1.3.1 Blanket Authority

Only Card Coordinators and Authorized Users may make purchases with a Department PCard. Purchases must be associated with the employee's duties. Card Coordinators and Authorized Users, other than Buyers, have blanket authority to make purchases without pre-approval up to their spending limits granted by the Executive Administrator who approved the application for the issuance of the card. However, Executive Administrators may impose pre-approval requirements for purchases made on any card under their jurisdiction.

5.1.3.2 PCard Sign-out Log

Department Card Coordinators must maintain a PCard Sign-out Log (see Appendix C) to check cards out to Authorized Users. The PCard Sign-out Log will include the date the card was signed out, signed by the Authorized User and the PCard Coordinator and the date the card was signed back in by the Authorized User.

5.1.3.3 Purchase Request and Approval Form

A Purchase Request and Approval form (see Appendix C) is required for requesting a PCard purchase made by a Campus or District Buyer or if required by a Campus President or Vice Chancellor for purchases by cards under their jurisdiction. An Approver must sign the request indicating approval of the transaction.

5.1.3.4 Other Authorized Pre-approval Forms

5.1.3.4.1 Standard Transaction Forms

Standard College financial transaction request forms may be used to request a PCard transaction when the method of ordering and payment is not determined at the time the financial transaction request is initiated. These include:

5.1.3.4.2 Requisition
5.1.3.4.3 Travel Authorization Request
5.1.3.4.4 Payment Request

5.1.3.4.5 Unique Campus Forms

Other unique financial transaction forms used exclusively at a Campus or at the District Office may be used if approved by the PCard Administrator [see **1.13 Campus Procedures**]. Approvers must sign and date the form used to initiate the transaction, indicating their approval. The purpose of the transaction must be clearly identified on the form.

5.1.4 Athletics Travel Card Purchases

Pre-approval is required for the use of an Athletics Travel Card on an athletic team trip. The requestor must complete, sign and date a Purchase Request and Approval form. The purpose of the transaction must be clearly identified on the form. The Athletics Director or other responsible Administrator must sign and date the Purchase Request and Approval form authorizing such use in advance. The user has blanket authority to use the card for allowable expenses.

5.1.5 FOAPs and Trip Encumbrance Numbers

A FOAP must be assigned to the anticipated transaction and recorded on the Purchase Request and Approval form or other approved form used to complete a PCard transaction. A trip Encumbrance number must also be included on the form when the expenditure is for an approved travel expense.

5.1.6 Coordinator Provides Department Card to Authorized User

The Coordinator will provide the Department Card to the Authorized User to make the purchase. The Authorized User must sign the PCard out and sign it in on the PCard

Sign-out Log used for that card. The Coordinator must also sign the PCard Sign-out Log at the time the card is signed out and signed in. Coordinators must ensure that only Authorized Users are provided with a PCard to make purchases.

5.1.7 Receipts Required

Original receipts and other supporting documentation must be obtained for each purchase. All documentation that supports or explains the purchase should be retained and attached to the receipt. This includes, but is not limited to, order forms, material gathered while researching the item, shipping documents, packing slips, etc. The receipt or other documentation should include the name and address of the vendor, the date of the transaction, a brief itemized description and the total dollar amount. For orders placed by telephone, the itemized receipt should be faxed or mailed by the vendor after the order is confirmed. In the rare event that an itemized receipt could not be obtained, or when a receipt has been lost, a Missing Receipt Report must be completed and signed by the Cardholder or Authorized User, providing an explanation for the missing receipt. The form must also be signed by the responsible Administrator. For the disposition of transaction records, see section **5.2.2 - Disposition, Filing and Retention of Transaction Documents**.

5.1.8 Delivery Restrictions

Goods purchased with a PCard may not be delivered to the home of an employee or to a non-College location. An exception may be made when a College event is held at a non-College location and it is necessary to have goods delivered to the event location. The non-College delivery address must be included on a Purchase Request and Approval form or other authorized pre-approval form signed by the Campus President or Vice Chancellor.

5.1.9 Restrictions on Purchasing Certain Items

Certain items may not be purchased at all with a card or may be restricted for purchase using specific PCards (see Appendix B). A restricted item is an item that may not be purchased unless a specific exception exists. Restrictions do not necessarily mean that purchases are automatically blocked for purchase by the College and JPMorgan Chase. Specific items cannot be blocked from purchase. Only merchants based on their merchant category codes (MCC) can be blocked. Blocking of MCCs is employed by the College when there is clarity regarding a purchasing situation, e.g., blocking airlines from non-travel cards. However, because of inexact, blurred and overlapping MCCs, it is not usually possible to block items or even item categories based on an MCC. Some merchants sell both restricted and allowable items. Therefore, PCard users, Coordinators and others involved in the process must be aware of the restrictions and refrain from making restricted purchases. Blocking of MCCs must not be relied on as a way of guarding against purchasing restricted items.

