
SUBJECT: Purchasing Card Policy

1.0 PURPOSE

- 1.1. The Purchasing Card system has been established to provide a convenient means with which to make purchases, contain the costs associated with the procurement of these purchases, and return funds to the College through card rebates.

2.0 DEFINITIONS

- 2.1. Purchasing Card (P-Card): A charge/credit card issued to an employee of Snow College for the purpose of making authorized purchases on the College's behalf. The College will issue payment for authorized charges made with the P-Card.
- 2.2. Cardholder: An employee of Snow College responsible for expending College funds, whose name appears on the P-Card and who is accountable for all charges made with the card.
- 2.3. Budget Holder: The person responsible for overseeing the funds in a given College account.
- 2.4. Administrative Reviewer/Supervisor: Budget Holder for the budget associated with the P-Card. If the Cardholder is also the Budget Holder, then the Administrative Reviewer shall be the immediate supervisor of the Cardholder. If the Cardholder's Administrative Reviewer is not available to review and sign, the Administrative Reviewer then becomes the Cardholder's supervisor from the next higher level of management.
- 2.5. Delegated Administrative Reviewer: Budget Holders may delegate their signing authority in writing to the supervisor of a Cardholder. Budget Holders remain responsible for the transactions authorized by the delegated Administrative Reviewer. Notice of delegation must be sent to the supervisor of the Budget Holder and the P-Card Auditing Office.
- 2.6. Compliance Officer: The employee responsible for reviewing up to 100% of P-Card transactions to verify that they are appropriate and supported by adequate documentation. The P-Card Auditing Office is authorized to objectively question any and all Cardholder purchases.
- 2.7. Internal/External Audits: Internal and external auditors, such as auditors from the College, State Legislature or Board of Regents, may perform selected audits of P-Card transactions as well as audit the controls within the P-Card process.
- 2.8. Program Administrator(s): The Office of Procurement Services' employee(s) responsible for administering the P-Card program for the College and to act as the main contact between the College and the P-Card provider.

- 2.9. Single Transaction Limit: A dollar limitation of purchasing authority assigned to the Cardholder for each total charge made with the P-Card.
- 2.10. Billing Cycle Transaction Limit: A dollar limitation of purchasing authority assigned to the Cardholder for the total of all charges made during each monthly billing cycle.
- 2.11. Split Transaction: Splitting orders to remain under the Cardholder single transaction limit or to avoid the required bidding procedures.
- 2.12. Statement of Account: A listing of all transactions charged to the Cardholder's account through the end of the monthly billing cycle. The Card Issuer has the electronic statements available for download, directly to the Cardholder, on a monthly basis.
- 2.13. Default Accounting Code: The College budget/index code assigned to an individual Cardholder's P-Card. Only one Default Accounting Code can be assigned to a given Purchasing Card and all charges made with the P-Card will be posted to that Default Accounting Code unless alternative adjustments are made.
- 2.14. Allocation: Cardholders are responsible to ensure charges are allocated to the appropriate budget and classified based on transaction type.
- 2.15. Receipt: A merchant produced or non-College document that records the relevant details for each item purchased. The record retention for all Purchasing Card transactions is five years from the statement date.
- 2.16. Card Issuer: The financial institution with which the College has contracted to facilitate the Purchasing Cards used by the College.
- 2.17. Rebate: An incentive provided by the Card Issuer whereby funds are returned to the College based on the College's P-card spending in a designated period.
- 2.18. Merchant Commodity Code: A vendor-reported four-digit number, also known as an MCC, used to classify a business by the types of goods or services it provides.
- 2.19. Blanket, Open, or Standing Order: A process whereby a cardholder authorizes a vendor to maintain a P-Card number on file which will be used for paying for variable purchases without separate authorization for each purchase.
- 2.20. Recurring Order: A process whereby a cardholder authorizes recurring charges for identical purchases such as non-variable monthly software fees or journal subscriptions.