Restrictions are based on conformance with law, the use of public funds, College policies, risk considerations or other contracted or preferred procedures. Where an allowable exception or an explanation for a restriction exists, it is noted in the restricted items list or explained in the notes following the list. Exceptions to the restrictions for a specific purchase must be requested in writing on a Purchase Request and Approval form or other authorized pre-approval form and approved by a Campus President or Vice Chancellor and submitted to the PCard Administrator, prior to the purchase. Requests will be reviewed by the PCard Administrator and submitted to the Executive Vice Chancellor for Administration for approval. Under emergency or urgent circumstances, a fax or email communication will suffice. Such exceptions, when granted, will be of a temporary nature. If the approved exception involves an emergency, a Purchase Request and Approval form or other authorized pre-approval form may be completed and signed at the most practical time following the purchase.

Departments whose purchasing responsibilities fall within a restricted category may request a release of that restriction for a specific PCard. Such requests should be submitted in writing to the PCard Administrator, signed by the Executive Administrator requesting the purchasing authority. The PCard Administrator will review the request and establish a Specialty PCard type when justified.

5.1.10 College Address for Purchases
When merchants ask for the billing address for the card, the purchaser must provide the following:

Pima Community College
4905D E Broadway Blvd
Tucson, AZ 85709-1010

5.1.11 PCard Purchases for Departments Without PCards
Departments that need to have a purchase made with a PCard, but who do not have one, may submit a Purchase Request and Approval form or other authorized pre-approval form to the Campus Buyer in their Business Office or to District Purchasing, whichever serves their purchasing needs. If a Campus Buyer is not authorized to make the purchase, the Campus Business Office will forward the form to District Purchasing. Purchases must be approved by the official having the authority delegated in the College's purchasing procedures for the dollar amount of the transaction. The approval by an Approver does not substitute for or override the delegated authority required for approval.

5.1.12 Purchases Exceeding Authorizations for Department or Individual PCards
Anticipated purchases exceeding the authorizations of an Individual or Department Card should be submitted to the Campus Buyer in the Business Office or to District Purchasing on a Purchase Request and Approval form or other authorized pre-approval

form. If a Campus Buyer is not authorized to make the purchase, the Business Office will forward the form to District Purchasing. Purchases must be approved by the official having the authority delegated in the College's purchasing procedures for the dollar amount of the transaction.

5.2 Procedures After the Purchase

5.2.1 PCard Transaction Log and Report

A PCard Transaction Log and Report (PCard Log) is provided as a log to record monthly transaction information by those responsible for maintaining PCard transaction records (see Appendix C). A new PCard Log is completed each month. See Appendix E Step Process for PCard Purchases *PCard Log Maintenance* for detailed information that must be completed by the person responsible for maintaining transaction records for a card as soon as possible following the purchase:

5.2.2 Disposition, Filing and Retention of Transaction Documents

Receipts and other supporting documentation must be enclosed in the PCard Transaction Log and Report [see **5.2.1 PCard Transaction Log and Report**] by the Individual Cardholder, or Department Card Coordinator and submitted to the Business Office at the end of the month, or receipts may be submitted directly to a PCard Reconciler [see **6.3.3 Reconciler Responsibilities - Business Office**] in the Business Office daily. All supporting documents must be retained by the Business Offices for the required time period established by State and Federal laws and regulations. Documents must be accessible on demand when requested by auditors or other authorized persons. Either of the two following methods are approved for filing and retaining PCard transaction records, including the forms used to request and approve purchases, original receipts and other supporting documentation:

5.2.2.1 PCard Transaction Log and Report Envelope

The PCard Log serves as both a log for recording transactions and as an envelope to store all original documentation. PCard transaction documentation must be enclosed in the PCard Log envelope. PCard Logs must be filed and retained by the Business Office in chronological order by card account number.

5.2.2.2 PCard Transaction Log and Separate Transaction Document Files

The PCard Log must be filed and retained by the Business Office in chronological order by card account number in a PCard Transaction Log and Report file. In addition, all original documentation must be filed and retained by the Business Office in chronological order by vendor in a separate vendor file.

5.2.3 Credits

Documentation of a credit, including a rebate, reward or refund must be recorded on the PCard Log for the month in which it was received and cross-referenced on the

PCard Log for the month of the original transaction. The documentation for the credit must be attached to the original transaction receipt documents.

5.2.4 Department Card Returned to Coordinator

After a purchase, the Authorized User of a Department Card must return the card to the Coordinator along with the original receipt, any other documentation and the Purchase Request and Approval form, if used, as soon as possible. The Authorized User and Card Coordinator must sign the card back on the PCard Sign-out Log.

5.2.5 Verification of Receiving

Individual Cardholders, PCard Coordinators are responsible to ensure that goods and services purchased using a PCard are received in good order and working condition. The receiving of items purchased must be noted on the PCard Transaction Log and Report (see Appendix C) in a timely fashion.

5.2.6 Receiving of Purchases Made by Buyers

When goods or services exceeding $2,500 have been purchased by a District Buyer, the Buyer will return a copy of the Purchase Request and Approval form, or other approved form used to place an order, to the requestor with instructions to return it to the Buyer signed and dated following receipt of the goods or services. As soon as practicable after the goods and services are received, the employee who submitted the original request must sign and date the Receiving section of the form and have it forwarded it to the Buyer who made the purchase.

6. Reconciliation Process

6.1 Purpose

Transaction reconciliation is part of the internal control process. It is used to verify that original receipts and Log entries match the postings in PaymentNet. PaymentNet postings represent the charges that will be on the College's upcoming monthly billing statement. The balance on the monthly statement must be paid by the College in a timely manner. PCard posting reconciliation is analogous to bank account reconciliation. Any discrepancies must be investigated and resolved as soon as possible. There are two levels of reconciliation, on-going reconciliation during the billing cycle by Cardholders and Card Coordinators and final reconciliation following the close of the billing cycle by Business Offices. Reconciliation must be documented using the procedures described in this section.

6.2. On-going Reconciliation During the Billing Cycle

Reconciliation is an ongoing process conducted by Cardholders and Coordinators requiring timely processing throughout the open billing period and should not be delayed until the close of the cycle at the end of the month.

6.2.1. Tracking Transactions in PaymentNet

JPMorgan Chase posts the transactions received by them from merchants to the College's PCard accounts. This website has been established especially for the College. Cardholders, Coordinators and Business Managers must perform timely reviews of transactions in PaymentNet on a regular and frequent basis to ensure that disputed and fraudulent purchases are not being posted to card accounts. When a transaction is posted in PaymentNet, employees must follow certain reconciliation steps based on their responsibilities.

6.2.2. Review of Postings by Cardholders and Coordinators

When a transaction is posted in PaymentNet, Cardholders and Coordinators must compare the posting with their receipts and Log entries. If the posting is as expected and not in dispute, a check mark must be placed in the "Reviewed" check box for the transaction.

6.2.3. FOAP Changes

FOAP change requests must be recorded by the Cardholder or Coordinator in PaymentNet when they are posted.

6.2.4. Role of Business Managers

6.2.4.1. Compliance Monitoring

Business Managers must monitor PaymentNet for timely compliance on their Campus and resolve any on-going reconciliation delays and other problems discovered or reported to them. They should provide assistance to employees involved in the reconciliation process.

6.2.4.2. Arizona Use Tax

Business Managers must review each transaction and determine if Use Tax is applicable. If a transaction is subject to Use Tax, the Business Manager must select "Use Tax" in the drop-down menu for the transaction in PaymentNet. When transaction charges are changed from the default FOAP, the Use Tax must be distributed to the new FOAPs.

6.2.4.3. FOAP Changes

It is the responsibility of Business Managers to ensure that the FOAPs assigned to transactions are correct. Business Managers must make notations of FOAPs in PaymentNet to ensure correct accounting.

6.3. Final Reconciliation

6.3.1. Monthly Statement Reconciliation

When the billing cycle closes, staff in the District Finance Department access the transactions in PaymentNet for that period and transfer them to Banner. As part of the internal control process, staff in the Finance Department reconciles the transferred transactions in Banner with the transactions on the JPMorgan Chase billing statement. Discrepancies must be resolved.

6.3.2. Cardholders and Coordinators Responsibilities

At the end of the billing cycle, Individual Cardholders, Department Coordinators and Approver must complete and sign the PCard Transaction Log and Report (see Appendix C) verifying that transactions have been reviewed and approved. The report must be submitted along with a copy from PaymentNet of the posted transactions for that billing cycle and their completed PCard Logs with original receipts and other documentation to their Business Manager. If receipts and supporting documentation exist for transactions not yet posted in PaymentNet, they should be removed and held for submission at the end of the billing cycle in which they are posted. Any discrepancies must be reported on the Monthly Exception Report (see Appendix C) and included in the PCard Log.