3.0 POLICY

- 3.1. Issuance: All cards are issued in accordance with this policy.
- 3.2. Card Ownership and Usage: All proposed Cardholders must attend the required training before card issuance and refresher training when required. The Cardholder is the individual responsible for expending College controlled funds. The Cardholder must sign all P-Card transaction logs. Cards are non-transferable from one individual to another. As per policy of the P-Card Provider, Cardholders only have a 60-day window from the post date of a fraudulent charge to report the fraudulent charge. If a fraudulent charge is not reported within the 60-day window, the charge will be deemed a personal purchase by the Cardholder and the Cardholder will be responsible to reimburse the College. The Cardholder is responsible for all purchases made on the P-Card.
- 3.3. Purchase Authorization: The Cardholder is responsible for obtaining authorization on all P-Card purchases, and the Budget Holder is responsible for issuing authorization to Cardholders.
- 3.4. The Cardholder is responsible for all charges against the card along with all itemized invoices/receipts and other supporting documentation. Once submitted to the P-Card Auditing Office for review as outlined within the current P-Card Procedures Manual, the documentation will be maintained electronically by the P-Card Auditing Office for a minimum of ten years.
- 3.5. Administrative Reviewers are responsible for ensuring that itemized receipts in the correct amounts are included to support each transaction and that all transactions are purchases in support of Department business purposes. Administrative Reviewers are co-responsible for transaction logs for which they sign off.
- 3.6. The single transaction limit amount assigned by the Administrative Reviewer of the Cardholder and shall be less than \$5,000 per purchase. If desired, Administrative Reviewers may establish lower limits for a given Cardholder. An exception to the \$5000 per-transaction limit can be given, in writing, to the Program Administrator by the Vice President of Finance and Administrative Services or the President of the College. Any purchases over \$5000 must be made in compliance with State and College Purchasing Code/Policies and Rules/Procedures.
- 3.7. The Billing Cycle Transaction Limit amount will be set by each department or administrative area in conjunction with the Program Administrator, but cannot exceed \$5,000 per billing period. An exception to the \$5000 billing cycle transaction limit can be given, in writing, to the Program Administrator

by the Vice President of Finance and Administrative Services or the President of the College.

- 3.8. The Cardholder will initiate budget corrections to reallocate original posting of purchases on the P-Card to multiple budgets or accounts via the Card Issuer's allocation system, the College's internal budget transfer process, or the College's expense/funds transfer process.
- 3.9. Internal Review: Card usage will be reviewed by the P-Card Auditing Office. Any intentional or negligent misuse of the card shall result in card cancellation, disciplinary action, termination of employment, and/or legal action by the College. P-Card reconciliation packets are reviewed monthly by the P-Card Auditing Office and may be reviewed by other offices as needed.
- 3.10. Restrictions and Authorized Card Use: All restrictions will be set up and administered through the P-Card Program Administrator(s). Purchasing limits will be established at the time of application and can be modified, if necessary, at a later date. Using the P-Card to obtain items for personal use or for non-College purposes is not allowed, even if the Cardholder intends to reimburse the College. Cardholders are authorized to use the P-Card to purchase merchandise or allowed services, as required, as a function of their duties at the College, from any supplier with the exception of the following unless authorized by the Vice President of Finance and Administrative Services, President of the College, or other authorized person as listed below:
 - 3.10.1. Unapproved printing or imprinting (Printing approval should be obtained from the Marketing Department prior to placing any order which would include official Snow College logos.)
 - 3.10.2. Alcoholic beverages
 - 3.10.3. Fines, late fees, penalties, (including parking tickets)
 - 3.10.4. Gifts, gift cards, gift certificates, flowers, or cards - except as allowed in the College's gift policy
 - 3.10.5. Entertainment
 - 3.10.6. Drones and drone-related accessories (Drone purchases may also be authorized by the Provost or Vice President of Technical Education)
 - 3.10.7. Computers, unless purchased by the College IT Department
 - 3.10.8. Cell phones, phone accessories, or cell phone plans
 - 3.10.9. Student events, tuition, scholarships, or stipends
 - 3.10.10. To set up blanket, open, or standing orders
 - 3.10.11. Any non-authorized Merchant Commodity Code purchases
 - 3.10.12. Personal purchases (All purchases must be business related)
 - 3.10.13. Cash advances or cash awards, including honorariums

- 3.10.14. Specials services; independent contractors, performers, consultants, and speakers; including personal services, doctor visits, hospital and attorney fees
- 3.10.15. Fuels, i.e., gasoline and diesel fuel for operating state licensed (College motor pool) vehicles. Cardholders may purchase fuel for outside vehicle rentals (Hertz, Enterprise, etc.) when rental and fuel are charged on the same P-card
- 3.10.16. Employee-only meals for per-diem (Per-diem meals for student groups where employees are also present are allowable) Meal purchases may also be authorized by the appropriate Cabinet-level supervisor
- 3.11. Sales Tax Exemption: Snow College's Sales Tax Exemption number is 11972586-002- STC and is imprinted on each P-Card. It is the responsibility of the Cardholder to seek a sales tax exemption when making a purchase in all possible situations. Utah Hotel Tax is no longer exempt at the point of sale and will be required to be paid at the time of purchase.
- 3.12. Split Transactions: Splitting Transactions is not allowed. No exceptions will be made. Criminal penalties may apply as per State Procurement Code, Utah Code Annotated, 63G-6a et seq.
- 3.13. Corporate Liability: The Purchasing Card Provider Program carries corporate, not individual liability.