6.3.2.1. Pending Purchases Not Posted

For items ordered in a month and recorded on the PCard Transaction Log and Report (see Appendix C) that do not post on the JPMorgan Chase statement (in PaymentNet) during that month, the PCard Log entry for that purchase should be crossed out with a single line on the Log so as not to obliterate the entry, with a notation indicating it did not post, e.g., "Not posted – Held". Do not use white out or obscure the original transaction entry. The receipts for those purchases should be retained and included on the PCard Transaction Log and Report (see Appendix C) by the Cardholder or Coordinator when they are posted in PaymentNet unless Campus procedures require submitting receipts daily. If receipts are submitted daily to the Business Office, it is the responsibility of the Business Office to make the correct entries for the transaction onto the PCard Transaction Log and Report (see Appendix C) submitted by the Individual Cardholder or Coordinator.

6.3.3. Reconciler Responsibilities - Business Office

6.3.3.1. Reconcilers

Campus Business Managers are appointed as primary PCard transaction Reconcilers. Other Business Office employees may be designated as Reconcilers to assist Business Managers in conducting reconciliation processes with the approval of the Executive Administrator. Employees assisting in the reconciliation process who are not also Individual Cardholders or Department Card Coordinators must request PaymentNet access by completing a PaymentNet Access Request form.

6.3.3.2. Reconciler Responsibilities

Reconcilers are responsible for conducting the final reconciliation process and completing and signing the Monthly Exception Report section of the PCard Transaction Log and Report (see Appendix C) for each card account. The District Office Business Manager will reconcile the transactions for all District Office cards, including the District Purchasing unit’s cards. Business Managers must reconcile all PaymentNet postings with receipts and PCard Log entries received from Cardholders and Coordinators. Reports from PaymentNet of all posted Campus transactions must be reconciled against receipts and Log transactions entries and maintained as part of the reconciliation process for each billing cycle.

6.3.3.3. FOAP Changes

Business Managers or their designees must make the necessary FOAP changes in Banner after transactions are transferred from JPMorgan Chase following the close of a billing period.

6.3.3.4. Reconciling PaymentNet Postings

Once a transaction has been reconciled, the Business Manager, or designee, must check the “Reconciled” check box in PaymentNet. Postings in PaymentNet that are not supported by receipts and PCard Log entries must be promptly investigated and resolved. If such discrepancies cannot be resolved within two months, they must be reported on a Final Reconciliation Exception Report and forwarded to the PCard Administrator. Exceptions and irregularities in the record keeping on the Log must be noted, including any explanatory documentation, and enclosed in the PCard Log for future reference. Remedial action must be taken for any exceptions or irregularities in record keeping. Records of remedial actions must be kept by the Business Office. Persistent or repeated exceptions or irregularities in record keeping must be reported to the PCard Administrator that are not resolved after two attempts at remediation.

6.3.3.5. Approvals for PaymentNet Postings

Reconcilers will also check the "Approved" checkbox in PaymentNet for all transactions including those that have blanket authority and those that require pre-approval. If approval was not obtained for a transaction requiring pre-approval or the card was used by an individual who was not assigned as an Authorized User, remedial action must be taken for any unapproved transactions. Records of remedial actions must be kept by the Business Office. Business Offices must report persistent or repeated unapproved transactions to the PCard Administrator that are not resolved.

6.3.3.6. Receiving of Goods and Services

Reconcilers must verify that the "Received" checkboxes have been checked for all transactions. Where the Cardholder or Coordinator responsible for a card has not checked the "Received" checkbox, Reconcilers must contact the responsible Cardholder or Coordinator to verify the receiving of the goods or services. When goods or services are not received in the same posting period as the transaction, the PaymentNet record and the must be updated when the goods and services are received. If receiving was not recorded in PaymentNet or on the PCard Transaction Log and Report (see Appendix C), remedial action must be taken to ensure the timely and correct recording or receiving in the future. Records remedial actions must be kept by the Business Office. Business Offices must report persistent or repeated failure to record receiving as required to the PCard Administrator after two attempts at remediation.

6.3.3.7. Pre-Audit Quality Control Check

At least once every three years, the records of each cardholder will be reviewed to verify that transactions and record keeping are in accordance with College policies and procedures. The Quality Control Checklist (see Appendix C) will be prepared during the fiscal year to allow the campus or unit sufficient time to address deficient findings before the annual financial audit for the PCard Program.